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DEPARTMENT OF HOMELAND SECURITY APPROPRIATIONS FOR 2009

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

ONE HUNDRED TENTH CONGRESS

SECOND SESSION

SUBCOMMITTEE ON HOMELAND SECURITY

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NOTE: Under Committee Rules, Mr. Obey, as Chairman of the Full Committee, and Mr. Lewis, as Ranking Minority Member of the Full Committee, are authorized to sit as Members of all Subcommittees.

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PART 2

DEPARTMENT OF HOMELAND SECURITY

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Printed for the use of the Committee on Appropriations

PART 2—DEPARTMENT OF HOMELAND SECURITY APPROPRIATIONS FOR 2009

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DEPARTMENT OF HOMELAND SECURITY APPROPRIATIONS FOR 2009

WEDNESDAY, FEBRUARY 13, 2008.

MANAGEMENT CHALLENGES—INSPECTOR GENERAL AND GAO

WITNESSES

DAVID M. WALKER, COMPTROLLER GENERAL OF THE UNITED STATES

RICHARD L. SKINNER, INSPECTOR GENERAL, U.S. DEPARTMENT OF HOMELAND SECURITY

OPENING STATEMENT OF CHAIRMAN PRICE

Mr. PRICE. The subcommittee will come to order. Good morning, everyone. I would like to welcome you to our first hearing of calendar year 2008 as we look toward the fiscal year 2009 budget.

Over the coming months we plan to have 16 hearings focusing on every aspect of the Department of Homeland Security, culminating with an appearance by Secretary Chertoff in April.

The Department of Homeland Security will be five years old in three weeks. Even though we all knew that this reorganization forming the Department would be the most ambitious governmental reorganization of our lifetimes, I am not sure anyone fully anticipated the difficulties the Department has faced, especially the numerous changes in Departmental leadership.

We have had two Secretaries, three Deputy Secretaries, numerous changes in agency heads and on and on. This Department needed stability and leadership, and it has not had the kind of stability that would have ensured superior performance.

Too often we hear about a breakdown in the Department that appears to stem from flawed judgment. We have heard about a staged FEMA press conference and an ICE Halloween party that was at best distasteful. We also heard about TSA leaders informing screeners about when they were going to be tested, messing up in essence the premise of the test.

I could go on, but I do not really need to. There has been some questionable judgment on the part of leadership in the Department, and that has affected performance, it has affected morale, and it needs to be corrected. Employee morale at DHS is the lowest in the federal government.

The Department has poor procurement practices and poor financial management, as many of the Inspector General and GAO reports issued in the past year have demonstrated. We know the Department has weak computer security controls.

We know from reports that today's witnesses have issued that there are numerous security problems on our northern border. Again, the list is long, and the witnesses this morning have contributed greatly to our understanding of the challenges that the Department faces.

Last year GAO issued its high risk list, which included the Homeland Security Department. Just last month the Inspector General issued a report on what he sees as major management challenges facing the Department. These include catastrophic disaster response, acquisition, grants and financial management, infrastructure protection, border security, transportation security, information technology management and trade operations.

Now, our subcommittee is not seeking daily headlines. We want to acknowledge and encourage areas of progress where they have occurred, and we will have some of that this morning as well from our witnesses.

We also want to point out and correct, or at least get on the path to correction, deficiencies. We want to see problems fixed, and we want to see the Department operating in the best manner to secure our homeland. We are getting somewhat impatient. I hope our two witnesses today can help us direct our impatience into constructive efforts to change things for the better.

I have asked our two witnesses to offer what they view as the top eight management and performance improvements that the Department can make between now and September or within seven months, the kind of short-term improvements we might look for that would give an indication of broader improvements to come. I hope you will talk about those in your opening statements, and of course we will explore them in the questions.

Comptroller General David Walker and DHS Inspector General Richard Skinner are in the business of uncovering federal agency problems and recommending solutions, so it is fitting that we begin this year's hearing season with them.

Before I ask them to briefly summarize their written statements I want to ask our distinguished Ranking Member, Hal Rogers, for any statement he would like to make.

OPENING STATEMENT OF RANKING MEMBER ROGERS

Mr. ROGERS. Thank you, Mr. Chairman. We want to welcome our guests from the Department and the GAO.

Since its creation almost five years ago, DHS has labored through the largest reorganization of the federal government in more than a half century. This task, creating the third largest Cabinet agency with the mission of protecting our country and responding to threats and catastrophes, while also facilitating legitimate immigration travel and trade, has certainly presented challenges to both the Administration and to the Congress.

So as I look down the list of major management challenges facing the Department of Homeland Security identified by the Inspector General just over a month ago, a list that includes acquisition management, branch management, financial management, border security, transportation security and so on, I have to remind myself that the Department is in fact only five years old.

But I am the last person to make excuses for DHS. After all, I have repeatedly stressed that failure is not an option when we are talking about homeland security. The Department's weaknesses and missteps are well documented, and I for one am not tolerant of mismanagement, waste, fraud, or abuse.

Since this committee was formed, we have stressed results, and that mantra has continued under Chairman Price's leadership. Challenges are to be expected. No one ever claimed that securing the homeland would be easy, and indeed when 22 agencies were cobbled together five years ago and when this subcommittee was established challenges were all that existed.

But now programs like TWIC and Secure Flight, programs that were honestly going nowhere just a few years ago, are finally gaining some traction. Over 67 TWIC enrollment centers are now open, and Secure Flight is finally on track to assume all watchlist matching from air carriers in early fiscal year 2010.

And there are other notable signs of progress at DHS such as ending the practice of catch and release on the border, integrating the IDENT and IAFIS databases and establishing a 10 print ID standard at our ports of entry.

So I believe we have met our challenges head on. Through aggressive oversight, constant vigilance, a steady flow of robust funding from this subcommittee and the Congress, we have given DHS both the impetus and resources to continually improve its progress towards securing the homeland.

While DHS has not always performed as well as expected, I am proud to see that through the storm of challenges we are seeing some measures of success, so it is for this reason, among many others, that I firmly believe we are unquestionably safer today than we were before 9–11.

Now as we transition into the final year of this Administration a new set of challenges await: Following through on the promise to rebuild FEMA's operational capability so that it is capable of responding to the most devastating of disasters, implementing the Secure Border Initiative by combining the necessary personnel and infrastructure with the most advanced technology to control our borders and stem the flow of illegal immigration, overcoming the hurdles of major acquisitions over the Department and ensuring the Department's continuity during the Administration's turnover.

The challenges confronting this subcommittee are continuing as we debate how much is the right amount to spend on homeland security. I have always said that we should spend as much as needed on security, but not a penny more.

These challenges are not easy, but nothing worthwhile ever is. Our witnesses have the duty to objectively analyze and report on the Department's ability to overcome its challenges and perform its vital mission. I look forward to hearing their views and conversations.

Thank you, Mr. Chairman.

Mr. PRICE. Thank you.

Mr. Walker, we will begin with you. We will ask each of you to provide us a five minute summary of your testimony. We have had advance copies of the written testimony, and then that will leave plenty of time for our discussion.

Mr. Walker.

STATEMENT OF DAVID M. WALKER, COMPTROLLER GENERAL OF THE UNITED STATES, U.S. GOVERNMENT ACCOUNTABILITY OFFICE

Mr. WALKER. Thank you, Mr. Chairman, and Ranking Member Rogers. It is good to be back before this subcommittee to discuss the Department of Homeland Security's efforts to implement its management and mission functions.

As all of you know, in 2003 the GAO designated the implementation and transformation of the Department of Homeland Security as high risk because it represented an enormous undertaking that would require time to achieve in an effective and efficient manner.

To put things in context, Mr. Rogers, the Defense Department was created in 1947, and it has more high risk areas than any other department in government, and I am confident DHS can do better and faster than DOD has done in that regard.

Given our nation's current fiscal condition, it is critically important that federal departments, including DHS, operate as efficiently as possible in carrying out their missions. Next year we are expected to have a $410 billion and we spend all the social security surplus, which is about another $175 billion.

In August 2007, we reported on the progress that DHS has made since its inception in implementing its management and mission functions. We also identified a number of specific actions that they needed to take. Let me provide the highlights, if I can.

I do think it is important to note where progress has been made rather than just focus on what remains to be done. DHS has made progress in implementing its management and mission functions.

For example, in the management areas DHS has made progress in implementing a strategic sourcing program, in preparing corrective action plans for its internal control weaknesses and issuing plans for its human capital system, in establishing and institutionalizing information technology management controls and in developing an asset management plan for its real property.

On the mission side, DHS has made progress in refining the screening of foreign visitors to the United States and providing training for border personnel, strengthening passenger, baggage and air cargo screening at airports, establishing security standards and conducting assessments and inspections of surface transportation modes, developing programs for collecting information on incoming ships; enhancing emergency preparedness and response capabilities such as issuing a new national response framework just last month, and identifying and assessing critical infrastructure threats and vulnerabilities and, last but not least; improving its coordination with federal, state, local and private sector entities on homeland security technologies.

While progress has been made, challenges remain. Some of the key challenges are as follows: Providing appropriate oversight of contractors, improving financial management controls and correcting internal control weaknesses, implementing a performance-based human capital management system, refining and implementing controls for information technology management;

Improving the regulation of commercial trade while ensuring protection against the entry of illegal goods and dangerous visitors at

U.S. ports of entry, improving enforcement of immigration laws, fully integrating risk-based decision making in the transportation security programs and further improving coordination with states and first responders as they train and practice under the national response framework.

There are a number of cross-cutting issues affecting the Department of Homeland Security that I would touch on briefly that I think this subcommittee would be interested in. Moving forward, it will be particularly important for DHS to develop comprehensive plans for managing the upcoming Presidential transition, to ensure continuity in operations and to minimize vulnerabilities as required by existing legislation.

I might note I was personally briefed on what DHS has done with regard to their human capital transformation framework, and I was very impressed with it. I know that the Department is taking this transition plan seriously. They have a statutory requirement to complete it by December of this year, but I know they are making progress. It is not just a matter of having a plan. It is a matter of having effective implementation of that plan.

Although the Secretary of Homeland Security has identified risk-based decision making as a cornerstone of Departmental policy, we have reported that DHS needs to strengthen its efforts to actually apply risk-based principles in support of its investment decisions.

I might note, Mr. Chairman, that the Congress does too. The Congress needs to provide reasonable flexibility for the Department to be able to allocate its resources based on threat and risk.

We designated information sharing for Homeland Security as high risk in part because the nation lacked an implemented set of governmentwide policies and processes for sharing terrorism related information. It has now been issued, but there is more that needs to be done to effectively implement it.

DHS has faced some challenges in developing effective partnerships with federal, state, local, private and not-for-profit sector entities, as well as international stakeholders, and there needs to be additional clarification of various roles and responsibilities for these players.

Last, but certainly not least, accountability and transparency are critical to the Department effectively integrating its management functions and implementing its mission responsibilities.

We have in the past encountered delays at DHS in obtaining access to needed information. Over the past year we have discussed ways to try to resolve these access issues with DHS, and our access has improved in recent months. However, we continue to believe that DHS needs to make systemic and systematic changes to its policies and procedures for providing GAO with access to information and to individuals in a more timely manner.

As you know, Mr. Chairman, legislation enacted in December of 2007 reinforces this position by restricting a portion of funds appropriated to DHS's Office of the Secretary and Executive Management until DHS certifies and reports that it has revised its Departmental guidance for working with GAO and the DHS Inspector General.

We are currently working with DHS in this regard, and we look forward to collaborating with the Department on the proposed revisions.

Thank you very much, Mr. Chairman. I would be happy to answer your questions after Mr. Skinner has a chance to testify.

[The information follows:]

United States Government Accountability Office

GAO

Testimony
Before the Subcommittee on Homeland Security, Committee on Appropriations, House of Representatives

For Release on Delivery
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DEPARTMENT OF HOMELAND SECURITY

Progress Made in Implementation of Management and Mission Functions, but More Work Remains

Statement of David M. Walker
Comptroller General of the United States

GAO-08-457T

February 13, 2008

GAO
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Highlights

Highlights of GAO-08-457T, a testimony before the Subcommittee on Homeland Security, Committee on Appropriations, House of Representatives

DEPARTMENT OF HOMELAND SECURITY

Progress Made in Implementation of Management and Mission Functions, but More Work Remains

Why GAO Did This Study

The Department of Homeland Security (DHS) began operations in March 2003 with missions that include preventing terrorist attacks from occurring within the United States, reducing U.S. vulnerability to terrorism, minimizing damages from attacks that occur, and helping the nation recover from any attacks. GAO has reported that the implementation and transformation of DHS is an enormous management challenge and that the size, complexity, and importance of the effort make the challenge especially daunting and critical to the nation's security. GAO's prior work on mergers and acquisitions found that successful transformations of large organizations, even those faced with less strenuous reorganizations than DHS, can take at least 5 to 7 years to achieve. This testimony is based on GAO's August 2007 report evaluating DHS's progress between March 2003 and July 2007, selected reports issued since July 2007, and our institutional knowledge of homeland security issues.

What GAO Recommends

While this testimony contains no new recommendations, GAO has made approximately 900 recommendations to DHS over the past 5 years to strengthen departmental operations. DHS has implemented some of these recommendations and is in the process of implementing others.

What GAO Found

Since its establishment, DHS has made progress in implementing its management and mission functions in the areas of acquisition, financial, human capital, information technology, and real property management; border security; immigration enforcement and services; aviation, surface transportation, and maritime security; emergency preparedness and response; critical infrastructure protection; and science and technology. In general, DHS has made more progress in its mission areas than in its management areas, reflecting an initial focus on protecting the homeland. While DHS has made progress in implementing its functions in each management and mission area, we identified challenges remaining in each of these areas. These challenges include providing appropriate oversight for contractors; improving financial management and controls; implementing a performance-based human capital management system; implementing information technology management controls; balancing trade facilitation and border security; improving enforcement of immigration laws, enhancing transportation security; and effectively coordinating the mitigation and response to all hazards.

Key issues that have affected DHS's implementation efforts are agency transformation, strategic planning and results management, risk management, information sharing, partnerships and coordination, and accountability and transparency. For example, GAO designated DHS's implementation and transformation as high-risk. While DHS has made progress in transforming its component agencies into a fully functioning department, it has not yet addressed key elements of the transformation process, such as developing a comprehensive transformation strategy. The Homeland Security Act of 2002, as amended, requires DHS to develop a transition and succession plan to guide the transition of management functions to a new Administration; DHS is working to develop and implement its approach for managing the transition. DHS has begun to develop performance goals and measures in some areas in an effort to strengthen its ability to measure its progress in key areas. We commend DHS's efforts and have agreed to work with the department to provide input to help strengthen established measures. DHS also has not yet fully adopted and applied a risk management approach in implementing its mission functions. Although some DHS components have taken steps to do so, this approach has not yet been implemented departmentwide.

DHS's 5-year anniversary provides an opportunity for the department to review how it has matured as an organization. As part of our broad range of work reviewing DHS's management and mission programs, GAO will continue to assess DHS's progress in addressing high-risk issues. In particular, GAO will continue to assess the progress made by the department in its transformation and information sharing efforts.

To view the full product, including the scope and methodology, click on GAO-08-457T. For more information, contact Norm Rabkin at (202) 512-8777 or rabkinn@gao.gov.

Mr. Chairman and Members of the Subcommittee:

I appreciate the opportunity to appear today to discuss the Department of Homeland Security's (DHS) efforts to implement its management and mission functions. DHS began operations in March 2003 with missions that include preventing terrorist attacks from occurring within the United States, reducing U.S. vulnerability to terrorism, minimizing damages from attacks that occur, and helping the nation recover from any attacks. The department has initiated and continued the implementation of various policies and programs to address these missions as well as its nonhomeland security functions.[1] DHS has also taken a number of actions designed to integrate its management functions and to transform its component agencies into an effective cabinet-level department. Prior to the creation of DHS, we testified on whether the reorganization of government agencies might better address the nation's homeland security needs.[2] At that time, we identified that the nation had a unique opportunity to create an effective and performance-based organization to strengthen the nation's ability to protect its borders and citizens. We noted that the magnitude of the challenges that the new department would face would require substantial time and effort to overcome and that the implementation of the new department would be extremely complex.

In 2003 we designated the implementation and transformation of DHS as high-risk because it represented an enormous undertaking that would require time to achieve in an effective and efficient manner.[3] We further identified that the components that became part of the department already faced a wide array of existing challenges, and any failure to effectively carry out its mission would expose the nation to potentially serious consequences. In designating the implementation and transformation of DHS as high-risk, we noted that building an effective department would require consistent and sustained leadership from top management to ensure the needed transformation of disparate agencies, programs, and missions into an integrated organization. Our prior work on mergers and acquisitions, undertaken before the creation of DHS, found that successful transformations of large organizations, even those faced with less

[1]Examples of nonhomeland security functions include Coast Guard search and rescue and naturalization services.

[2]GAO, *Homeland Security: Critical Design and Implementation Issues*, GAO-02-957T (Washington, D.C.: July 17, 2002).

[3]GAO, *High-Risk Series: An Update*, GAO-03-119 (Washington, D.C.: January 2003).

strenuous reorganizations than DHS, can take at least 5 to 7 years to achieve.

Given our nation's current fiscal condition, it is critically important for federal departments—including DHS—to operate as efficiently as possible in carrying out their missions. I have spoken extensively about the fiscal crisis our nation faces with the coming retirement of the baby boom generation and the related growth in entitlement spending. The current financial condition in the United States is worse than is widely understood and is not sustainable. Meeting the long-term fiscal challenge will require (1) significant entitlement reform; (2) reprioritizing, restructuring, and constraining other spending programs; and (3) additional revenues—such as through a reformed tax system. These efforts will require bipartisan cooperation and compromise.

In August 2007, we reported on the progress DHS had made since its inception in implementing its management and mission functions.[4] We identified specific actions that DHS was to achieve based on legislation, homeland security presidential directives, DHS strategic planning documents, and other sources, and reported on the progress the department made in implementing these actions.

My testimony addresses the progress made by DHS in implementing its management and mission functions in the areas of acquisition, financial, human capital, information technology, and real property management; border security; immigration enforcement; immigration services; aviation, surface transportation, and maritime security; emergency preparedness and response; critical infrastructure and key resources protection; and science and technology. My testimony also addresses key issues that have affected the department's implementation efforts. These key issues include agency transformation, strategic planning and results management, risk management, information sharing, partnerships and coordination, and accountability and transparency. My statement is based on the results of our August 2007 report evaluating the extent to which DHS has achieved congressional and Administration expectations set out for DHS in its management and mission areas; selected products we issued on DHS since July 2007; and our institutional knowledge of homeland security and various government organizational and management issues.

[4]GAO, *Department of Homeland Security: Progress Report on Implementation of Mission and Management Functions*, GAO-07-454 (Washington, D.C.: August 17, 2007).

For our August 2007 report on DHS progress, we conducted our work from September 2006 to July 2007. We updated this work with selected reports in February 2008. We conducted our work in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Summary

DHS has made progress in implementing its management and mission functions. For example, in its management areas DHS has made progress in:

- implementing a strategic sourcing program to increase the effectiveness of its buying power;
- taking steps to prepare corrective action plans for its internal control weaknesses;
- issuing plans for its human capital system;
- taking actions to establish and institutionalize information technology management controls; and
- developing an asset management plan for its real property.

In its mission areas, DHS has made progress in:

- refining the screening of foreign visitors to the United States and providing training for border personnel;
- conducting immigration enforcement actions at worksites and reducing its backlog of immigration benefit applications;
- strengthening passenger, baggage, and air cargo screening at airports;
- establishing security standards and conducting assessments and inspections of surface transportation modes;
- developing programs for collecting information on incoming ships and working with the private sector to improve and validate supply chain security;
- enhancing emergency preparedness and response capabilities, such as issuing a revised National Response Framework;
- identifying and assessing critical infrastructure threats and vulnerabilities; and

- coordinating with federal, state, local, and private sector entities on homeland security technologies.

However, we identified challenges remaining in each of these areas. These challenges include:

- providing appropriate oversight for contractors;
- improving financial management controls and correcting internal control weaknesses;
- implementing a performance-based human capital management system;
- refining and implementing controls for information technology management;
- improving the regulation of commercial trade while ensuring protection against the entry of illegal goods and dangerous visitors at U.S. ports of entry;
- improving enforcement of immigration laws, including worksite immigration laws, and the provision of immigration services;
- fully integrating risk-based decision-making into some transportation security programs; and
- coordinating with states and first responders as they train and practice under a revised National Response Framework.

A variety of cross-cutting issues have affected DHS's efforts to implement its management and mission functions. These key issues are agency transformation, strategic planning and results management, risk management, information sharing, partnerships and coordination, and accountability and transparency.

- We initially designated the implementation and transformation of DHS as a high-risk area because it represented an enormous undertaking that would require time to achieve and the components that were merged into DHS already faced a wide array of existing challenges. We continued this designation in 2005 and 2007 in part because DHS's management systems and functions were not yet fully integrated and wholly operational.[5] We have recommended, among other things, that agencies on the high-risk list produce a corrective action plan that defines the root causes of identified problems, identifies effective solutions to those problems, and provides for substantially completing

[5] GAO, *High-RiskSeries: An Update*, GAO-05-207 (Washington, D.C.: January 2005) and GAO, *High-Risk Series: An Update*, GAO-07-310 (Washington, D.C.: January 2007).

corrective measures in the near term. As of February 2008, DHS had not yet completed such a corrective action plan. Moving forward, it will also be important for DHS to develop comprehensive plans for managing the upcoming transition between administrations to ensure continuity in operations and minimize vulnerabilities, as required by legislation.

- DHS has not always implemented effective strategic planning efforts and has not yet fully developed performance measures or put in place structures to help ensure that the agency is managing for results. For example, we have reported that some DHS component agencies have encountered challenges in developing outcome-based goals and measures to assess the performance of its programs. Since issuance of our August 2007 report, DHS has begun to develop performance goals and measures for some areas in an effort to strengthen its ability to measures its progress in key management and mission areas. We commend DHS's efforts to measure its progress in these areas and have agreed to work with the department to provide input to help strengthen established measures.

- Although the Secretary of Homeland Security has identified risk-based decision making as a cornerstone of departmental policy, we have reported that DHS can strengthen its efforts in applying risk-based principles in support of its investment decisions. Some DHS component agencies, such as the Coast Guard, have taken steps to apply risk-based decision making in implementing some of its mission functions. However, other components have not utilized such an approach or could strengthen risk management efforts. To help support the application of risk-based principles in homeland security investment decisions, I convened an expert forum on risk management in October 2007 to discuss effective risk management practices, challenges in implementing risk management in homeland security, and solutions to address existing challenges. We expect to share the results of this forum over the next few months.

- We designated information sharing for homeland security as high-risk in part because the nation lacked an implemented set of governmentwide policies and processes for sharing terrorism-related information. The federal government has issued a strategy for how it will put in place the overall framework and policies for sharing information with critical partners and an implementation plan for the "information sharing environment" required by the Intelligence Reform and Terrorism Prevention Act of 2004, as amended. However, this environment remains in the planning stage, and we have noted that

completing the environment is a complex task that will take multiple years and long-term administration and congressional support and oversight and will pose cultural, operational, and technical challenges that will require a collaborated response. DHS has taken some steps to implement its information sharing responsibilities, such as providing support for information "fusion" centers.[6]

- DHS has faced some challenges in developing effective partnerships with other federal, state, local, private and nonprofit sector, and international stakeholders, and in clarifying the roles and responsibilities of these various partners. The *National Strategy for Homeland Security* underscores the importance of DHS partnering with other stakeholders. DHS has taken action to strengthen partnerships and coordination efforts with public and private sector entities, such as partnering with the Department of Transportation to strengthen the security of surface modes of transportation, airlines to improve aviation passenger and cargo screening, and the maritime shipping industry to facilitate containerized cargo inspections. However, more work remains as DHS seeks to form effective partnerships to leverage resource and effectively carry out its homeland security responsibilities.

- Accountability and transparency are critical to the department effectively integrating its management functions and implementing its mission responsibilities. We have reported that it is important that DHS make its management or operational decisions transparent enough so that Congress can be sure that it is effectively, efficiently, and economically using the funding it receives annually.[7] We have encountered delays at DHS in obtaining access to needed information. Over the past year, we have discussed ways to resolve access issues with DHS, and our access has improved in certain areas. For example, TSA has worked with us to improve their process for providing us access to documentation. However, we continue to believe that DHS needs to make systematic changes to its policies and procedures for providing information to GAO to increase the transparency of its efforts. Legislation enacted in December 2007 reinforces this position

[6] In general, a fusion center is a collaborative effort to detect, prevent, investigate, and respond to criminal and terrorist activity. GAO, *Homeland Security: Federal Efforts Are Helping to Alleviate Some Challenges Encountered by State and Local Information Fusion Centers*, GAO-08-35 (Washington, D.C.: Oct. 30, 2007).

[7] GAO-07-454.

by restricting a portion of funds appropriated to the DHS Office of Secretary and Executive Management until DHS certifies and reports that it has revised its departmental guidance for working with GAO and the DHS Office of Inspector General (IG) and directing DHS to make these revisions in consultation with GAO and the DHS IG.[8] We look forward to collaborating with the department on proposed revisions to its guidance.

Background

In July 2002 President Bush issued the *National Strategy for Homeland Security*. The strategy set forth overall objectives to prevent terrorist attacks within the United States, reduce America's vulnerability to terrorism, and minimize the damage and assist in the recovery from attacks that occur. The strategy further identified a plan to strengthen homeland security through the cooperation and partnering of federal, state, local, and private sector organizations on an array of functions. It also specified a number of federal departments, as well as nonfederal organizations, that have important roles in securing the homeland, with DHS having key responsibilities in implementing established homeland security mission areas. This strategy was updated and reissued in October 2007.

In November 2002 the Homeland Security Act of 2002 was enacted into law, creating DHS. The act defined the department's missions to include preventing terrorist attacks within the United States; reducing U.S. vulnerability to terrorism; and minimizing the damages and assisting in the recovery from attacks that occur within the United States. The act further specified major responsibilities for the department, including the analysis of information and protection of infrastructure; development of countermeasures against chemical, biological, radiological, and nuclear, and other emerging terrorist threats; securing U.S. borders and transportation systems; and organizing emergency preparedness and response efforts. DHS began operations in March 2003. Its establishment represented a fusion of 22 federal agencies to coordinate and centralize

[8] Consolidated Appropriations Act, 2008, Pub. L. No. 110-161, Div. E, 121 Stat. 1844 (2007).

the leadership of many homeland security activities under a single department.[9]

We have evaluated many of DHS's management functions and programs since the department's establishment and have issued over 400 related products. In particular, in August 2007 we reported on the progress DHS had made since its inception in implementing its management and mission functions.[10] We also reported on broad themes that have underpinned DHS's implementation efforts, such as agency transformation, strategic planning, and risk management. Over the past 5 years, we have made approximately 900 recommendations to DHS on ways to improve operations and address key themes, such as to develop performance measures and set milestones for key programs and implement internal controls to help ensure program effectiveness. DHS has implemented some of these recommendations, taken actions to address others, and taken other steps to strengthen its mission activities and facilitate management integration.

[9] These 22 agencies, offices, and programs were U.S. Customs Service; U.S. Immigration and Naturalization Service; Federal Protective Service; Transportation Security Administration; Federal Law Enforcement Training Center; Animal and Plant Health Inspection Service; Office for Domestic Preparedness; Federal Emergency Management Agency; Strategic National Stockpile and the National Disaster Medical System; Nuclear Incident Response Team; Domestic Emergency Support Team; National Domestic Preparedness Office; Chemical, Biological, Radiological, and Nuclear Countermeasures Program; Environmental Measures Laboratory; National BW Defense Analysis Center; Plum Island Animal Disease Center; Federal Computer Incident Response Center; National Communications System; National Infrastructure Protection Center; Energy Security and Assurance Program; Secret Service; and U.S. Coast Guard.

[10] GAO-07-454.

DHS Has Made Progress in Implementing Its Management and Mission Functions but Has Faced Challenges in Its Implementation Efforts

DHS has made progress in implementing its management and mission functions in the areas of acquisition, financial, human capital, information technology, and real property management; border security; immigration enforcement; immigration services; aviation, surface transportation, and maritime security; emergency preparedness and response; critical infrastructure and key resources protection; and science and technology. Overall, DHS made more progress in implementing its mission functions than its management functions, reflecting an initial focus on implementing efforts to secure the homeland. DHS has had to undertake these critical missions while also working to transform itself into a fully functioning cabinet department—a difficult undertaking for any organization and one that can take, at a minimum, 5 to 7 years to complete even under less daunting circumstances. As DHS continues to mature as an organization, we have reported that it will be important that it works to strengthen its management areas since the effectiveness of these functions will ultimately impact its ability to fulfill its mission to protect the homeland.

Management Areas

Acquisition Management. DHS's acquisition management efforts include managing the use of contracts to acquire goods and services needed to fulfill or support the agency's missions, such as information systems, new technologies, aircraft, ships, and professional services. Overall, DHS has made progress in implementing a strategic sourcing program to increase the effectiveness of its buying power and in creating a small business program. However, DHS's progress toward creating a unified acquisition organization has been hampered by various policy decisions. In September 2007 we reported on continued acquisition oversight issues at DHS, identifying that the department had not fully ensured proper oversight of its contractors providing services closely supporting inherently government functions.[11] For example, we found that DHS program officials did not assess the risk that government decisions may be influenced by, rather than independent from, contractor judgments. Federal acquisitions policy requires enhanced oversight of contractors providing professional and management support services that can affect government decision making, support or influence policy development, or affect program management. However, most of the DHS program officials and contracting officers we spoke with were unaware of this requirement, and, in general, did not believe that their professional

[11] GAO, *Department of Homeland Security: Improved Assessment and Oversight Needed to Manage Risk of Contracting for Selected Services*, GAO-07-990 (Washington, D.C.: Sept. 17, 2007).

and management support service contracts required enhanced oversight. We made several recommendations to DHS to address these issues, including that DHS establish strategic-level guidance for determining the appropriate mix of government and contractor employees to meet mission needs; assess program office staff and expertise necessary to provide sufficient oversight of selected contractor services; and review contracts for selected services as part of the acquisition oversight program.

Financial Management. DHS's financial management efforts include consolidating or integrating component agencies' financial management systems. In general, since its establishment, DHS has been unable to obtain an unqualified or "clean" audit opinion on its financial statements. For fiscal year 2007, the independent auditor issued a disclaimer on DHS's financial statements and identified eight significant deficiencies in DHS's internal controls over financial reporting, seven of which were so serious that they qualified as material weaknesses. DHS has taken steps to prepare corrective action plans for its internal control weaknesses by, for example, developing and issuing a departmentwide strategic plan for the corrective action plan process and holding workshops on corrective action plans. Until these weaknesses are resolved, DHS will not be in a position to provide reliable, timely, and useful financial data to support day-to-day decision making.

Human Capital Management. DHS's key human capital management areas include pay, performance management, classification, labor relations, adverse actions, employee appeals, and diversity management. Congress provided DHS with significant flexibility to design a modern human capital management system, and in October 2004 DHS issued its human capital strategic plan. DHS and the Office of Personnel Management jointly released the final regulations on DHS's new human capital system in February 2005. Although DHS intended to implement the new personnel system in the summer of 2005, court decisions enjoined the department from implementing certain labor management portions of the system. DHS has since taken actions to implement its human capital system. In July 2005 DHS issued its first departmental training plan, and in April 2007, it issued its Fiscal Year 2007 and 2008 Human Capital Operational Plan. However, more work remains for DHS to fully implement its human capital system, including developing a market-based and performance-oriented pay system.

Information Technology Management. DHS's information technology management efforts should include developing and using an enterprise architecture, or corporate blueprint, as an authoritative frame of reference to guide and constrain system investments; defining and following a

corporate process for informed decision making by senior leadership about competing information technology investment options; applying system and software development and acquisition discipline and rigor when defining, designing, developing, testing, deploying, and maintaining systems; establishing a comprehensive, departmentwide information security program to protect information and systems; having sufficient people with the right knowledge, skills, and abilities to execute each of these areas now and in the future; and centralizing leadership for extending these disciplines throughout the organization with an empowered Chief Information Officer. DHS has undertaken efforts to establish and institutionalize the range of information technology management controls and capabilities noted above that our research and past work have shown are fundamental to any organization's ability to use technology effectively to transform itself and accomplish mission goals. However, the department has significantly more to do before each of its management controls and capabilities is fully in place and is integral to how each system investment is managed. For example, in September 2007 we reported on our assessment of DHS's information technology human capital plan.[12] We found that DHS's plan was largely consistent with federal guidance and associated best practices. In particular, the plan fully addressed 15 and partially addressed 12 of 27 practices set forth in the Office of Personnel Management's human capital framework. However, we reported that DHS's overall progress in implementing the plan had been limited. We recommended, among other things, that roles and responsibilities for implementing the information technology human capital plan and all supporting plans be clearly defined and understood. Moreover, DHS has not fully implemented a comprehensive information security program. While it has taken actions to ensure that its certification and accreditation activities are completed, the department has not shown the extent to which it has strengthened incident detection, analysis, and reporting and testing activities.

Real Property Management. DHS's responsibilities for real property management are specified in Executive Order 13327, "Federal Real Property Asset Management," and include the establishment of a Senior Real Property Officer, development of an asset inventory, and development and implementation of an asset management plan and performance measures. In June 2006, the Office of Management and Budget (OMB) upgraded DHS's Real Property Asset Management Score

[12] GAO, *Information Technology: DHS's Human Capital Plan Is Largely Consistent with Relevant Guidance, but Improvements and Implementation Steps Are Still Needed*, GAO-07-425 (Washington, D.C.: Sept. 10, 2007).

from red to yellow after DHS developed an Asset Management Plan, developed a generally complete real property data inventory, submitted this inventory for inclusion in the governmentwide real property inventory database, and established performance measures consistent with Federal Real Property Council standards.[13] DHS also designated a Senior Real Property Officer.

Mission Areas

Border Security. DHS's border security mission includes detecting and preventing terrorists and terrorist weapons from entering the United States; facilitating the orderly and efficient flow of legitimate trade and travel; interdicting illegal drugs and other contraband; apprehending individuals who are attempting to enter the United States illegally; inspecting inbound and outbound people, vehicles, and cargo; and enforcing laws of the United States at the border. DHS has made some progress in, for example, refining the screening of foreign visitors to the United States and providing training and personnel necessary to fulfill border security missions. In particular, as of December 2006 DHS had a pre-entry screening capability in place in overseas visa issuance offices and an entry identification capability at 115 airports, 14 seaports, and 154 of 170 land ports of entry.[14] Furthermore, in November 2007 we reported on traveler inspections at ports of entry and found that U.S. Customs and Border Protection (CBP) had some success in identifying inadmissible aliens and other violators.[15] However, we also identified weaknesses in CBP's operations at ports of entry and have reported on challenges DHS faced in implementing its comprehensive border protection system, called SBI*net*, and in leveraging technology, personnel, and information to secure the border. For example, in our November 2007 report on traveler inspections, we identified weaknesses in CBP's operations, including not verifying the nationality and admissibility of each traveler, which could increase the potential that terrorists and inadmissible travelers could enter the United States. In July 2007, CBP issued detailed procedures for conducting inspections, including requiring field office managers to assess

[13] The Administration's agency scorecard for real property management was established in fiscal year 2004 to measure each agency's progress in implementing Executive Order 13327 on "Federal Real Property Asset Management."

[14] A port of entry is generally a physical location, such as a pedestrian walkway and/or a vehicle plaza with booths, and associated inspection and administration buildings, at a land border crossing point, or a restricted area inside an airport or seaport, where entry into the country by persons and cargo arriving by air, land, or sea is controlled by U.S. Customs and Border Protection.

[15] GAO, *Border Security: Despite Progress, Weaknesses in Traveler Inspections Exist at Our Nation's Ports of Entry*, GAO-08-219 (Washington, D.C.: Nov. 5, 2007).

compliance with these procedures. However, CBP had not established internal controls to ensure that field office managers share their assessments with CBP headquarters to help ensure that the new procedures were consistently implemented across all ports of entry and reduced the risk of failed traveler inspections. We recommended that DHS implement internal controls to help ensure that field office directors communicate to agency management the results of their monitoring and assessment efforts and formalize a performance measure for the traveler inspection program that identifies CBP's effectiveness in apprehending inadmissible aliens and other violators.

Immigration Enforcement. DHS's immigration enforcement mission includes apprehending, detaining, and removing criminal and illegal aliens; disrupting and dismantling organized smuggling of humans and contraband as well as human trafficking; investigating and prosecuting those who engage in benefit and document fraud; blocking and removing employers' access to undocumented workers; and enforcing compliance with programs to monitor visitors. Over the past several years, DHS has strengthened some aspects of immigration enforcement. For example, since fiscal year 2004 U.S. Immigration and Customs Enforcement (ICE) has reported increases in the number of criminal arrests and indictments for worksite enforcement violations. ICE also has begun to introduce principles of risk management into the allocation of its investigative resources. However, ICE has faced challenges in ensuring the removal of criminal aliens from the United States. The agency has also lacked outcome-based performance goals and measures for some its programs, making it difficult for the agency and others to fully determine whether its programs are achieving their desired outcomes.

Immigration Services. DHS's immigration services mission includes administering immigration benefits and working to reduce immigration benefit fraud. Although DHS has made progress in reducing its backlog of immigration benefit applications, improvements are still needed in the provision of immigration services, particularly by strengthening internal controls to prevent fraud and inaccuracy. U.S. Citizenship and Immigration Services (USCIS) has established a focal point for immigration fraud, outlined a fraud control strategy that relies on the use of automation to detect fraud, and has performed some fraud assessments to identify the extent and nature of fraud for certain benefits. However, USCIS has faced challenges in establishing a case management system to manage applications and provide management information and making other technological enhancements to its application and adjudication processes, such as collecting and storing biometric information on applicants and expanding its online application filing capabilities. In July

2007, we reported on USCIS's transformation efforts, noting that USCIS's transformation plans partially or fully addressed most key practices for organizational transformations.[16] For example, USCIS had taken initial steps in addressing problems identified during past efforts to modernize by establishing a Transformation Program Office that reports directly to the USCIS Deputy Director to ensure leadership commitment; dedicating people and resources to the transformation; establishing a mission, vision, and integrated strategic goals; focusing on a key set of priorities and defining core values; and involving employees. However, we found that more attention was needed in the areas of performance management, strategic human capital management, communications, and information technology management. We recommended that DHS document specific performance measures and targets, increase focus on strategic human capital management, complete a comprehensive communications strategy, and continue developing sufficient information technology management practices.

Aviation Security. DHS's aviation security mission includes strengthening airport security; providing and training a screening workforce; prescreening passengers against terrorist watch lists; and screening passengers, baggage, and cargo. Since the Transportation Security Administration (TSA) was established in 2001, it has focused much of its effort on aviation security and has developed and implemented a variety of programs and procedures to secure commercial aviation. For example, TSA has undertaken efforts to strengthen airport security; hire and train a screening workforce; prescreen passengers against terrorist watch lists; and screen passengers, baggage, and cargo. TSA has implemented these efforts in part to meet numerous mandates for strengthening aviation security placed on the agency following the September 11, 2001, terrorist attacks. However, DHS has faced challenges in developing and implementing a program to match domestic airline passenger information against terrorist watch lists; fielding needed technologies to screen airline passengers for explosives; and fully integrating risk-based decision making into some of its programs. In November 2007, we reported that TSA continued to face challenges in preventing unauthorized items from being taken through airport checkpoints.[17] Our independent testing identified that while in most cases

[16] GAO, *USICS Transformation: Improvements to Performance, Human Capital, and Information Technology Management Needed as Modernization Proceeds*, GAO-07-1013R (Washington, D.C.: July 17, 2007).

[17] GAO, *Aviation Security: Vulnerabilities Exposed through Covert Testing of TSA's Passenger Screening Process*, GAO-08-48T (Washington, D.C.: Nov. 15, 2007).

transportation security officers appeared to follow TSA's procedures and used technology appropriately, weaknesses and other vulnerabilities existed in TSA's screening procedures.

Surface Transportation Security. DHS's surface transportation security mission includes establishing security standards and conducting assessments and inspections of surface transportation modes, including passenger and freight rail, mass transit, highways, commercial vehicles, and pipelines. Although TSA initially focused much of its effort and resources on meeting legislative mandates to strengthen commercial aviation security after September 11, 2001, TSA has more recently placed additional focus on securing surface modes of transportation, including establishing security standards and conducting assessments and inspections of surface transportation modes such as passenger and freight rail. However, more work remains for DHS in developing and issuing security standards for all surface transportation modes and in more fully defining the roles and missions of its inspectors in enforcing security requirements.

Maritime Security. DHS's maritime security responsibilities include port and vessel security, maritime intelligence, and maritime supply chain security. DHS has developed national and regional plans for maritime security and response and a national plan for recovery, and it has ensured the completion of vulnerability assessments and security plans for port facilities and vessels. DHS has also developed programs for collecting information on incoming ships and working with the private sector to improve and validate supply chain security. However, DHS has faced challenges in implementing certain maritime security responsibilities including, for example, a program to control access to port secure areas and to screen incoming cargo for radiation. In October 2007, we testified on DHS's overall maritime security efforts as they related to the Security and Accountability for Every (SAFE) Port Act of 2006.[18] In that testimony we noted that DHS had improved security efforts by establishing committees to share information with local port stakeholders and taking steps to establish interagency operations centers to monitor port activities, conducting operations such as harbor patrols and vessel escorts, writing port-level plans to prevent and respond to terrorist attacks, testing such plans through exercises, and assessing security at foreign ports. We further reported that DHS had strengthened the security of cargo containers through enhancements to its system for identifying high-risk

[18] GAO, *Maritime Security: The SAFE Port Act: Status and Implementation One Year Later*, GAO-08-126T (Washington, D.C.: Oct. 30, 2007).

cargo and expanding partnerships with other countries to screen containers before they are shipped to the United States. However, we reported on challenges faced by DHS in its cargo security efforts, such as CBP's requirement to test and implement a new program to screen 100 percent of all incoming containers overseas—a departure from its existing risk-based programs. Among our recommendations were that DHS develop strategic plans, better plan the use of its human capital, establish performance measures, and otherwise improve program operations.

Emergency Preparedness and Response. DHS's emergency management mission, now primarily consolidated in the Federal Emergency Management Agency (FEMA), includes prevention, mitigation, preparedness for, response to, and immediate recovery from major disasters and emergencies of all types, whether the result of nature or acts of man. The goal is to minimize damage from major disasters and emergencies by working with other federal agencies, state and local governments, nongovernment organizations, and the private sector to plan, equip, train, and practice needed skills and capabilities to build a national, coordinated system of emergency management. The Post-Katrina Emergency Management Reform Act of 2006 specifies a number of responsibilities for FEMA and DHS in the area of emergency preparedness and response designed to address many of the problems identified in the various assessments of the preparation for and response to Hurricane Katrina. It addresses such issues as roles and responsibilities, operational planning, capabilities assessments, and exercises to test needed capabilities. DHS has taken some actions intended to improve readiness and response based on our work and the work of congressional committees and the Administration. For example, in January 2008 DHS issued a revised National Response Framework intended to further clarify federal roles and responsibilities and relationships among federal, state, and local governments and responders, among others. However, these revisions have not yet been tested. DHS has also made structural changes in response to the Post-Katrina Emergency Management Reform Act that, among other things, are designed to strengthen FEMA. DHS has also announced a number of other actions to improve readiness and response. However, until states and first responders have an opportunity to train and practice under some of these changes, it is unclear what impact, if any, they will have on strengthening DHS's emergency preparedness and response capabilities.

Critical Infrastructure and Key Resources Protection. DHS's critical infrastructure and key resources protection activities include developing and coordinating implementation of a comprehensive national plan for critical infrastructure protection, developing partnerships with

stakeholders and information sharing and warning capabilities, and identifying and reducing threats and vulnerabilities. DHS has developed a national plan for critical infrastructure and key resources protection and undertaken efforts to develop partnerships and to coordinate with other federal, state, local and private sector stakeholders. DHS has also made progress in identifying and assessing critical infrastructure threats and vulnerabilities. For example, in July and October 2007 we reported on critical infrastructure sectors' sector-specific plans.[19] We reported that although nine of the sector-specific plans we reviewed generally met National Infrastructure Protection Plan requirements and DHS's sector-specific plan guidance, eight plans did not address incentives the sectors would use to encourage owners to conduct risk assessments, and some plans were more comprehensive than others when discussing their physical, human, and cyber assets, systems, and functions. We recommended that DHS better (1) define its critical infrastructure information needs and (2) explain how the information will be used to attract more users. We also reported that the extent to which the sectors addressed aspects of cyber security in their sector-specific plans varied and that none of the plans fully addressed all 30 cyber security-related criteria. DHS officials said that the variance in the plans can primarily be attributed to the levels of maturity and cultures of the sectors, with the more mature sectors—sectors with preexisting relationships and a history of working together—generally having more comprehensive and complete plans than more newly established sectors without similar prior relationships. Regarding cyber security, we recommended a September 2008 deadline for sector-specific agency plans to fully address cyber-related criteria. Although DHS has made progress in these areas, it has faced challenges in sharing information and warnings on attacks, threats, and vulnerabilities and in providing and coordinating incident response and recovery planning efforts. For example, we identified a number of challenges to DHS's Homeland Security Information Network, including its coordination with state and local information sharing initiatives.[20]

Science and Technology. DHS's science and technology efforts include coordinating the federal government's civilian efforts to identify and

[19] GAO, *Critical Infrastructure Protection: Sector Plans and Sector Councils Continue to Evolve*, GAO-07-706R (Washington, D.C.: July 10, 2007) and GAO, *Critical Infrastructure Protection: Sector-Specific Plans' Coverage of Key Cyber Security Elements Varies*, GAO-08-113 (Washington, D.C.: Oct. 31, 2007).

[20] The Homeland Security Information Network is DHS's primary conduit for sharing information on domestic terrorist threats, suspicious activity reports, and incident management.

develop countermeasures to chemical, biological, radiological, nuclear, and other emerging terrorist threats. DHS has taken steps to coordinate and share homeland security technologies with federal, state, local, and private sector entities. However, DHS has faced challenges in assessing threats and vulnerabilities and developing countermeasures to address those threats. With regard to nuclear detection capabilities, in September 2007 we reported on DHS's testing of next generation radiation detection equipment.[21] In particular, we reported that the Domestic Nuclear Detection Office (DNDO) used biased test methods that enhanced the performance of the next generation equipment and that, in general, the tests did not constitute an objective and rigorous assessment of this equipment. We recommended that DNDO delay any purchase of this equipment until all tests have been completed, evaluated, and validated.

Cross-cutting Issues Have Hindered DHS's Implementation Efforts

Our work has identified cross-cutting issues that have hindered DHS's progress in its management and mission areas. We have reported that while it is important that DHS continue to work to strengthen each of its core management and mission functions, it is equally important that these key issues be addressed from a comprehensive, departmentwide perspective to help ensure that the department has the structure and processes in place to effectively address the threats and vulnerabilities that face the nation. These issues are: (1) transforming and integrating DHS's management functions; (2) engaging in effective strategic and transition planning efforts and establishing baseline performance goals and measures; (3) applying and improving a risk management approach for implementing missions and making resource allocation decisions; (4) sharing information with key stakeholders; and (5) coordinating and partnering with federal, state, local, and private sector agencies entities. In addition, accountability and transparency are critical to the department effectively integrating its management functions and implementing its mission responsibilities.

Agency Transformation

DHS has faced an enormous management challenge in its transformation efforts as it works to integrate 22 component agencies. Each component agency brought differing missions, cultures, systems, and procedures that the new department had to efficiently and effectively integrate into a single, functioning unit. At the same time it has weathered these growing pains, DHS has had to fulfill its various homeland security and other

[21] GAO, *Combating Nuclear Smuggling: Additional Actions Needed to Ensure Adequate Testing of Next Generation Radiation Detection Equipment*, GAO-07-1247T (Washington, D.C.: Sept. 18, 2007).

missions. DHS has developed a strategic plan, is working to integrate some management functions, and has continued to form necessary partnerships to achieve mission success. Nevertheless, in 2007 we reported that DHS's implementation and transformation remained high-risk because DHS had not yet developed a comprehensive management integration strategy and its management systems and functions—especially related to acquisition, financial, human capital, and information management—were not yet fully integrated and wholly operational. We identified that this array of management and programmatic challenges continued to limit DHS's ability to carry out its roles under the *National Strategy for Homeland Security* in an effective, risk-based way.

We have recommended, among other things, that agencies on the high-risk list produce a corrective action plan that defines the root causes of identified problems, identifies effective solutions to those problems, and provides for substantially completing corrective measures in the near term. Such a plan should include performance metrics and milestones, as well as mechanisms to monitor progress. OMB has stressed to agencies the need for corrective action plans for individual high-risk areas to include specific goals and milestones. GAO has said that such a concerted effort is critical and that our experience has shown that perseverance is critical to resolving high-risk issues. In the spring of 2006, DHS provided us with a draft corrective action plan that did not contain key elements we have identified as necessary for an effective corrective action plan, including specific actions to address identified objectives. As of February 2008, DHS had not yet completed a corrective action plan. According to DHS, the department plans to use its revised strategic plan, which is at OMB for final review, as the basis for its corrective action plan.

The significant challenges DHS has experienced in integrating its disparate organizational cultures and multiple management processes and systems make it an appropriate candidate for a Chief Operating Officer/Chief Management Officer (COO/CMO) as a second deputy position or alternatively as a principal undersecretary for management position. Designating the Undersecretary for Management at DHS as the CMO at an Executive Level II is a step in the right direction, but this change does not go far enough. A COO/CMO for DHS with a limited term that does not transition across administrations will not help to ensure the continuity of focus and attention needed to protect the security of our nation. A COO/CMO at the appropriate organizational level at DHS, with a term appointment, would provide the elevated senior leadership and concerted and long-term attention required to marshal its transformation efforts.

As part of its transformation efforts, it will be especially important for the department to effectively manage the approaching transition between administrations and sustain its transformation through this transition period. Due to its mission's criticality and the increased risk of terror attacks during changes in administration as witnessed in the United States and other countries, it is important that DHS take steps to help ensure a smooth transition to new leadership. According to the Homeland Security Act of 2002, as amended, DHS is required to develop a transition and succession plan to guide the transition of management functions to a new Administration by December 2008.[22] DHS is working to develop and implement plans and initiatives for managing the transition. Moreover, the Homeland Security Advisory Council issued a report in January 2008 on the pending transition, making recommendations in the broad categories of threat awareness, leadership, congressional oversight/action, policy, operations, succession, and training. DHS is taking action to address some challenges of the approaching transition period, including filling some leadership positions traditionally held by political appointees with career professionals. The department is also undertaking training and cross-training of senior career personnel that would address the council's concerns for leadership and operational continuity. However, some other Homeland Security Advisory Council recommendations, such as building a consensus among current DHS officers regarding priority policy issues, could prove more difficult for DHS to implement, particularly in light of the need to clarify roles and responsibilities across the department and its ongoing transformation efforts.

Strategic Planning and Results Management

Strategic planning is one of the critical factors necessary for the success of new organizations. This is particularly true for DHS, given the breadth of its responsibility and the need to clearly identify how stakeholders' responsibilities and activities align to address homeland security efforts. However, DHS has not always implemented effective strategic planning efforts and has not yet fully developed performance measures or put into place structures to help ensure that the agency is managing for results. DHS has developed performance goals and measures for some of its programs and reports on these goals and measures in its Annual Performance Report. However, some of DHS's components have not developed adequate outcome-based performance measures or comprehensive plans to monitor, assess, and independently evaluate the

[22] See 6 U.S.C. § 341(a)(9)(B).

effectiveness of their plans and performance. Since the issuance of our August 2007 report, DHS has begun to develop performance goals and measures for some areas in an effort to strengthen its ability to measures its progress in key management and mission areas. We commend DHS's efforts to measure its progress in these areas and have agreed to work with the department to provide input to help strengthen established measures.

Risk Management

DHS cannot afford to protect everything against all possible threats. As a result, the department must make choices about how to allocate its resources to most effectively manage risk. Risk management has been widely supported by the President and Congress as a management approach for homeland security, and the Secretary of Homeland Security has made it the centerpiece of departmental policy. A risk management approach can help DHS make decisions more systematically and is consistent with the *National Strategy for Homeland Security* and DHS's strategic plan, which have all called for the use of risk-based decisions to prioritize DHS's resource investments regarding homeland security-related programs. DHS and several of its component agencies have taken steps toward integrating risk-based principles into their decision-making processes. On a component agency level, the Coast Guard, for example, has developed security plans for seaports, facilities, and vessels based on risk assessments. TSA has also incorporated risk-based decision making into a number of its programs, such as programs for securing air cargo, but has not yet completed these efforts.

In October 2007, I convened an expert forum on risk management to assist Congress and federal agencies, including DHS, by advancing the national dialogue on risk management challenges in homeland security and by helping to identify potential solutions to these complex challenges. The forum brought together a diverse array of experts, including representatives from DHS, other government agencies, nonprofit organizations, industry, and academia. The purpose of the forum was to identify: (1) lessons learned from leading organizations regarding the effective use of risk management practices; (2) key challenges faced by public and private organizations in adopting and implementing a risk-based approach for homeland security; and (3) actions that should be taken in the near- and long-term to address the most pressing of these challenges. Several themes emerged from the discussion, including the idea of creating a chief risk officer for government, the need to improve risk communication, and overcoming political obstacles to risk management. The plurality of the participants agreed that improving risk communication was the single greatest challenge in applying principles of

risk management to homeland security and suggested a number of ways to use risk communication practices to better educate and inform the public. The participants also proposed a number of steps that could be taken in the near future to strengthen risk management practices and to stimulate public discussion and awareness of risk management concepts. We are working with the department to share ideas raised at the forum to assist them as they work to strengthen their risk-based efforts. We will be issuing a summary of this forum in the coming months.

Information Sharing

In 2005, we designated information sharing for homeland security as high-risk and continued that designation in 2007. In doing so, we reported that the nation had not implemented a set of governmentwide policies and processes for sharing terrorism-related information but had issued a strategy on how it would put in place the overall framework, policies, and architecture for sharing with all critical partners—actions that we and others have recommended. The Intelligence Reform and Terrorism Prevention Act of 2004, as amended, requires that the President create an "information sharing environment" to facilitate the sharing of terrorism-related information, yet this environment remains in the planning stage. An implementation plan for the environment, which was released in November 2006, defines key tasks and milestones for developing the information sharing environment, including identifying barriers and ways to resolve them, as we recommended. We have noted that completing the information sharing environment is a complex task that will take multiple years and long-term administration and congressional support and oversight and will pose cultural, operational, and technical challenges that will require a collaborated response.

DHS has taken some steps to implement its information sharing responsibilities and support other information sharing efforts. For example, states and localities are creating their own information fusion centers, some with DHS support. In October 2007 we reported that some state and local fusion centers had DHS personnel assigned to them; access to DHS's unclassified information networks or systems, such as the Homeland Security Information Network; and support from DHS grant programs.[23] However, some state and local fusion centers reported challenges to accessing DHS's information systems and identified issues in understanding and using federal grant funds. To improve efforts to create a national network of fusion centers, we recommended that the federal

[23] GAO-08-35.

government determine and articulate its role in, and whether it expects to provide resources to, fusion centers over the long term to help ensure their sustainability.

Partnerships and Coordination

To secure the nation, DHS realizes it must form effective and sustained partnerships among its component agencies and with a range of other entities, including other federal agencies, state and local governments, private and nonprofit sectors, and international partners. The *National Strategy for Homeland Security* recognizes the importance of partnerships as the foundation for establishing a shared responsibility for homeland security among stakeholders. We have reported on difficulties faced by DHS in its coordination efforts. For example, in September 2005 we reported that TSA did not effectively involve private sector stakeholders in its decision-making process for developing security standards for passenger rail assets. We recommended that DHS develop security standards that reflect industry best practices and can be measured, monitored, and enforced by TSA rail inspectors and, if appropriate, rail asset owners. DHS agreed with these recommendations. DHS has worked to strengthen partnerships and has undertaken a number of coordination efforts with public and private-sector entities. These include, for example, partnering with the Department of Transportation to strengthen the security of surface modes of transportation, airlines to improve aviation passenger and cargo screening, the maritime shipping industry to facilitate containerized cargo inspection, and the chemical industry to enhance critical infrastructure protection at such facilities. In addition, FEMA has worked with other federal, state, and local entities to improve planning for disaster response and recovery. Although DHS has taken action to strengthen partnerships and improve coordination, we found that more work remains to support the leveraging of resources and the effective implementation of its homeland security responsibilities.

Accountability and Transparency

Accountability and transparency are critical to the department effectively integrating its management functions and implementing its mission responsibilities. We have reported that it is important that DHS make its management and operational decisions transparent enough so that Congress can be sure that it is effectively, efficiently, and economically using the billions of dollars in funding it receives annually.[24] We have

[24] GAO-07-454.

encountered delays at DHS in obtaining access to needed information, which has impacted our ability to conduct our work in a timely manner. Since we highlighted this issue last year to this subcommittee, our access to information at DHS has improved. For example, TSA has worked with us to improve their process for providing us with access to documentation. DHS also provided us with access to its national level preparedness exercise. However, we continue to experience some delays in obtaining information from DHS, and we continue to believe that DHS needs to make systematic changes to its policies and procedures for how DHS officials are to interact with GAO. We appreciate the Subcommittee's assistance in helping us seek improved access to DHS information and support the provision in the Consolidated Appropriations Act, 2008, that restricts a portion of DHS's funding until DHS reports on revisions to its guidance for working with GAO and the DHS IG. We look forward to collaborating with the department on proposed revisions to its GAO guidance.

Concluding Observations

Next month DHS will be 5 years old, a key milestone for the department. Since its establishment, DHS has had to undertake actions to secure the border and the transportation sector and defend against, prepare for, and respond to threats and disasters while simultaneously working to transform itself into a fully functioning cabinet department. Such a transformation is a difficult undertaking for any organization and can take, at a minimum, 5 to 7 years to complete even under less daunting circumstances.

Nevertheless, DHS's 5-year anniversary provides an opportunity for the department to review how it has matured as an organization. As part of our broad range of work reviewing DHS management and mission programs, we will continue to assess in the coming months DHS's progress in addressing high-risk issues. In particular, we will continue to assess the progress made by the department in its transformation and information sharing efforts. Further, as DHS continues to evolve and transform, we will review its progress and performance and provide information to Congress and the public on its efforts.

This concludes my prepared statement. I would be pleased to answer any questions you and the Subcommittee Members may have.

GAO Contact and Staff Acknowledgments

For further information about this testimony, please contact Norman J. Rabkin, Managing Director, Homeland Security and Justice, at 202-512-8777 or rabkinn@gao.gov. Other key contributors to this statement were Jason Barnosky, Cathleen A. Berrick, Kathryn Bolduc, Anthony Cheesebrough, Rebecca Gambler, Kathryn Godfrey, Christopher Keisling, Thomas Lombardi, Octavia Parks, and Sue Ramanathan.

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Mr. PRICE. Thank you.

Mr. Skinner.

Mr. SKINNER. Thank you, Mr. Chairman and members of the subcommittee. Thank you for the opportunity to participate in this very important hearing.

Last year at this time I testified before this subcommittee about four critical management challenges facing the Department of Homeland Security; that is, financial management, information technology management, acquisition management and grants management.

Today I would like to update the subcommittee on the progress that the Department has made to address those challenges. Also, time permitting, I would like to briefly touch upon a few program challenges that I believe need special attention during the upcoming year as the Department prepares to transition into a new Administration.

First with regard to the four management challenges, I think it is important to understand that when the Department was stood up in March 2003 it not only inherited preexisting problems and material weaknesses from its legacy agencies; it also did not receive the funds or people needed to address those problems and weaknesses or otherwise adequately support the vast number of Departmental programs and operations.

Yet I must say in spite of these what seemed at that time as insurmountable obstacles, the Department's progress to date has been somewhat impressive. I do not mean to imply the challenges do not remain. They do. The Department still has a long, long way to go before it can say that it is operating in an efficient, effective and economical manner.

In the area of financial management, for example, although the Department was again unable to obtain an opinion on its financial statements in 2007, every component in the Department except FEMA and the Coast Guard showed measurable progress in its ability to produce accurate, reliable financial statements.

Many of the material weaknesses associated with FEMA can be traced to the events surrounding Hurricane Katrina and the realignment of grant programs as a result of the mandates of the post-Katrina Emergency Management Reform Act of 2006.

The Department's CFO and the FEMA CFO both have identified the underlying cause for FEMA's material weaknesses and have developed management action plans—very aggressive, robust plans—with milestones to remediate them as early as this year.

The Coast Guard, on the other hand, has been and continues to be an area of particular concern. The Coast Guard has shown no discernable progress in its ability to produce reliable financial statements or correct its material weaknesses since the inception of the Department in 2003.

To remediate its material weaknesses, the Coast Guard must first develop a corrective action plan that contains detailed milestones showing how it will get from its current state to its desired state. To date, the Coast Guard has not provided such details.

Lacking a fully developed plan, the Coast Guard is unlikely to remediate any of its material weaknesses this year. Consequently, because the majority of the Department's material weaknesses are

directly attributable to the conditions existing at the Coast Guard, we will be unable to offer an opinion again on the Department's financial statements in 2008.

With regards to information technology management, integrating the systems, networks and capabilities of the legacy agencies to form a single infrastructure for effective communications and information exchange remains one of the Department's biggest challenges.

During the past year, the Department has implemented a performance plan to measure each component's progress towards full compliance with its Information Security Program. Despite this oversight, however, components have been slow in executing fully the Department's policies, procedures and practices.

At the component level, we have identified outdated or stovepipe systems, at times supporting inefficient business processes; plans to modernize IT systems were unfocused, often with inadequate requirements; identification, analysis and testing to support acquisition and deployment of the systems and other technologies needed to improve operations.

With regards to acquisition management, the urgency and complexity of the Department's missions continues to demand rapid pursuit of major investments. In 2007, the Department spent nearly 39 percent or around $14 billion on contracts.

During this past year, we published the first of what will be a series of scorecards identifying the progress made in five acquisition activities in the Department: Organizational alignment and leadership, policies and processes, financial accountability, acquisition work force, and knowledge management and information systems. While the scorecards showed some progress in selective areas, we determined that deficiencies persist and improvements were needed in all five elements measured.

In the area of grants management, the Department has taken giant steps to improve its business and administrative processes for its grant programs. During the past year, the Department has successfully migrated its multitude of grant programs under one agency, FEMA, and implemented a risk-based grant allocation process for such programs as the Homeland Security Grant Program, Transit Security Grant Program, Port Security Grant Program and Buffer Zone Protection Program.

Nevertheless, there is much work that needs to be done. Our reports over the past year have pointed out that the Department needs to do a better job of monitoring grantee expenditures and grantee adherence to the terms and conditions of the awards. Given the billions of dollars appropriated annually for grant programs, it is imperative that the internal controls are in place and adhered to and successful outcomes are achieved.

Finally, I would like to talk briefly about just a few other critical program challenges that we believe will require special attention during the upcoming year as the Department prepares to transition to a new Administration. This list most certainly is not all-inclusive.

These are the Secure Border Initiative, FEMA's Disaster Preparedness Initiatives, the Coast Guard's Deep Water Program, TSA's Cargo Screening Program, and CIS' backlog of immigrant ap-

plications. These initiatives are in a critical stage of their development and therefore require unwavering management attention.

The Department is making a good faith effort to formulate and execute meaningful performance plans to address the management challenges associated with these initiatives. However, the ability of the Department to sustain these efforts is fragile at this point in time because of the early stage they are in and the disruptions that may accompany the transition to a new Administration in less than a year.

It is imperative that the Department formulates comprehensive performance plans with unambiguous milestones and metrics to gauge or measure progress, ensure transparency and accountability, and help guide program execution.

Mr. Chairman, that concludes my remarks. I will be pleased to answer any questions you or the subcommittee members may have.

[The information follows:]

STATEMENT OF RICHARD L. SKINNER

INSPECTOR GENERAL

U.S. DEPARTMENT OF HOMELAND SECURITY

BEFORE THE

SUBCOMMITTEE ON HOMELAND SECURITY

COMMITTEE ON APPROPRIATIONS

U.S. HOUSE OF REPRESENTATIVES

February 13, 2008

Good morning, Mr. Chairman and Members of the Subcommittee. I am Richard L. Skinner, Inspector General for the Department of Homeland Security (DHS). Thank you for the opportunity to discuss the major management challenges facing DHS.

Since its inception in 2003, DHS has worked to accomplish the largest reorganization of the federal government in more than half a century. This task, creating the third largest Cabinet agency with the missions of protecting the country against another terrorist attack, responding to threats and hazards, ensuring safe and secure borders, welcoming lawful immigrants and visitors, and promoting the free flow of commerce, has presented many challenges to its managers and employees. While DHS has made progress, it still has much to do to establish a cohesive, efficient, and effective organization.

The major management challenges that we identify facing DHS represent risk areas that we use in setting our priorities for audits, inspections, and evaluations of DHS programs and operations. These challenges are included in the department's Annual Financial Statement Report (AFR), which was issued on November 15, 2007. As required by the *Reports Consolidation Act of 2000*, we update our assessment of management challenges annually. Our latest major management challenges report covers a broad range of issues, including both program and administrative challenges. In total, we identified nine categories of challenges including:

- Catastrophic Disaster Response and Recovery,
- Acquisition Management,
- Grants Management,
- Financial Management,
- Information Technology Management,
- Infrastructure Protection,
- Border Security,
- Transportation Security, and
- Trade Operations and Security.

A copy of that report is provided for the record. I believe the department recognizes the significance of these challenges and understands that addressing them will take a sustained and focused effort.

Today, I would like to highlight four specific management challenges facing the department:

- Financial Management,
- Information Technology Management,
- Acquisition Management, and
- Grants Management.

Also, I would like to address briefly certain critical programs challenges that need special attention during the upcoming year. These are:

- Border Security and the SBI Program,
- Coast Guard's Deepwater Acquisition Program,
- Cargo on Passenger Planes and the Known Shipper Program,
- CIS' Backlog of Immigrant Applications, and
- FEMA Preparedness.

Financial management, information technology management, acquisition management, and grants management, are the backbone of the department and provide the structure and information to support the accomplishment of DHS' mission. Some aspects of these challenges were inherited by the department from their legacy agencies. However, the complexity and urgency of DHS' mission have exacerbated the challenge in many areas.

These management challenges significantly affect the department's ability to carry out its operational programs and provide the services necessary to protect our homeland. The department's senior officials are well aware of these issues and are making progress in resolving them. Our oversight in these areas is intended to facilitate solutions. For example, in our *Semiannual Report to Congress*, October 1, 2006 – March 31, 2007, we included a scorecard identifying the progress made in selected acquisition functions and activities within DHS. Also, during the past year, we issued a series of audits assessing the department's corrective action plans related to financial management improvements. We will continue our intense oversight of these management areas to ensure that solutions and corrective measures are identified and acted upon.

FINANCIAL MANAGEMENT

Financial management has been a major challenge for DHS since its creation in 2003. In 2007, DHS was again unable to obtain an opinion on its financial statements, and numerous material internal control weaknesses continued to be reported. KPMG, LLP, under contract with the Office of Inspector General (OIG), has consistently issued a disclaimer of opinion on DHS' financial statements. There has been continued improvement at Customs and Border Protection (CBP) and significant improvement at Immigration and Customs Enforcement (ICE). However, the majority of the department's material weaknesses in internal control are attributable to conditions existing at the U.S. Coast Guard (Coast Guard), which has contributed to all of the department's material weaknesses in both FY 2007 and FY 2006.

Table 1 below presents a summary of the internal control findings, by component, for the Independent Auditors' Report on DHS' fiscal year 2007 Financial Statements. In all, there were seven material weaknesses at the department level in 2007, down from ten reported in 2006. While the DHS civilian components have made substantial progress in correcting control deficiencies, the reduction in material weaknesses at the department level in 2007 is due to a consolidation of findings into fewer, but broader categories for reporting purposes.

Table 1. SUMMARIZED DHS FY 2007 INTERNAL CONTROL FINDINGS

	Material Weaknesses	Coast Guard	DHS HQ	CBP	FEMA	ICE	US - Visit	TSA	FLETC
		Exhibit I	Exhibit II						
A	Financial Management & ELC	MW			MW				
B	Financial Reporting	MW	MW		MW			SD	
C	Financial Systems Security	MW	SD	SD	MW	SD		MW	SD
D	Fund Balance With Treasury	MW							
E	Capital Assets and Supplies	MW			MW		SD	SD	
F	Actuarial and Other Liabilities	MW			MW			SD	
G	Budgetary Accounting	MW			MW			MW	
	Significant Deficiencies		Exhibit III						
H	Custodial Revenue and Drawback			SD					

SD Significant Deficiency (SDs in Exhibit II contribute to department-level material weakness)
MW Material Weakness (individually, or when combined with other findings, result in department-level material weakness)

Some of the conditions contributing to the Coast Guard's material weaknesses were identified in the Department of Transportation's OIG audit of the Coast Guard Financial statement for the year ending September 30, 1994. Although, in FY 2007, the Coast Guard implemented the Financial Strategy for Transformation and Audit Readiness (FSTAR) as the corrective action plan to remediate the material weaknesses, the plan did not contain detailed milestones showing how the Coast Guard would get from the current to the desired state. Additionally, the FSTAR submission for the FY 2008 remediation does not contain detailed milestones showing how the Coast Guard will be able to remediate targeted weaknesses in FY 2008. Also, the targeted remediation milestone is December 31, 2008. As a result, the Coast Guard is not projected to remediate any material weaknesses during the FY 2008 DHS financial statement audit. FSTAR is currently under a performance audit, which should be completed during the second quarter of FY 2008.

Additionally, in FY 2007, conditions at the Federal Emergency Management Agency (FEMA) deteriorated with FEMA now contributing to six material weaknesses instead of two material weaknesses as in FY 2006. FEMA has submitted Management Action Plans (MAP) with milestones to remediate the material weaknesses in 2008. These plans are currently under a performance audit, which should be completed during the second quarter of FY 2008.

DHS' material internal control weaknesses ranged from financial management reporting at the department level to financial management and controls surrounding the recording of individual account balances within DHS components. These control weaknesses, due to their materiality, are impediments to obtaining a clean opinion and providing positive assurance over internal controls at the department level. Achieving these departmental goals is highly dependent on internal control improvements at the Coast Guard, FEMA, the Transportation Security Administration (TSA), and the Office of the Chief Financial Officer (CFO).

To move forward, DHS must develop a comprehensive, financial management strategy that addresses organizational resources and capabilities, inconsistent and flawed business processes, and unreliable financial systems. In 2006, DHS took the initial step in this process by preparing comprehensive corrective action plans to address known internal control weaknesses. The corrective action plans from each component were incorporated into a single management strategy document identified as the Internal Control Over Financial Reporting (ICOFR) playbook. The DHS CFO, with the support of executive leadership and the involvement of component financial management, has aggressively pursued corrective actions throughout FY 2007. As a result, with the exception of FEMA, the corrective action plans for DHS' nonmilitary components have started to show results in improving financial reporting during FY 2007, although overall, the department still has much work remaining.

During fiscal year 2008, we anticipate progress in addressing some internal control deficiencies. We will perform a series of performance audits later this year, which are intended to assess the extent of progress and the status of planned corrective actions. These audits will be completed and available in the second quarter of FY 2008. Further, conditions reported as material weaknesses in internal controls in previous independent auditor reports will be updated and reported in the FY 2008 Consolidated Financial Statement Audit Report on or before November 15, 2008.

In addition, FEMA issued approximately 2,700 mission assignments totaling about $7.2 billion to federal agencies to help with the response to Hurricane Katrina. FEMA historically has had significant problems issuing, tracking, monitoring, and closing mission assignments. FEMA guidance on mission assignments is often vague, and agencies' accounting practices vary significantly, causing problems with reconciling agencies' records to FEMA records. FEMA has developed a number of new, predefined mission assignments to streamline some of the initial recurring response activities. In addition, FEMA's Disaster Finance Center is working to find a consensus among other federal agencies on appropriate supporting documentation for billings. We are conducting a review of mission assignments to DHS agencies and other Inspectors General are reviewing mission assignments to their respective agencies.

INFORMATION TECHNOLOGY MANAGEMENT

One of DHS' biggest challenges remains integrating the information technology (IT) systems, networks, and capabilities of the various legacy agencies to form a single infrastructure for effective communications and information exchange. There are multiple aspects to achieving such an IT infrastructure, as outlined below.

Security of Information Technology Infrastructure

The security of the IT infrastructure is a major management challenge. As we reported in September 2007, based on its annual *Federal Information Security Management Act* evaluation, and excluding its intelligence systems, DHS continues to improve and strengthen its security program. DHS implemented a performance plan to measure each

component's progress toward full compliance with its information security program. The performance plan tracks key elements indicative of a strong, functioning security program. Despite this oversight, components again are not executing fully the department's policies, procedures, and practices. Issues remain with component system certification and accreditation, Plans of Action and Milestones, and system baseline configurations. Other information security program areas where weaknesses exist include security configuration management, incident detection and analysis, and security training. Management oversight of the component's implementation of the department's policies and procedures needs to be improved to ensure the quality of the certification and accreditation process, and that all information security weaknesses are tracked and remediated.

In addition to our Federal Information Security Management Act (FISMA) evaluations, during the past year we conducted information security audits of DHS laptop computers, and performed technical security evaluations at Ronald Reagan Washington National Airport and Dulles International Airport. We assessed protective measures for personally identifiable information, and evaluated physical and system security at Plum Island. We also reviewed major programs and applications, such as DHS' implementation of Homeland Security Presidential Directive (HSPD-12) and the Automated Targeting System.

Based on the results of these audits, as well as our FISMA evaluation, and despite continued improvements in DHS' information security program, we determined that DHS organizational components are not executing all of the department's policies, procedures, and practices. For example:

- All operational systems have not been adequately certified and accredited;
- All components' information security weaknesses are not included in a Plan of Action and Milestones; and
- Standard configurations have not been fully implemented.

Further, while DHS has issued substantial guidance designed to create and maintain secure systems, there exist areas where agency-wide information security procedures require strengthening:

- Certification and accreditation;
- Vulnerability testing and remediation;
- Contingency plan testing;
- Incident detection, analysis, and reporting;
- Security configurations; and
- Specialized security training.
-

To address these issues, the CIO must identify ways to improve the review process and increase the accountability of DHS component organizations.

Additionally, DHS is required to protect its intelligence systems. We reported that DHS should grant the Office of Intelligence and Analysis (OI&A) the comprehensive authority to support the management, operation, and security of the department's Sensitive Compartmented Information systems. This authority will strengthen OI&A's oversight of component compliance with FISMA requirements for the data and the information systems that support its intelligence operations and assets. Later this year we will report on the results of our audit of the department's security program and practices affecting IT intelligence operations and assets.

Department-wide IT Infrastructure

Creating an adequate disaster recovery capability for DHS' information systems is a major concern. DHS' IT infrastructure remains a collection of legacy networks, systems, and data centers. Several elements of this IT infrastructure do not have the ability to relocate to an alternate site that can be used if their primary facility suffers an extended outage or becomes inaccessible. This inability to restore the functionality of DHS' critical IT systems following a service disruption or disaster could negatively affect accomplishment of a number of essential DHS missions, including passenger screening, grants processing, and controlling the flow of goods across U.S. borders.

DHS has focused on this issue by establishing the National Center for Critical Information Processing and Storage (NCCIPS). The NCCIPS is to provide hosting of departmental applications, network connectivity, and critical data storage under the direction of DHS' Chief Information Officer (CIO). In FY 2007, DHS awarded a contract for a second data center to supplement NCCIPS. DHS listed the second data center as a large, redundant, secure, scalable capability that will provide DHS with sufficient backup, disaster recovery, and continuity of operations in an emergency. The NCCIPS and the second data center are to have "active-active" processing capability to ensure each mission-critical system has a complete disaster recovery capability. DHS plans to close 16 existing data centers by moving their processing to the new active-active processing data centers.

Due to a lack of identified funding for migration of systems, DHS has been hindered in its efforts to establish the NCCIPS as an alternate processing facility. Specifically, DHS has stated that migration of systems to NCCIPS will be based on availability of funding, not on criticality of the system. Ensuring that the initial funds provided are spent effectively and will enable DHS to achieve the desired disaster recovery capability in a timely fashion will involve significant resources, oversight, and senior management attention.

Similarly, upgrading the DHS data communications infrastructure and consolidating the various organizations that provide data communications support are major undertakings for DHS. Coordinating these related communications upgrade efforts would require significant resources and oversight. Further, DHS will need to demonstrate how it will achieve the envisioned cost savings. Ensuring that DHS data communications activities remain effective and secure during the upgrade and transition also is a major concern.

DHS Component IT Management

Although improvements have been made, IT management at the subcomponent level remains a major challenge, as demonstrated by our audits and subsequent reports on the IT programs and initiatives of selected DHS directorates and organizations. We continued to identify problems with outdated or stove-piped systems, at times supporting inefficient business processes. Planning to modernize IT was unfocused, often with inadequate requirements identification, analysis, and testing to support acquisition and deployment of the systems and other technologies needed to improve operations. We also found consideration of privacy matters to be lacking for some IT programs.

For example, in November 2006, we reported as part of a followup review that U.S. Citizenship and Immigration Services (USCIS) had made some progress by placing priority on business transformation. USCIS was taking steps to centralize authority for IT personnel, initiating business process reengineering activities, and upgrading desktops and servers at key field locations.[1] However, we found that USCIS would benefit from improvements in centralizing IT operations and refining IT management practices. To be successful, USCIS also must continue to ensure that its transformation strategy, as defined, is clearly executed. We concluded that until USCIS addresses these issues, the bureau would not be in a position to manage existing workloads or handle the potentially dramatic increase in immigration benefits processing workloads that could result from proposed immigration reform legislation.

Similarly, our December 2006 followup assessment of FEMA's efforts to upgrade its principal disaster management system showed that although the agency has made short-term progress in addressing problems in each of these areas, more remains to be done to address long-term planning and systems integration needs. These improvements primarily included increasing the National Emergency Management Information System's (NEMIS) capacity and online access and registration. In addition, FEMA and its program offices specifically addressed our previous report's recommendations by documenting training resources, developing a plan to implement its enterprise architecture, gathering requirements for new business tools, and improving configuration management.

Despite these positive steps, FEMA had not documented or communicated a strategic direction to guide long-term IT investment and system development efforts. FEMA also had not performed crosscutting requirements gathering to determine business needs, which would allow its Information Technology Services Division (ITSD) personnel to analyze alternatives to continued development of the complex, custom NEMIS system. FEMA has challenges to accomplishing these tasks, including personnel needs, time limitations, and funding constraints. Therefore, constrained by limited resources, FEMA focused its efforts on preparing for the 2007 hurricane season and made little progress in addressing long-term needs, such as updating strategic plans, defining cross-cutting requirements, and evaluating systems alternatives.

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[1] DHS-OIG, *U.S. Citizenship and Immigration Services' Progress in Modernizing Information Technology*, OIG-07-11, November 2006.

Our reviews of major IT programs and initiatives of various components' management indicate similar problems. For example, in June 2007, we reported that a key Science and Technology (S&T) data mining program, Analysis, Dissemination, Visualization, Insight, and Semantic Enhancement (ADVISE) was at risk, due to a number of factors.[2] Specifically, S&T program managers did not develop a formal business case for the research and development project, in part because they were unaware of requirements to do so. In addition, program managers did not address privacy impacts before implementing three pilot initiatives to support ADVISE. Further, due to inadequate data access and system usability, OI&A analysts did not use the ADVISE pilot. Finally, because S&T did not effectively communicate and coordinate with DHS leadership about the benefits of ADVISE, departmental components have been unwilling to adopt ADVISE to support their intelligence analysis operations. DHS discontinued the three ADVISE pilots due to privacy concerns and ultimately announced the termination of the ADVISE program in September 2007.

In July 2007, we reported that the National Bio-Surveillance Integration System (NBIS) program was falling short of its objectives.[3] Specifically, DHS did not provide consistent leadership and staff support to ensure successful execution of the NBIS program. For various reasons, NBIS ownership shifted among department organizations numerous times, with corresponding fluctuations in the program approach, priority, and accomplishments. NBIS also struggled since its inception to secure the staff needed to manage program activities effectively. As a result of the repeated transitions and staffing shortfalls, planning documents needed to guide IT development were not finalized. Program management did not effectively communicate and coordinate with stakeholders to secure the data, personnel, and information sharing agreements needed to support system development. Additionally, program management did not provide the contractor with adequate guidance, requirements input, or data sources to deliver a fully functional system. As such, the contractor may not fulfill NBIS capability and schedule requirements, which potentially could result in cost increases to the program.

Information Sharing

The *Homeland Security Act of 2002*[4] makes coordination of homeland security communication with state and local government authorities, the private sector, and the public a key DHS responsibility. Due to time pressures, DHS did not complete a number of the steps essential to effective planning and implementation of the Homeland Security Information Network (HSIN)—the sensitive but unclassified system it instituted to help carry out this mission.

As we reported in June 2006, DHS did not clearly define HSIN's relationship to existing collaboration systems and also did not obtain and address requirements from all HSIN

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[2] DHS-OIG, *ADVISE Could Support Intelligence Analysis More Effectively*, OIG-07-56, June 2007.
[3] DHS-OIG, *Better Management Needed for the National Bio-Surveillance Integration System Program*, OIG-07-61, July 2007.
[4] P.L. 107-296.

user communities in developing the system.[5] Further, DHS did not provide adequate user guidance, including clear information sharing processes, training, and reference materials. Without establishing a baseline and developing specific performance measures, DHS had no effective way to track or assess information sharing using HSIN. As of June 2007, DHS' Office of Operations Coordination had taken steps to address our report's recommendations. Specifically, to remedy communication, coordination, and system guidance shortfalls, program management has created an HSIN Joint Program Office to develop training initiatives. Also, a Stakeholder Relationship Management team was tasked to focus on engagement of stakeholders and communicating the mission and vision of HSIN. In addition, the Homeland Security Information Network Work Group was engaged in aligning business processes, coordinating requirements, and creating cross-functional governances for HSIN. Lastly, the HSIN Program Manager was working to ensure that performance metrics were established, instituted, and used to determine system and information sharing effectiveness.

On a broader scale, DHS is challenged with incorporating data mining into its overall strategy for sharing information to help detect and prevent terrorism. Data mining aids agents, investigators, and analysts in the discovery of patterns and relationships from vast quantities of data. *The Homeland Security Act* authorizes DHS to use data mining and other tools to access, receive, and analyze information. Our August 2006 report on DHS data mining activities identified various stove-piped activities that use limited data mining features.[6] For example, CBP performs matching in order to target high-risk cargo. The U.S. Secret Service automates the evaluation of counterfeit documents. TSA collects tactical information on suspicious activities. ICE detects and links anomalies indicative of criminal activity to discover relationships. However, without department-wide planning, coordination, and direction, the potential for integrating advanced data mining functionality and capabilities to address homeland security issues remains untapped.

ACQUISITION MANAGEMENT

Balancing Urgency and Good Business Practices

With DHS annually spending about 39 % of its budget through contracts, effective acquisition management is fundamental to DHS' ability to accomplish its missions. Due to our current homeland security vulnerabilities, DHS tends to focus its acquisition strategies on the urgency of meeting mission needs, rather than balancing urgency with good business practices. Excessive attention to urgency without good business practices leaves DHS and the taxpayers vulnerable to spending millions of dollars on unproductive homeland security investments. Acquisitions must provide good value, because funds spent ineffectively are not available for other, more beneficial uses.

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[5] DHS-OIG, *Homeland Security Information Network Could Support Information Sharing More Effectively*, OIG-06-38, June 2006.
[6] DHS-OIG, *Survey of DHS Data Mining Activities*, OIG-06-56, August 2006.

We have conducted audits and reviews of individual DHS contracts, such as the Coast Guard's Deepwater program and CBP Secure Border Initiative Network. Common themes and risks emerged from these audits, primarily the dominant influence of expediency, poorly defined requirements, and inadequate oversight that contributed to ineffective or inefficient results and increased costs. Numerous opportunities exist for DHS to make better use of good business practices, such as well-defined operational requirements and effective monitoring tools, that would have preserved the government's ability to hold poorly performing contractors accountable.

Suspension and debarment are the most serious methods available to hold government contractors accountable for failed performance and to protect the government's interests in future procurements. To ensure the government has the option of using these methods, along with other tools to hold contractors accountable, the government must lay the groundwork from the very beginning of the acquisition process. That is, contracts must specify precisely expected outcomes and performance measures, and the government must properly oversee contractor performance. Without these basic provisions, the government will have no basis to assert that a contractor failed to perform, and thus, no basis to pursue suspension and debarment to protect the taxpayers in future procurements.

The urgency and complexity of DHS' mission will continue to demand rapid pursuit of major acquisition programs. As DHS builds its acquisition management capabilities in the components and department-wide, the business of DHS goes on and major procurements continue to move. Acquisition is not just awarding a contract, but an entire process that begins with identifying a mission need and developing a strategy to fulfill that need through a thoughtful, balanced approach that considers cost, schedule, and performance. Urgent acquisitions need more discipline, not less, because the consequences of failure are higher. DHS needs to distinguish between truly urgent needs and less urgent needs.

Programs developed at top speed sometimes overlook key issues during program planning and development of mission requirements. Also, an over-emphasis on expedient contract awards may hinder competition, which frequently results in increased costs. Finally, expediting program schedules and contract awards limits time available for adequate procurement planning and development of technical requirements, acceptance criteria, and performance measures. This can lead to higher costs, schedule delays, and systems that do not meet mission objectives.

One procurement method DHS uses is performance-based contracting. While this method has certain advantages over traditional, specifications-based contracting, it also introduces risks that, unless properly managed, threaten achievement of cost, schedule, performance, and, ultimately, mission objectives.

Sound business practice is a performance-based acquisition strategy to address the challenges of DHS' programs. Partnering with the private sector adds fresh perspective, insight, creative energy, and innovation. It shifts the focus from traditional acquisition models, i.e., strict contract compliance, to one of collaborative, performance-oriented

teamwork with a focus on performance, improvement, and innovation. Nevertheless, using this type of approach does not come without risks. To ensure that this partnership is successful, DHS must lay the foundation to oversee and assess contractor performance, and control costs and schedules. This requires more effort and smarter processes to administer and oversee the contractors' work. Therein lies the critical importance of describing mission needs, and the yardsticks by which to measure achievement, completely and precisely. Without clear agreement between the government and the contractor about what the procurement is to achieve, the government is vulnerable to cost overruns, delays, and, in the end, not receiving a good or service that meets its needs.

Performance-based contracting may have additional risks, but with forethought and vigorous oversight, the risks can be managed. "[R]isk management is the art and science of planning, assessing, and handling future events to ensure favorable outcomes. The alternative to risk management is crisis management, a resource-intensive process..." with generally more limited options.[7] While no one has yet formulated the perfect risk management solution, risks can be controlled, avoided, assumed, or transferred. For example, programs can develop alternative designs that use lower risk approaches, competing systems that meet the same performance requirements, or extensive testing and prototyping that demonstrates performance. Risk mitigation measures usually are specific to each procurement. The nature of the goods and services procured, the delivery schedule, and dollars involved determine what mitigation is appropriate.

A balanced approach is more likely to result in obtaining the right products and services at the right times for the right prices. Little disagreement exists about the need for our Nation to protect itself immediately against the range of threats, both natural and manmade, that we face. At the same time, the urgency and complexity of the department's mission create an environment in which many programs have acquisitions with a high risk of cost overruns, mismanagement, or failure. Adopting lower risk acquisition approaches that better protect the government's interests enhance the department's ability to take action against bad actors.

An Efficient, Effective, and Accountable Acquisition Function

We published the first of what will be a series of scorecards identifying the progress made in selected acquisition functions and activities within DHS.[8] The data included in the scorecards reflect our audits and inspections reports issued through March 2007, as well as additional fieldwork conducted in February 2007 and March 2007. We used GAO's *Framework for Assessing the Acquisition Function at Federal Agencies* (September 2005) and DHS' *Acquisition Oversight Program Guidebook* (July 2005) as a baseline.

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[7] Department of Defense, Defense Acquisition University, *Risk Management Guide for DoD Acquisition*, Fifth Edition (Version 2.0), June 2003.

[8] DHS Office of Inspector General, *Semiannual Report to the Congress*, October 1, 2006 – March 31, 2007, pages 59 – 78.

These references identify the following five interrelated elements essential to an efficient, effective, and accountable acquisition process:

- Organizational alignment and leadership;
- Policies and processes;
- Financial accountability;
- Acquisition workforce; and
- Knowledge management and information systems.

The Office of the Chief Procurement Officer is the DHS organization with responsibility for all department acquisition activities and services. This includes management, administration and oversight, financial assistance, and strategic and competitive sourcing. Responsibilities also include the development and publication of department-wide acquisition and financial assistance regulations, directives, policies, and procedures. Each component head shares responsibility for the acquisition function with the DHS Chief Procurement Officer. Therefore, the Chief Procurement Officer has used collaboration and cooperation with the components as the primary means of managing DHS-wide acquisition oversight. Specifically, some collaborative methods include integrating departmental components through common policies and procedures, meeting monthly with component procurement managers, and providing input on component new hires and procurement employees' performances.

Our audits and reviews during the past year continue to indicate that deficiencies persist. For example, there is still:

- Lack of strong acquisition authority in the Office of the Chief Procurement Officer and less than full partnership with other departmental functions;
- Lack of comprehensive program management policies and processes;
- Ineffective internal control over financial reporting;
- Insufficient program management staffing; and
- Unreliable information systems that are not integrated and do not provide useful reports and analysis.

DHS acquisition leaders identified some progress, but previously reported deficiencies remain largely uncorrected. Many remaining acquisition challenges fall outside the Office of the Chief Procurement Officer's control. A brief summary of each element follows.

Organizational Alignment and Leadership. DHS executive leadership has made modest progress in ensuring that the acquisition function achieves the organizational alignment needed to perform. Strong executive leadership is needed to ensure that the importance of the acquisition function is acknowledged and integrated with all other functions involved in, or affected by, procurement activities. One area of improvement is the increased communication by acquisition leadership to inform staff about the role and importance of their mission to DHS. The atmosphere for collaboration between DHS and its components on acquisition matters has improved. However, many still view the

acquisition function as a support activity, i.e., a contract processing office, rather than as a partner. Acquisition has begun to receive more resources for staffing and training.

Policies and Processes. DHS has made modest progress in developing policies and processes to ensure that components comply with regulations, policies, and processes to achieve department-wide goals. In 2005, DHS issued a management directive and guidebook that established policies and procedures for oversight of DHS acquisitions, with the common goal of delivering mission results while maintaining compliance with applicable laws, regulations, policies, and procedures. An acquisition manual and additional acquisition regulations for DHS have also been developed. According to GAO and our recent reports and interviews with DHS officials, the need still remains for a comprehensive DHS approach to program management standards.

Financial Accountability. DHS has made limited progress in ensuring financial oversight and accountability within the acquisition function. DHS financial information is generally unreliable, and financial systems do not have the internal controls and integration that acquisition personnel require. Also, the acquisition and finance offices have not successfully partnered on acquisition planning and strategic decision-making. DHS has numerous and persistent issues with inadequate internal controls and data verification. Improper payments have been made, and there are few checks on data once it is recorded in the system. This problem is exacerbated by the use of multiple, nonintegrated information technology systems across the department. Without a reliable data system, it has been very difficult for the financial office to make an impact in the broader acquisition process.

Acquisition Workforce. The capabilities of DHS' acquisition workforce will determine, to a great extent, whether major acquisitions fulfill DHS' urgent and complex mission needs. Contracting officers, program managers, and Contracting Officer Technical Representatives (COTRs) make critical decisions on a nearly daily basis that increase or decrease an acquisition's likelihood of success. DHS has made modest progress in building a skilled acquisition workforce. However, until a fully trained acquisition workforce is developed, it will be difficult to achieve further progress needed for an efficient, effective, and accountable acquisition function.

Both our office and the GAO have reported that the Office of the Chief Procurement Officer needs more staff and authority to carry out its oversight responsibilities. GAO recommended that DHS provide the Office of the Chief Procurement Officer sufficient resources and enforcement authority to enable effective, department-wide oversight of acquisition policies and procedures. We made a similar recommendation. An increase in the personnel budget has allowed DHS to fill many needed acquisition staff positions. Also, the number of oversight specialists in the Acquisition Oversight Division is authorized to expand to 40 during fiscal year 2008. However, the division has fewer than 10 staff on-board. Competition with other departments for acquisition personnel is intense. The Office of the Chief Procurement Office has undertaken an outreach program to involve DHS component staff to manage effectively and assist in acquisition oversight. In previous reports, our office and GAO identified the need for additional certified

program managers. The Office of the Chief Procurement Officer subsequently created a training program that likely will increase the pool of certified program managers.

Office of Personnel Management data indicates that more than 40 % of DHS' contracting officers will be eligible to retire within the next 5 years. To mitigate this circumstance, DHS plans to use additional appropriations to hire more personnel and implement an acquisition internship program that will bring in junior staff.

Knowledge Management and Information Systems. DHS has made limited progress since its creation in developing and deploying information systems to track and analyze acquisition data and improve user efficiency. Current systems are not fully integrated, contain unreliable input, and do not have internal controls to verify data. As a result, the acquisition program cannot effectively provide information to its stakeholders and does not have the tools necessary for planning or monitoring its transactions. Many DHS components still maintain their legacy contract writing systems and DHS lacks integration between contract writing and contract management systems. DHS has selected PRISM as its standard contract writing system, but the department-wide rollout is behind schedule. Integration and data accuracy problems will continue to exist until all components migrate to the same contract writing system.

U.S. Coast Guard Deepwater Acquisition

The Integrated Deepwater System Program (Deepwater) is a $24 billion, 25-year acquisition program designed to replace, modernize, and sustain the Coast Guard's aging and deteriorating fleet of ships and aircraft, providing a deepwater capable fleet for 40 years.[9] The Deepwater acquisition strategy is a nontraditional systems-of-systems approach by which private industry was asked to not only develop and propose an optimal mix of assets, infrastructure, information systems, and people-based solution designed to accomplish all of the Coast Guard's Deepwater missions, but also to provide the assets, the systems integration, integrated logistics support, and the program management. Under a more traditional acquisition strategy, the government would contract separately for each major activity or asset involved, such as cutters and aircraft, and their logistics support, communications equipment, systems integration, and program management operations.

Audits and other reviews of the Coast Guard's Deepwater Program have identified a number of management challenges and risks that raise fundamental questions about the viability of the Coast Guard's "System of System" strategy for recapitalizing and upgrading its Deepwater fleet of small boats, patrol boats, cutters, helicopters, and fixed-wing aircraft.

[9] The Deepwater area of operations is typically defined as beyond the normal operating range, approximately 50 miles from shore.

These challenges and risks include:

- A Deepwater acquisition work force that lacks the requisite training, experience, certification, and structure to acquire assets and systems of significant scope and complexity;
- A contract structure that did not easily adapt to the environment of changing missions and requirements, and major systems integration;
- The reliance on a lead systems integrator to manage day-to-day issues associated with the Deepwater Program;
- The Coast Guard's reticence to enforce contract performance requirements; and
- The Coast Guard's acceptance of contractor self-certification of technical standards in lieu of independent third-party certification.

To its credit, Coast Guard has acknowledged these problems and taken aggressive action to resolve them. Specifically, the Coast Guard has:

- Initiated action to consolidate all Coast Guard acquisition functions under one directorate;
- Reasserted its technical authority over Deepwater acquisitions;
- Increased its use of independent, third party assessments; and
- Redefined the Deepwater contract terms and conditions.

Coast Guard has also acted aggressively to improve its contract and technical oversight of the Deepwater Program by:

- Reinstituting its role as technical authority as opposed to the contractor when making decisions.
- Assuming the role of the decision-making authority as lead integrator and Integrated Product Team leader, a role Coast Guard had previously been delegated to the contractor.
- Initiating a process for reviewing engineering changes to improve control over the changes and associated costs.
- Contracting for an independent third-party review to validate proposed technical solutions for the National Security Cutters.

- Initiating a comprehensive independent third-party analysis of the entire Integrated Deepwater System to identify and document the most resource efficient method of satisfying an identified mission capability gap, including life cycle cost estimates and a cost-benefit analysis.

The Coast Guard and ICGS also renegotiated the 2002 Deepwater contract cost, schedule, and performance baselines of National Security Cutters 1, 2, and 3 in August 2007. The purpose of which was to address the terms and conditions that the Department and the Coast Guard considered to be unfavorable to the U.S. Government. As a result of the negotiations, the contracts for National Security Cutters #2 and #3 were changed from firm-fixed price to cost-plus-incentive fee, and there are now cost control incentives for the contractor. Additionally, the action incorporates a Navy best practice that requires the contractor to provide, on a quarterly basis, a release and notification of any conduct or action the contractor considers to be a potential change to the contract. Additionally, the Coast Guard cancelled the acquisition of the Vertical Unmanned Aerial Vehicle and the Short Range Prosecutor due to technical concerns and is working on developing cost-effective alternatives.

Overall, we believe the Coast Guard has made significant progress to improve the accountability of Integrated Coast Guard Systems and other Deepwater contractors. We will continue to exercise oversight over this very important and mission critical acquisition.

FEMA Acquisitions

In the aftermath of Hurricane Katrina, FEMA was not prepared to provide the kind of acquisition support needed for a catastrophic disaster. Specifically, FEMA lacked:

- Sufficient acquisition planning and preparation for many crucial acquisitions needed immediately after the disaster;
- Clearly communicated acquisition responsibilities among FEMA, other federal agencies, and state and local governments; and
- Sufficient numbers of acquisition personnel to manage and oversee contracts.

Pursuant to the Post-Katrina Emergency Management Reform Act of 2006 (Post-Katrina Act), FEMA has undergone significant reorganization, including in its acquisition function. Major concerns for the acquisition program included the need for:

- An integrated acquisition system;
- Comprehensive program management policies and processes;
- Appropriate staffing levels and trained personnel;

- Reliable and integrated financial and information systems; and
- Timely corrective actions in response to many OIG and GAO report recommendations.

FEMA has recognized the need to improve acquisition outcomes and has taken positive steps that include:

- Using a hurricane gap analysis tool to identify potential disaster response gaps;
- Executing prenegotiated or "readiness" contracts in advance of disasters;
- Working with DHS' Disaster Response/Recovery Internal Control Oversight Board to address response problems; and
- Increasing from 35 contracting staff when Hurricane Katrina struck to the 130 FEMA now has on-board.

However, challenges remain. FEMA needs to continue its progress in (1) hiring and training qualified acquisition staff, and (2) developing a fully integrated and sustainable acquisition management system, before it gains full control over its acquisition management program.

Outlook and OIG Oversight

DHS can protect the public interest in major acquisitions. The long-run solutions include:

- Strong program and procurement offices;
- Clearly articulated program goals;
- Defined program technical requirements, performance measures, and acceptance terms;
- Well-structured contracts; and
- Thorough cost and performance oversight.

In the near term, DHS can mitigate risks and limit government's exposure through such actions as the following:

- Writing shorter-term contracts with smaller, incremental tasks;
- Using contract vehicles that better share risk between government and vendor; and
- Ensuring that the government retains negotiating power with decision points and options.

We will continue a vigorous audit and investigation program to uncover DHS acquisition vulnerabilities and recommend swift, cost-effective improvements. Acquisition management is and will continue to be a priority for my office and an area where we

focus considerable resources. Our plan is to continue examining such crosscutting acquisition issues as workforce qualifications, competition, small and disadvantaged business utilization, and corporate compliance, in addition to individual programs, such as Deepwater and the Secure Border Initiative.

GRANTS MANAGEMENT

In conjunction with the realignment efforts being undertaken pursuant to the Post-Katrina Act, the grant programs administered by the Office of Grants and Training transferred to FEMA, effective April 1, 2007. Grants and Training grant management activities were absorbed within two new FEMA Directorates. Grants and Training's grant business and administrative management functions will be centralized in the Grant Programs Directorate, while program management functions will become a part of the National Preparedness Directorate.

Grants and Training's financial management activities, which were previously provided by Grants and Training's legacy organization at the Department of Justice, will be absorbed by FEMA's Office of the Chief Financial Officer (OCFO) during FY 2008. The OCFO will be responsible for all financial grants management functions within the new FEMA. Financial grants management encompasses all financial activities necessary to manage the grant funds, from appropriation through closeout of the grant award. As a result, FEMA directly oversees more than 80 % of all grant resources awarded by DHS. This includes not only mitigation programs, but also preparedness grants valued at nearly $4 billion in FY 2007.

Recognizing that this was a mid-year transition, the processes in place to announce Grants and Training grant guidance, receive and review applications, and announce awards remained unchanged in FY 2007. The relationship between Grants and Training grantees and Preparedness Officers in providing grant guidance and other services also remained unchanged. The Grants Management System (GMS) supports the grant management process involving the receipt of grant applications and grant processing activities.

For the short-term, FEMA will run two financial systems: (1) FEMA GMS, and (2) Grants and Training GMS. This will allow FEMA to incorporate all Grants and Training financial data, including grants data, within the new FEMA. Grants and Training GMS includes grantee payment functionality and financial status reporting capabilities. In FY 2008, Grants and Training GMS data will migrate to FEMA GMS to form a unified system.

Managing the multitude of grant programs within DHS poses a significant challenge. The grant programs of other federal agencies that assist states and local governments in improving their abilities to prepare for, respond to, and recover from acts of terrorism or natural disasters compound this challenge. The Congress continues to authorize and appropriate funding for individual grant programs within and outside of DHS for similar, if not identical, purposes. In total, DHS manages more than 80 disaster and nondisaster grant programs. For disaster response and recovery efforts, we have identified 36 federal

assistance programs that have the potential for duplicating DHS grant programs. In addition, the internal DHS reorganization has compounded these issues, as overlapping jurisdictions and systems must be reconciled. DHS must do more to coordinate and manage grants that are stove-piped for specific, but often related purposes, to ensure that they are contributing to our highest national preparedness and disaster recovery goals, rather than duplicating one another and being wasted on low-priority capabilities.

The administration has authorized more than $132 billion to support recovery efforts in the nation's Gulf Coast as a consequence of hurricanes Katrina, Wilma, and Rita. In the Gulf Coast states affected by these hurricanes, numerous federal grants from different agencies and components of DHS are going to state and local governments, private organizations, and individuals for response and recovery from these hurricanes, as well as for the next disaster or terrorist attack. We are currently reviewing disaster grant activities throughout the Gulf Coast and will continue to give special emphasis to Gulf Coast disaster response and recovery grant spending.

In FY 2008, DHS is expecting to award approximately $3.2 billion for state and local preparedness expenditures, as well as assistance to firefighters. Of this amount, $2.2 billion is requested for DHS to fund grant, training, and exercise programs under FEMA. In addition, in coordination with the state preparedness grant program, FEMA will be administering the $1 billion Public Safety Interoperable Communications grant program in partnership with the Department of Commerce.

We are reviewing individual state's management of first responder grants and the effectiveness of DHS' system for collecting data on state and local governments' risk, vulnerability, and needs assessments. Our audits have reported on the states' inability to effectively manage and monitor these funds, and demonstrate and measure improvements in domestic security. Our reports also pointed out the need for DHS to monitor the preparedness of state and local governments, grant expenditures, and grantee adherence to the financial terms and conditions of the awards.[10]

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[10] DHS OIG: *The State of Georgia's Management of State Homeland Security Grants Awarded During Fiscal Years 2002 through 2004*, OIG-08-22, January 2008, *The State of Florida's Management of State Homeland Security Grants Awarded During Fiscal Years 2002 through 2004*, OIG-08-20, December 2007, *The Commonwealth of Pennsylvania's Management of State Homeland Security Grants Awarded During Fiscal Years 2002 through 2004*, OIG-08-03, October 2007, *The State of New Jersey's Management of State Homeland Security Grants Awarded During Fiscal Years 2002 through 2004*, OIG-07-58, July 2007; *Audit of State Homeland Security Grants Awarded to the American Samoa Government*, OIG-07-42, May 2007; *The State of North Carolina's Management of State Homeland Security Grants Awarded During Fiscal Years 2002 and 2003*, OIG-07-02, October 2006; *Audit of Emergency Management Performance Grant Funds Awarded to the Virgin Islands Territorial Emergency Management Agency*, DA-07-01, October 2006; *The Commonwealth of Virginia's Management of State Homeland Security Grants Awarded During Fiscal Years 2002 and 2003*, OIG-06-45, July 2006; *Audit of Grant 2004-TK-TX-003 and 2005-GH-T5-0001 Awarded to the National Domestic Preparedness Coalition of Orlando, Florida*, OIG-06-34, May 2006; and *The State of Indiana's Management of State Homeland Security Grants Awarded During Fiscal Years 2002 and 2003*, OIG-06-19, December 2005.

Given the billions of dollars appropriated annually for disaster and nondisaster grant programs, DHS needs to ensure that internal controls are in place and adhered to, and grants are sufficiently monitored to achieve successful outcomes. DHS must ensure that, to the maximum extent possible, disaster and homeland security assistance go to those states, local governments, private organizations, or individuals eligible to receive such assistance and that grantees adhere to the terms and conditions of the grant awards. DHS needs to continue refining its risk-based approach to awarding first responder grants to ensure that areas and assets that represent the greatest vulnerability to the public are as secure as possible. It must incorporate sound risk management principles and methodologies to successfully prepare for, respond to, recover from, and mitigate acts of terrorism and natural disasters.

DHS management recognizes these challenges. DHS is planning a study to provide a single grants management system for all nondisaster-related grants. In addition, a risk-based grant allocation process was completed in FY 2006. DHS risk analysis was a critical component of the process by which allocations were determined for such programs as the Homeland Security Grant Program, Transit Security Grant Program, Port Security Grant Program, and the Buffer Zone Protection Program.

Finally, Mr. Chairman, I would like to highlight briefly other critical challenges that the department needs to keep a close eye on over the next twelve months as the country prepares for a national election and transitions to a new administration.

- Border Security and the SBI Program,
- Coast Guard's Deepwater Acquisition Program,
- Security Over Cargo on Passenger Planes,
- CIS' Backlog of Immigrant Applications, and
- FEMA Preparedness.

These initiatives are in a critical stage of their development and, therefore, require unwavering management attention. Although the department is making a good faith effort to formulate and execute meaningful performance plans to address the management challenges associated with these initiatives, the ability of the department to sustain these efforts is fragile at this point in time because of the early stage they are in and the disruptions that may accompany the transition to the new administration in less than a year. It is imperative that the department formulate comprehensible performance plans with unambiguous milestones and metrics to gauge or measure progress, ensure transparency and accountability, and help guide program execution.

Border Security and the SBI Program

A principal DHS challenge is reducing America's vulnerability to terrorism by controlling the borders of the United States. To this end, DHS is implementing the Secure Border Initiative (SBI), a comprehensive multi-year activity to secure the borders and reduce illegal immigration. CBP, ICE, CIS, and the Coast Guard all have key roles in the SBI program. To ensure SBI success, it is critical that the program is thoroughly

planned. DHS also must institute an approach to coordinating the SBI functions and activities of the participating DHS components with the related efforts of other agencies as well. We are currently conducting a series of audits to evaluate whether the SBI program initiatives are being accomplished in an economical, efficient, and effective manner.

Coast Guard's Deepwater Acquisition Program

The aged and deteriorating condition of the Coast Guard's aircraft, boats, and cutters is impacting the Coast Guard's readiness to perform its missions. Recent reports of hull and mechanical failures involving the Coast Guard's largest and oldest cutters clearly demonstrate that urgent action is needed. The Deepwater Acquisition program, designed to recapitalize Coast Guard's fleet of assets, has not met cost, schedule, and performance expectations.

To help place the Deepwater Acquisition on sound footing, Congress mandated that no funds should be available for Deepwater procurements until an independent third party completed an Alternatives Analysis to identify and document the most resource-efficient method of resolving mission capability gaps. The Analysis, which to be completed by February 28, 2008, is critical in determining the number and mix of assets to be procured under the revised Deepwater Implementation Plan. Coast Guard's implementation of the revised Deepwater Implementation Plan is critical to Coast Guard's ability to effectively carry out its missions.

Security Over Cargo on Passenger Planes

H.R.1: Implementing Recommendations of the 9/11 Commission Act of 2007, requires DHS to establish a system to screen 100 percent of cargo transported on passenger aircraft by August 2010. Current TSA regulations require air carriers to screen 30 percent of cargo that has not been exempted from screening, which can be accomplished through physical examinations or non-intrusive methods, such as x-ray systems, explosives detection systems, and certified canine inspection teams. Regulations also require that cargo to be transported on passenger aircraft come from known shippers although there are exceptions where cargo from unknown shippers may be transported.

Our audits, as well as prior GAO work, have identified a number of weaknesses in TSA's multi-layered approach to oversee and ensure air carrier compliance with cargo screening requirements. For example, our review of TSA's air cargo security program found that a large percentage of cargo is entirely exempt from screening, TSA has limited resources to conduct inspections, and its inspectors rely primarily on reviewing air carrier documentation only after cargo has been transported to verify compliance with federal security regulations.

Moving to 100 percent screening of air cargo on passenger plans presents a huge challenge for TSA. TSA is currently piloting a voluntary program to permit cargo screening by certified entities at additional points along the supply chain. TSA will

continue to utilize the Known Shipper Program, which provides a systematic approach to assess risk and determine the legitimacy of shippers. Congress has asked GAO to review the agency's efforts to comply with requirements of the 9/11 Act by conducting a review of the Certified Cargo Screening Program, and has requested that we conduct a review the Known Shipper Program to determine the extent to which cargo from unknown shippers is being transported on passenger aircraft.

CIS' Backlog of Immigrant Applications

A key factor in this effort will be the progress CIS makes in modernizing its information technology systems. CIS has developed a number of plans to modernize its systems, but none of them have been implemented fully. As noted earlier in this testimony, we reported in November 2006 that until USCIS improves IT management and operations, the bureau will not be in a position to either effectively manage existing workloads or handle the potentially dramatic increase in immigration benefits processing workloads that could result from proposed immigration reform legislation.

FEMA Preparedness

We are currently reviewing and evaluating FEMA's preparedness for effective disaster response, including any catastrophic events. This review is the second in a planned series of scorecard assessments to determine the extent of progress made and the status for selected functions and activities within the Department of Homeland Security (DHS). For this scorecard review, we identified nine key program functions critical to successful preparedness efforts: Overall Planning; Coordination and Support; Interoperable Communications; Logistics; Evacuations; Housing; Disaster (Surge) Workforce; Mission Assignments; and Acquisition Management. Within each of these functions, we are assessing FEMA's progress and identified improvements needed in two to five critical action areas.

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Mr. Chairman, this concludes my prepared statement. I have highlighted four specific management challenges facing the department—financial management, information technology management, acquisition management, and grants management—that are the backbone of the department and provide the structure and information to support the accomplishment of DHS' mission. While some aspects of these challenges were inherited by the department from their legacy agencies, the complexity and urgency of DHS' mission has exacerbated the challenge in many areas.

While the department's senior officials are well aware of these problems and are making progress in resolving these issues, we must continue to keep the department focused on these challenges. Our continued oversight in these areas is intended to facilitate solutions in order to significantly improve the department's ability to carry out its operational programs.

I will be pleased to answer any questions you or the Members may have.

Mr. PRICE. Thank you.

We do have a vote on the floor, and perhaps I am told a series of votes, so we are going to have to ask for your indulgence and come back and forth as required on the House floor.

COOPERATION FROM DHS

There is one focused area that is of concern that perhaps we can ask you to respond to before we break to go to the floor, and that has to do with the matter Mr. Walker has already brought up briefly; that is, the question of your own access to the information that you need to do your jobs at DHS.

As you probably remember, at last year's hearing about this time this was a major theme, the poor cooperation you were getting from DHS. Mr. Walker said, and I am quoting, "DHS has been one of our persistent access challenges." You suggested that we think about conditioning appropriations on DHS taking certain actions regarding GAO and GAO access.

The Inspector General talked about problems he was having with the Coast Guard in particular.

Well, we did hear those reports, and the omnibus bill, as Mr. Walker noted, does include bill language withholding $15 million from the Office of the Secretary and Executive Management until the Secretary revises Departmental guidance with respect to relations with both the GAO and the IG, including expediting timeframes for documents requested and for interviews.

So I would like to ask you to update us on the status of this effort. Mr. Walker, you began to talk about this. Maybe you could elaborate. What is the status of the revised Departmental guidance? Have you seen it? Have relations with the Department improved since last year in ways that you can measure and indicate? Thirdly, are there any new problem areas?

Mr. WALKER. Mr. Chairman, we have not seen the draft revised guidance yet. We know the Department is working on it.

Our relations have improved since last year. The number of delays and the extent of the delays have decreased, but we still have an issue. A lot of the issue has to do with the fact that one has to take a more risk-based approach in determining how many people need to be involved before GAO gains access to certain information and individuals.

As I have said in the past, the Department historically has had too many people involved, too many players, too many layers and that by itself leads to delays and too many times in which the lawyers had to be involved.

I am confident we can work something out, but unless and until I end up seeing a document and we start interacting on it it would be premature to say much more.

Mr. PRICE. Mr. Skinner.

Mr. SKINNER. I must say since last year at this time when I testified the cooperation that I am receiving from the Department has improved very noticeably. As a matter of fact, with one exception, in one component, it has been outstanding.

We are still experiencing some cooperation issues with FEMA, particularly since Hurricane Katrina struck. I am working very closely and am engaged in conversations with the FEMA Director

and Deputy Director and DHS counsel to work out problems that we are currently experiencing and to establish some protocols to ensure that we can move forward. All in all, on a Departmental level it has really improved and it has been outstanding.

With regards to the Secretary's letter to the Department, that has been shared with us in draft. We are working with the Department, and hopefully by working with them we can get a letter out to the employees throughout the Department sometime in the very near future.

Mr. PRICE. On the FEMA matter, I wonder if you could elaborate a bit.

I understand this, among other things perhaps, involves restricted IG access to financial management reports. These were reports that I think were routinely given to the IG until a short time ago. Could you elaborate what the remaining difficulty there is?

Mr. SKINNER. That is something that I, as a matter of fact, just as late as yesterday, was talking about with the Deputy Director.

It is a series of reports, very important reports. They tie together program performance and financial performance of FEMA's disaster programs. It is a tool that was developed I think, in the late 1990s. The OIG always had access to the reports up until approximately a year or two ago.

We have been asking for access for the past year, and that is one of the things that has delayed a lot of our work and has caused a lot of consternation not only on my staff, but also on FEMA's staff because now they have to produce these reports for us, when in the past we were able to get direct access.

It is my understanding that beginning this week we will get access to those reports again, based on the conversations that I had yesterday with the FEMA Deputy Director. We will continue our dialogue on other issues that we think we need access to as well.

Mr. PRICE. All right. We are going to have to go to the floor. We hope it will not be for too long. We will be in recess until we return.

[Recess.]

Mr. PRICE. The subcommittee will resume.

To both of you, thank you for your answer on the question of access to the information that you need. Obviously we will be watching this along with you. We will appreciate being updated if anything materially changes about the kind of report you have given today.

We especially want to follow this FEMA matter and make sure that that gets resolved. Of course, we will have a decision to make about when the compliance has been sufficient to warrant the release of appropriated funds.

Mr. Rogers.

Mr. ROGERS. Thank you.

MANAGEMENT PERSONNEL

Mr. Skinner, in your report you talk about the shortage of personnel in management, and in the 2009 budget request they are asking for almost $50 million to support 77 additional FTEs to enhance an array of Departmental functions, including policy, plan-

ning, communications, financial management, project management and compliance with privacy and civil rights laws.

In addition, there are notable requests for additional staff for grants management and evaluation, 10 FTEs, and expansion of counterintelligence efforts, six FTEs. Those are directly related to many of the items that you identified as management challenges in your January 2008 report.

Their ability to hire and retain qualified staff in critical positions has been a persistent issue with us over the years. How do you judge their budget requests in these areas relative to what you think ought to be done?

Mr. SKINNER. I am pleased that the Department has recognized that they need to invest in its management support functions, particularly in the areas that I just addressed, because we were shortchanged when we stood up in 2003, and each year—the first two or three years, I believe—we were spinning our wheels.

In these past two to three years, in 2007, 2008 and now in its budget request for 2009, the department has recognized the importance of investing in these activities.

What would be the magic number in terms of what ought to be done? We do not have that, but they most certainly could use additional resources in all these management support areas, particularly in grants management, in IT management and acquisition management. In grants management, for example, the department is in a good position right now, using a risk-based approach, to allocate its funds. It is organized under a single umbrella—operating right now under two systems that will be integrated in 2008 under one system—so we are good in advertising, receiving and reviewing applications, and awarding grant funds.

Where we are very weak, and where we could use additional resources, and 20 or 30 people will not do it, is in the area of oversight, after funds are awarded, from both a financial performance perspective.

Mr. ROGERS. Do you think——

Mr. SKINNER. But I believe this is a good sign we are headed in the right direction.

Mr. ROGERS. But you are unwilling to say that it is enough?

Mr. SKINNER. In grants management? Quite frankly, I do not believe——

Mr. ROGERS. No. I mean overall.

Mr. SKINNER. Overall?

Mr. ROGERS. Yes.

Mr. SKINNER. I think we could in fact use additional resources, particularly in the area of acquisition management. That is something that we are very, very weak in.

The problems that we are encountering in that arena is problems that the government as a whole is encountering. We are competing with other departments. There is just not enough qualified people out there right now.

Mr. ROGERS. Well, DHS has always had hiring problems and problems in retaining quality staff in what we call core competency positions—financial management, project management and the like. How come?

Mr. SKINNER. In acquisition management, again I believe there is a history here. We could take you back to the 1990s when we downsized in government as a whole. The people that we targeted were the people in the area of acquisition management, financial management, IT management. These are the areas that were downsized.

Now we are realizing that we have a greater dependence on contractors to get our work done, just not in DHS, but across the government. We now have a responsibility to provide and produce reliable, accurate financial information not only to the Secretary, but the Congress and to the public.

It is a core competency. It just was not there inside the Beltway. That is now being rebuilt, and that will take time. I do not believe the Department of Homeland Security is any worse off than any of the other departments in this arena, in this area.

Mr. ROGERS. Mr. Walker.

Mr. WALKER. In some of the areas that you talked about, Mr. Rogers—you talked about information technology, financial management, some of these areas—there is a supply and demand imbalance, in general, with regard to being able to attract and retain an adequate number of people in government in those areas.

However, I do think that the Department of Homeland Security has some other elements that complicate their situation. First, they have a lot of leadership positions that are open. They have a lot of turnover. In addition, their employee morale has not been very good and so these factors tend to complicate an already difficult supply and demand situation for these type of skills.

When you have other places you can go, you may rather go to a place that you are going to have more continuity of leadership and a better morale situation, so that is why it is important that they start dealing with some of these underlying challenges.

Mr. ROGERS. Do you have an opinion about the personnel requests in the 2009 budget?

Mr. WALKER. Mr. Rogers, I have not studied it, nor have we, but the numbers that you gave me that you mentioned before were, as I recall, $50 million for how many positions?

Mr. ROGERS. Well, 77.

Mr. WALKER. That is almost $600,000 per position, so something is wrong. I know you cannot make that much in government firsthand.

Mr. ROGERS. Well, the $50 million is not just for the personnel. It is for a number of other things.

Mr. WALKER. Right. It sounds——

Mr. ROGERS. But it includes 77 additional FTEs.

Mr. WALKER. Yes. I do not know what all it includes, Mr. Rogers. There is little doubt in my mind that they need to enhance capacity in certain critical areas like financial management, acquisitions.

Whether or not that proposed plan and the amounts are reasonable, we have not looked at it so I really could not opine on it.

FEMA

Mr. ROGERS. Well, the first concern identified by the IG in the January 2008 report on management challenges was catastrophic disaster response and recovery, i.e., FEMA.

The 2009 request includes $213.5 million for an additional 357 FTEs for FEMA specifically to modernize IT systems, improve critical infrastructure within FEMA, enhance field personnel for disaster operations and logistics management. In short, it is part of the FEMA Vision Initiative and part of the efforts to rebuild and reshape the agency since Katrina.

How do you see those increases, Mr. IG?

Mr. SKINNER. I believe that again these are needed resources. I believe that FEMA has done an excellent job in identifying where those needs are and how funds need to be allocated, as well as resources.

I would like to point out, however, when we are talking about catastrophic disasters that FEMA and the federal government was never, ever prepared to deal with a catastrophic disaster. These are new initiatives.

I believe Katrina taught us a lesson that we need to start investing in our infrastructure to ensure that we do not repeat our performance after a catastrophic disaster such as Katrina.

You mentioned 300 plus. Let us not forget the 500 plus that we hired during 2008 as well, particularly in the areas of acquisition management and other areas of preparedness, so this is in addition to.

You cannot do it all within a 10 month or 12 month period. It has to be done incrementally. It has to be done in a very disciplined way, and I think that is the approach FEMA is taking.

Mr. ROGERS. Mr. Walker.

Mr. WALKER. Mr. Rogers, the only thing that I would suggest that this subcommittee may want to take a look at is what is their plan for the number of permanent staff who will be focused on this versus their contingency plan because by definition you do not want to staff up for more than you can use on a recurring basis.

You want to have enough staff to be able to get your job done in normal circumstances, and then you want to be able to have a contingency plan such that you can mobilize and activate other staff to bring to bear for a major disaster, which will occur from time to time, but that is not the norm. You do not want to build that into your base.

I do not know how they have gone about doing that, but that is an area that I would encourage you to take a look at.

Mr. ROGERS. Thank you.

INFORMATION SHARING CAPABILITIES

Ms. ROYBAL-ALLARD [presiding]. Mr. Walker, in January 2007 GAO stated that, and this is a quote, "The federal government still lacks an implemented set of policies and processes for sharing terrorism information." Then it goes on calling poor information sharing, and again a quote, "a major vulnerability exposed by the 9–11 attacks."

Several of my local first responder agencies support this finding and have expressed concern that the Department limits the ability of a state to fully utilize the Fusion Centers as a means to improve information sharing. They specifically cite a bulletin, IB–235, which limits the time an Information Sharing Analyst can serve in the center as a cause of the understaffing of Fusion Centers.

Has the Department implemented a set of policies and processes to improve its information sharing capabilities, and do you agree that the Department policies have led to an understaffing at Fusion Centers?

Mr. WALKER. I cannot speak directly to the Fusion Centers because I have not been given information relating thereto. Unless my staff passes me something, I will have to provide something for the record on that.

I do know that progress has been made with regard to information sharing, but, as you know, that is not just an issue with DHS. That is a governmentwide high risk area of which DHS is one of a number of players who are on the field with regard to that.

Additional progress has to be made. I will be happy to look into that specific issue and provide something for the record.

I think it is also not just an issue of trying to make sure we have the right type of information that relates to actionable intelligence in order to try to prevent a problem. We also need to be concerned with privacy.

One of the things that we have recommended as well is that each of the major components need to have privacy officers, in our view, to help achieve that balance.

INVOLVING STATE AND LOCAL GOVERNMENTS IN DETERMINING INVESTMENT PRIORITIES

Ms. ROYBAL-ALLARD. Mr. Skinner, in many cases state and local governments really are in the best position to identify threats and vulnerabilities in their transit systems. Therefore, there is concern that the Transportation Security Agency, in cooperation with FEMA, are not sufficiently involving state and local governments in determining investment priorities.

What has been done to address that concern, if anything, and do you believe that the current level of cooperation between state and local officials is sufficient to identify top investment priorities?

Mr. SKINNER. First let me say I do not believe that, right now, the type of cooperation and collaboration and partnerships that the department has with state and local governments is in fact sufficient. I do not think it is. We have a long way to go to improve our relationships with state and local governments.

I believe that we are headed in the right direction, or I believe FEMA is headed in the right direction. The recent national framework for disasters, the response framework, is a step forward or a step in the right direction. It recognizes the role state and local governments have to play in a federal response and recovery or disaster response and recovery operation.

We have a long way to go. I believe FEMA recognizes that it has a long way to go, and I think there are initiatives underway now to do a better job of engaging state and local governments. Time will tell how successful we are.

Ms. ROYBAL-ALLARD. Okay. I know that you wanted to add something, but I only have about three minutes to get to a vote. If you could just add that to the record or perhaps respond when the Chairman returns?

Mr. WALKER. I would be happy to.

Ms. ROYBAL-ALLARD. I apologize. I have three hearings going on at the same time, so I will not be back to hear an answer.

Mr. WALKER. I will say it later in the hearing. Thank you.

[Recess.]

Mr. PRICE [presiding]. The subcommittee will resume. I hope you gentlemen are impressed with our efficiency around here. We are making the best of a problematic situation, you might say.

Mr. WALKER. It is a tag team, Mr. Chairman.

Mr. PRICE. A tag team. That is right.

I understand there is an answer pending for Ms. Roybal-Allard, so please go ahead and do that, and then I will have some questions of my own.

FUSION CENTERS

Mr. WALKER. Mr. Chairman, Ms. Roybal-Allard asked about Fusion Centers, and I noted that we have recommended that the government needs to clarify its role in connection with Fusion Centers.

You know, one of the most fundamental things is how do you define what a Fusion Center is because to the extent that that is not well defined and if the government plans to have more involvement then it is critical that that be done sooner rather than later.

Furthermore, especially if the Department plans to provide some resources to support these Fusion Centers, whether they be intelligence analysts, financial resources or whatever else, one has to guard against the tendency that when state and local governments find out that the federal government may have some money to spend that all of a sudden things become whatever the federal government is willing to fund, like Fusion Centers.

So we need to clarify what they are, what one is trying to accomplish, whether and to what extent the federal government is going to play a role and provide resources and provide safeguards to make sure that they result in a desired outcome rather than just traditional flows of funds.

Mr. Skinner's, I think, operation may actually be doing work on that issue.

Mr. SKINNER. That is correct. We are in the middle of doing a review of Fusion Centers around the country as we speak, and hopefully later this year we will be able to provide a report on exactly what is a Fusion Center and what is the federal government's role in participating in these state and local initiatives.

FINANCIAL MANAGEMENT

Mr. PRICE. Thank you. Mr. Skinner, let me continue with you on the question of financial management, which you touched on, but I want to ask you to elaborate.

As you recall, you told the subcommittee that if the Department stayed focused and hired the right people and implemented corrective action plans for its financial management systems then maybe in 2009 they could achieve an unqualified financial audit.

You briefly updated us in your statement about the uneven progress across the agency in reaching this state. I gather that your answer is this is not possible by 2009 mainly because of the Coast Guard problems that you cited, but I would ask if I could ask

you to elaborate on that in light of the broader conditions you laid down and the broader assertion that you made this morning.

Your testimony states that FEMA's financial management has deteriorated in the past year as well, so I wonder if you could elaborate on what the major problems are that you see and what can be done to fix them and how do we get to the status that we would like to see in terms of an audit?

Mr. SKINNER. Yes. Right now with the conditions that we have at the Coast Guard and the lack of progress we are having at the Coast Guard, at the earliest, the Coast Guard does not believe that they will be in a position to offer reliable financial statements until the year 2011.

They are an integral part of the Departmental's overall financial statements, the preparation, and our audit of the financial statements. Without the Coast Guard, we are not going to be able to give an unqualified or a qualified opinion to the Department until, at the earliest, 2011.

With regards to FEMA, there has been some backsliding, and I attribute it to two things. One is Hurricane Katrina and, secondly, the reorganization or the realignment of the grant programs under FEMA.

FEMA recognizes its problems. The Department, the Office of the CFO, has also recognized the problem and is helping FEMA work through them. FEMA has developed corrective action plans, and if they stay focused this year, we are comfortable that FEMA will be able to produce auditable financial statements next year. The plan is at this point in time to correct these problems this year.

One of the things, if you look at DHS as a whole, if you take the military out, i.e., the Coast Guard, the civilian side of the house has made tremendous progress. FEMA has backslided, but we think we can get them back on track.

You have CBP preparing full statements that are unqualified. You have FLETC preparing full statements that are unqualified. You have ICE, who in 2003 was in the worst condition of everyone, including the Coast Guard, and they have now brought themselves up to where we believe we can give them a qualified opinion this year on their balance sheet.

You have TSA, who has experienced some problems, and most recently their problems are associated with the Coast Guard because they have transitioned onto the Coast Guard platform. As a result, the Coast Guard has written certain what they call scripts, and they did not leave an adequate audit trail.

Once we identify those scripts and determine the impact they will have on the financial statements, we think we will have a qualified opinion or an unqualified opinion in a year or so on full statements for TSA.

Everything on the civilian side of the house is starting to look up. The Office of the CFO, under the leadership of David Norquist, has done what I think is just a yeoman's job of pulling things together.

Our frustration is over at the Coast Guard. No progress in three years. The current outline—I cannot even call it a plan, but their current outline—suggests that they will not be able to address or

correct their problems until the year 2011. That will have a major impact on the Department as a whole.

Mr. PRICE. What can you give as an explanation for this or advice about how this process can be moved along?

You know, there have been multiple challenges at the Coast Guard. Some of them, such as contract management, they have made very obvious efforts to correct. It is distressing to hear that you use the words no progress on an area of financial management.

2011 is a long time. That is a long timeline to get these matters corrected. What would you suggest to the committee in terms of our approach?

Mr. SKINNER. I believe before the Coast Guard can do anything, they have to develop a detailed performance plan with milestones to clearly show where they are today, where do they expect to be in six months, where will they be in nine months, where will they be a year from now. That does not exist, so we cannot really hold them accountable as to what progress they are making.

We need to understand that these are longstanding problems. We have gone back as early as 1994 and pulled an OIG report when they were with the Department of Transportation, and identified these exact same problems. These are not new problems.

It is the first time the spotlight has been shined on their financial management capabilities. They were always able to operate under the radar screen with regard to their financial capabilities. Now that they are with the Department they have become an integral part of its financial statements.

One of our frustrations is just the turnover that they continue to have in the Coast Guard because the financial management function is actually led by military types, not civilians. Every three years there is a turnover.

I have been here now going on five years, and I have gone through three CFOs. I am about to be introduced to the third CFO at the Coast Guard. There is a tendency to come on board, look at the situation, blame your predecessor, develop some PowerPoint slides of what you are going to do, and, then, Step 3: is prepare for your next assignment.

These people are military people. There is no continuity there. Their goal is to move on to what they can do best, and that is in the operational side of the house, not the financial management side.

Mr. PRICE. That does raise the question. On what are you basing the 2011 prediction? I mean, what reason is there to think that things will get better? Of course, the other question is what would be a reasonable timeline for expecting some of these improvements to be implemented?

Mr. SKINNER. Therein lies our frustration. In 2005 we thought 2009 was a reasonable period of time to pull all this together, but there has been no progress. Each year it is just pushed out another year. Last year it was pushed out to 2010, and this year it is now pushed out to 2011.

Some of the things that we believe that can be done to help them move along is to approach it in an incremental fashion; that is, to pick out two to three material weaknesses and develop workarounds and fix those problems while we are fixing the bigger

system problem. We can do workarounds in several areas, such as fund balances with Treasury.

Something that simple you would think would be something you would be able to do in one year, as opposed to trying to do it all at once, then turn on the light and pray that it works.

Mr. PRICE. Mr. Walker.

CIVILIAN CFO FOR U.S. COAST GUARD

Mr. WALKER. Mr. Chairman, one of the things the Coast Guard may need to consider is whether or not they should have a civilian CFO. I mean, it is one thing if you have military billets by definition and you are going to have two to three year rotations built in.

Merely because it is a civilian CFO who may have the requisite qualifications does not guarantee that they are going to stay long-term, but at least they are not preprogrammed to leave.

Mr. ROGERS. Mr. Chairman.

Mr. PRICE. Yes?

Mr. ROGERS. This is no new problem. I remember raising it when Secretary Ridge was involved at the Department. It is not a new problem.

Mr. PRICE. That is correct.

Mr. ROGERS. It should have been corrected many years ago, and I think the only answer really is a civilian tenured CFO.

Mr. PRICE. Well, particularly if the use of Coast Guard personnel does lock the Coast Guard into this kind of inevitable rotation if that cannot somehow be qualified or an exception made.

ABILITY TO IDENTIFY AND DEPORT CRIMINAL ALIENS

Let me ask you both about an ICE matter, that is the deportation of criminal and other high risk aliens. I appreciate you both chiming in on this. Mr. Skinner, I am referencing, though, your identification in 2006 of significant gaps in ICE's ability to identify and deport criminal aliens.

You recommended that the Department "develop a detailed plan to provide ICE with the capacity to detain, process and remove illegal aliens that pose a national security or public safety risk to the U.S."

In spite of that recommendation, between 2005 and 2007 deportations of noncriminal aliens increased 59 percent, while deportation of criminal aliens increased only seven percent, and this despite the fact that criminal aliens are generally already in custody at a prison or jail.

As you know, this committee took this on in our 2008 appropriations bill. We provided $200 million and a mandate for ICE to create a plan specifically focusing on comprehensive identification and removal of aliens convicted of dangerous crimes, held in prison and judged deportable. Whatever else the agency is doing in the realm of deportation, this surely should be at the top of the list.

I wonder how you would design such a strategy? What should we look for when reviewing the plans that ICE delivers? We frankly do not fully understand why ICE has not been able to do more to identify and remove criminal aliens, even though it has dramatically expanded its deportation of noncriminals.

It would seem that whatever differences we have on immigration in this country, and of course we have many, this is not something that we ought to be having a lot of arguments about. This is something that presumably would receive almost unanimous agreement.

It is not totally understandable why more has not been done. We hope that what we have done will move the process along. Anyway, we would appreciate your views at this point about what DHS could be doing, should be doing to identify criminal aliens, put them on the top of the list for deportation, that relative to other immigration enforcement issues.

Mr. SKINNER. I can assure you, you are not going to get an agreement from ICE that this is something that should be done. I believe that they will agree that this is something that needs to be done.

Currently, and we have not looked at this, so I want to be careful that I do not send the wrong signal, but I am aware that ICE is developing a strategy, and it involves outreach, identifying the detention facilities at state levels, at the local levels, and develop MOUs with these facilities so that we can do a better job of identifying who these folks are so that, when they are subject to release, we can be there waiting for them and escort them to the nearest airport so that they can be deported.

There is a long way to go with this program, and a lot of it deals with outreach, and every state and every local is going to be different, every agreement is going to be different, and to get cooperation and participation at the state and local level is probably one of the biggest hurdles that ICE is going to be faced with. But I do not think it is something that they object to; it is just a matter of resources, and it is a matter of focusing on this particular issue.

Mr. PRICE. Focusing and having a workable plan. It is not a simple matter, I suppose, to establish a liaison with prisons at various levels across the country. Nonetheless, it is a challenge, a logistical challenge, presumably, one they have not recognized and met in the past. We hope it now happens. I understand, too, that the agency is not, in principle, opposed to this kind of priority, but they certainly have not acted on it very effectively either.

Mr. Walker.

Mr. WALKER. Obviously, this is a very important topic. There are three basic elements that they have to achieve. One is they have to identify the relevant players, and that has got to be done in conjunction with state and local law enforcement authorities.

Secondly, after they identify the players, they have to be able to be notified by the state and local authorities when the terms or the sentences are up for the applicable individuals.

Thirdly, they have to further coordinate with state and local authorities to make sure that somebody escorts them across the border or out of the country at the appropriate point in time.

Now, there are a lot of incarceration facilities in this country at the state and local level, and so part of the question is, what can be done to coordinate, either at the state level, or what can be done to coordinate through various associations or other entities that might exist so they can help with this effort, and you have a real partnership approach because, otherwise, I think you are likely to have a real resource problem within the Department?

If they are trying to deal directly with each individual facility, that is going to be virtually impossible. So the question is, what are they trying to do, in partnership, to make sure that they are not having to deal with each individual facility, that it is being coordinated either at the state level or otherwise, to try minimize the related burden.

Mr. PRICE. Thank you. Mr. Rogers.

DHS TRANSITION TO THE NEXT ADMINISTRATION

Mr. ROGERS. Let me talk with you about transition for the next administration. Many experts are worried about the Department's ability to maintain operations during the upcoming transition to the new administration, especially in view of the fact that we have had difficulties in the past in hiring and retaining qualified people for these top positions.

In 2007, early 2007, in response to a Presidential Executive Order, DHS initiated a transition plan, the bulk of which was to insert career professionals underneath each and every political appointee, who would maintain continuity of operations during a turnover. Have either of you evaluated that plan and determined how good it is?

Mr. SKINNER. Sir, I have not evaluated it, but the then-Deputy Secretary, Michael Jackson, did share that with me before his departure. One of his last assignments, so to speak, before he left, was to ensure that we had a documented succession plan, wherein all departing politicals would be identified, and who would be next in line. In every component within the Department, a career person who would have to take charge has been identified?

I know that transition planning is something that the Secretary takes very seriously. He has developed a framework. I think Mr. Walker may be able talk to the contents of that framework as to where we are proceeding, to ensure that there is a smooth transition.

Transition planning is important for the government, period, but I think it is particularly important for DHS. We are a very fragile organization. We are new, and it is very important that we identify those programs that we need to keep on track, so to speak.

Mr. ROGERS. Well, it is a matter of national security.

Mr. SKINNER. Exactly.

Mr. ROGERS. During a transition period, under normal circumstances in some of the Department, there is a period of several weeks, perhaps months, where that Department is practically incapable of making a decision because of holes in the leadership. We cannot afford that in Homeland Security.

The Secretary tasked the Homeland Security Advisory Council to establish a task force to recommend best practices for a transition, and, in January, that task force issued a lot of recommendations stating obvious things DHS ought to be doing. The question is, are they doing them? I wonder what you think of the advisory committee's report and whether their recommendations are being followed, both of you.

Mr. WALKER. Well, first, let me note that this will be the first Presidential transition that DHS will go through. They are involved in safety and security issues, which is most fundamental

with regard to the federal government's role, and, therefore, there is an increased sense of urgency that they get it right.

To me, the real key is, are they focused primarily on what are the major mission and management initiatives? Do they have that laid out? Do they have responsibility and accountability identified? Do they know who is going to be responsible and accountable who is a senior career executive, and what type of bench strength do they have to back up that senior career executive, given the fact that they can leave, too?

Mr. ROGERS. Those are the questions I had of you.

Mr. WALKER. And the answer is, I have seen a framework that the Department of Homeland Security has put together in a good-faith attempt to try to achieve what I am talking about, and I was impressed with their initial framework, but it was an early draft.

I have not seen the final document, but when you get right down to it, you need to know what your policies and procedures are, but the most important thing is, whose belly button do you push? Who is responsible and accountable, and do they know it, and are they prepared to execute, and what type of bench strength do they have to back them up, in the event that something happens to them?

Mr. ROGERS. Well, the task force, in their January report, issued multiple recommendations, including ensuring for a standardized approach to threat determination and awareness during transition, providing presidential nominees with best practices and lessons learned from other leadership transitions, and working with the Senate to establish an expedited process for handling new appointments under the new administration.

Those are fairly obvious things. What do you think?

Mr. WALKER. Let me, if I can, touch on the last one, and I realize that this body is not involved in the confirmation process, but I am sure that you have friends on the other end of the Hill.

I think one of the things that we really have to be concerned about is how long is it going to take to be able to fill these critical positions that are presidential appointees with Senate confirmation in order to minimize the amount of time that you have acting players discharging responsibilities.

There are a lot of great career civil servants, some outstanding and dedicated professionals, but, by definition, when you are acting, and you are not confirmed, then you are going to do what you have to do, but you are not going to really do much more than that. That is just the way that it works. That is called "human nature."

I think that one of the things that the Congress needs to think about is to recognize that we have three kinds of presidential appointees that historically have required Senate confirmation, and they need to be treated differently.

You have ones that involve policy and, therefore, ought to serve at the pleasure of the President, be subject to Senate confirmation, with no statutory qualification requirements.

Secondly, you have ones that are operators that are in key, management and functional areas like financial management, information technology, et cetera, or operators from the standpoint of a major agency, if you will, component, and for those types of people, you want statutory qualification requirements. You want to make sure you are getting people who really can discharge the respon-

sibilities with Senate confirmation, and, in some circumstances, you may want a term appointment for those jobs.

And then, last, you have adjudicatory positions, positions like the inspector general, the controller general, and judges, where you not only want statutory qualification requirements and a term appointment, or either a life appointment in the case of a judge, but you want strict, independence standards.

I have a real concern, Mr. Rogers and Chairman Price, as to what is going to end up happening when we do have the known transition to the next administration, whichever administration that might be, and what is going to be done to try to move things along expeditiously, on a risk basis, with regard to some of the critical positions here.

Mr. ROGERS. What do you think of the HSAC's report?

Mr. WALKER. Mr. Rogers, I have not read that report, but I would be happy to do it. It just came out, as I recall. Didn't it just come out in January? I would be happy to do it, and I would be happy to provide something for the record on it.

Mr. ROGERS. Well, we are coming up on the transition pretty quick here.

Mr. WALKER. We are, and I will tell you this, if it makes you feel any better. We have been having informal meetings at GAO over the last three months with selected senior officials in the administration, including OMB, including Defense, including DHS, including the FBI, et cetera, to try to help coordinate efforts and facilitate communication between the key players in this area because it is critically important.

Mr. ROGERS. Well, I mean, the report is fairly substantial, and I would hope that we could get your evaluation of it.

Mr. WALKER. We will take a look at it. It is not as thick as most GAO reports.

Mr. ROGERS. I am not going to say this.

Mr. WALKER. I probably should not have said that. We have one-page summaries of ours, the highlights page.

Mr. ROGERS. I know my time has expired, but, Mr. IG, have you looked at it?

Mr. SKINNER. No, sir, I have not. It is something that I will be looking at this afternoon, however. But, no, I have not studied that particular report.

I think it is important to note that, as we transition here, and we put the right career people in place, that we cannot just put them in there so that they can just hold the fort down until an appointee is confirmed. We have a lot of ongoing initiatives here that can falter or can fall apart. They are in a very fragile state of their development, and they are just beginning to have traction: the SBI Initiative, the Deepwater Initiative, and others that I mentioned in my opening remarks.

It is important that we develop performance plans that can guide the career people to ensure that we do not falter and backslide during the transition period, and that is very important as well. It is a concern of ours that a lot of these things could falter.

Mr. ROGERS. Well, given the Department's history of not having people in a lot of these leadership positions, even without a transition involved, when you have got a transition, we need a patch be-

tween the old administration and the new so that we do not have vacancies in critical positions because we would be very vulnerable.

Mr. WALKER. Yes.

Mr. PRICE. Thank you. Mr. Fattah.

HUMAN CAPITAL MANAGEMENT

Mr. FATTAH. Thank you, Mr. Chairman. There was $10 million appropriated for this human capital management system upgrade, and then there was a request for another $15 million. This ongoing problem around personnel in the Department—again, as Ranking Member Rogers said, not even dealing with a transition—it has been a challenge, with over a third of the top positions not filled.

Are these positions not needed? Are we not paying enough to hire competent people? If you could cut to the chase and tell us how we can cooperate in solving this problem, and I will start with Mr. Skinner.

Mr. SKINNER. This is the first time I have heard that one-third of our top positions have not been filled.

Mr. FATTAH. It was a newspaper report.

Mr. SKINNER. I believe we, at least as of September 30th of last year, had come very close to filling almost all of our positions, or close to 80 or 90 percent of our positions.

Working in the Department of Homeland Security is not an easy job. You are under the spotlight every day. Your mission is critical. It is a very stressful environment in which you work. I think that is part of the contributing factor to why we see the turnover that we do see.

Secondly, Homeland Security has become an industry in the private sector. A lot of these people who gained experience working within Homeland Security or within the federal government find better and greater opportunities outside government, at least from a financial——

Mr. FATTAH. Does that argue for more compensation?

Mr. SKINNER. We cannot compete, and we lose people, quite frequently, just for that very reason.

I think what Mr. Walker hit on earlier is the environment and the underlying morale issues that we have within the Department, and we expect to have. You do not expect to stand up an agency with 22 different agencies and startups and expect morale to be high. It is something that we need to continue to focus on. I know that Secretary Chertoff—it is something that he is very concerned about, and it is something he is keeping a very close eye on and trying to engage employees and stimulate them so that we can address this morale issue.

Mr. FATTAH. Mr. Comptroller.

Mr. WALKER. Mr. Fattah, it is exacerbated by the fact that we have less than one year left in this administration, and the fact is, is that it is unlikely that you are going to see the Senate confirming players this late in an administration.

It is also unlikely that you are going to see people come from outside of government to come into government this late in an administration, and, therefore, as historically has been the case, to the extent that you have open positions, you have to pretty much look from within in order to get those individuals to be able to take the

jobs; all the more reason why it is critically important that their transition plan focus on senior career civil servants because we know they will still be here, unless they decide to retire, or unless they decide to take a private sector opportunity. That is why the plan has to be focused on senior career civil servants.

TSA PASSENGER SURCHARGE PROPOSAL

Mr. FATTAH. On a different subject, there is this TSA surcharge that is in the budget proposal, a new TSA passenger surcharge proposal, and the passenger security fee of 50 cents per emplanement. Is that in the administration's proposal for this year's budget?

Mr. SKINNER. Yes. I believe that was also proposed in prior budgets but was never implemented.

Mr. FATTAH. It did not survive.

Mr. SKINNER. That is correct.

Mr. FATTAH. Okay. Do you have any idea how much that would generate and where those revenues would go?

Mr. SKINNER. No, I do not, but the revenues would be reinvested back into TSA's programs to better secure airports and the passenger screening, cargo screening.

Mr. FATTAH. The budget detail suggests that it would generate about $400 million or so, which would be used for such a purpose. There is no surcharge now. Right? Is this a new surcharge or an add-on?

Mr. SKINNER. As far as I know, this is new.

Mr. FATTAH. Thank you, Mr. Chairman.

OIG BUDGET

Mr. PRICE. Thank you. Mr. Skinner, let me ask you about your own budget for this next year. The president's budget request has your budget going down from fiscal 2009, from $108 million to $101 million. What are the implications of that decrease? What activities would be affected? Is it something that should attract our concern?

Mr. SKINNER. Mr. Chairman, first, let me go on record that I fully support the President's budget. With regard to our budget, yes, our gross figure has been reduced from approximately $108 to $109 million to approximately $101 million.

Yes, that is going to have a profound effect on our ability to carry out a lot of the things that we just got started, particularly with regard to our oversight of FEMA operations and Gulf Coast operations. We have set up offices in Baton Rouge and Algiers, Louisiana; and Biloxi, Mississippi, to provide continuing oversight of the rebuilding of the Gulf Coast. This is going to have a profound impact on our ability to maintain those operations.

Mr. ROGERS. Well, over the years, the work on Katrina and its aftermath will surely tail off, but the capacity to deal with future disasters and to have the kind of capability that you have built up there seems to me to be something that we should not cut lightly. Is that mainly where the savings would come from, in the FEMA-related areas?

Mr. SKINNER. Yes. That is correct because the buildup that we had in 2008 and 2007 since Katrina, the increases in our budget were invested in providing oversight in disaster response, recovery,

mitigation, and preparedness activities, not only in Katrina, but on a national scale.

With the $7 million cut, the operation, and these will be policy calls—we have to do some assessments as to what we want to cut back on, but it will either have a direct impact on our ability to provide oversight for the Gulf Coast operations or our ability to provide oversight of FEMA operations and other disaster-response, preparedness, recovery, and mitigation operations.

I would like to point out that the operations that we have down in Katrina are just beginning. People realize that it is going to start phasing out. Well, we just went through the response phase. Now we are in the reconstruction and rebuilding phase, and there is where the big dollars are going to be spent—rebuilding the bridges, rebuilding the infrastructure—and there is where we are at right now.

We are somewhat beyond the response issues. We still have the housing issues to deal with, and we are working with HUD on that, but, right now, we are going to start focusing our attention on the reconstruction, and that is going to take years.

Mr. PRICE. That is very important for us to understand.

Mr. SKINNER. It is not going to go away tomorrow.

Mr. PRICE. No, of course, not. It has budget implications, and then we have had all too many instances, in recent years, of fraud, waste, abuse being associated with recovery efforts. It seems to me, it is unlikely that we are going to need to do less scrutiny of this, rather than more, with regard to other disasters.

I must say, what you said does not make me any happier or give me much greater understanding about this cut in your budget and how you would deal with it.

Mr. SKINNER. Also, as background, for 2007 and 2008, the increases that we received were not actually increases in our budget; they were transfers from the Disaster Relief Account, and that is what has been eliminated. Those were the funds we were using to provide oversight of FEMA operations in the Gulf Coast.

Mr. WALKER. Mr. Chairman, I think one of the things that I am sure that Rick is looking at, and, I would imagine, the subcommittee would, is when you are looking at what types of activities have to be done in the Gulf Coast, to the extent that you are talking about construction, then who is going to be the point on doing that oversight? Is that going to be the Department of Homeland Security, or is that going to be the Department of Transportation? Is that going to be HUD, et cetera?

I think that is an issue that you have to look at. You need to make sure that there is enough money to do the right type of oversight, but the lead responsibility for who might be doing what might change at different phases of the effort.

Mr. PRICE. The transfer of personnel; how many people were involved in that?

Mr. SKINNER. From our Office of Audits and Investigation, we transferred approximately 75 people, and that had a devastating effect on our operations, nondisaster operations. We have been in the process of rebuilding those offices over the last three years or two and a half years.

Mr. PRICE. So this is how you set up the so-called "Emergency Management Oversight" operation, the EMO operation.

Mr. SKINNER. Yes. Time is of the essence, as, Mr. Rogers, you well know because I testified immediately following those disasters. We did not have the time to go out and just start recruiting because that could take months to get people on board. So what I had to do is tap into our existing audit and investigative resources and transfer them to Katrina oversight.

Mr. PRICE. All right. Can you just make very clear to us what the implications of this budget number are for that EMO operation, first of all; and, secondly, for the kind of capacity you are needing to build to compensate for the transfer of these personnel from your central operation? I do not fully understand the implication, in other words, of the budget numbers on what you are going to have going on the ground.

Mr. SKINNER. If we operate with this budget, at $100 million, without transfers from the Disaster Relief Account, we are going to have to curtail—what I am doing right now is rebuilding our Office of Audits to bring it back to where it was pre-Katrina days.

I either have to curtail that, which I would not like to do, or my other option is that I am going to have to curtail what we are doing down in the Gulf Coast, or I am going to have to curtail what we are doing in other areas of FEMA: providing oversight of other disasters, the floods that we had in California, or the tornadoes. We come in and stand up just days after these disasters to provide oversight to ensure that the offices are being set up properly, and everyone understands what their roles are, particularly at the state and local level.

This is something I have to think through with my senior advisers—exactly where are these resources going to come from.

Mr. PRICE. It is something we have to think through, too, obviously.

Mr. SKINNER. Regardless, it is going to have an impact on us right now, and since the cut—I do not want to say "cut"—the transfer, it has generally come out of the Disaster Relief Account. We do not have that, so that is the first place I am going to look at—what impact it is going to have on our disaster oversight?

NEAR TERM PERFORMANCE SOARS

Mr. PRICE. For my last question, I want to ask you both briefly just to recap a bit on the near-term performance goals, organizational goals, you think this committee should be working with the Department to establish. You mentioned a number of such items in your statements.

We had asked you, if possible, to each bring in four, in terms of prioritization. But I wonder if you could just telegraph for us, and then we can pick up from your statement and elaborate for the record the detailed content, but just so we have a fix on the kind of near-term goals you believe we should be looking at.

Mr. SKINNER. This was a tough assignment, because there are so many, to limit it to only four. It created a lot of debate in our office.

Let me start with FEMA preparedness. I think it is absolutely essential that we keep a very close eye on the direction that FEMA is headed. I think they are headed in the right direction. There are

a lot of dedicated people over there who are working hard to rebuild that organization. We cannot afford to have another Katrina, nor can we afford to be ill-prepared for any other type of attack that we may experience in the upcoming years. That is one: FEMA preparedness.

Two: I think it is also very important that we take a very close look at SBI, the Secure Border Initiative, and I am just not talking about the IT parts of the Secure Border Initiative.

The Secure Border Initiative really involves several components within the Department: ICE, for their detention capability; CIS, as far as their ability to address the backlog of applications; and, particularly, CBP, which was to deal with infrastructure issues, IT issues, and new hiring issues—over 2,000 people, I think, CBP asking for this year.

The question is, if we bring in 2,000 people, we have to make sure that they are trained, that they are equipped, that they have a place to report to. Right now, we have facilities out there that cannot handle that many people, nor do we have supervisors who can handle that many people.

So there are a lot of things that have to fit in place. The Secure Border Initiative is something that I think we need to keep a very, very close eye on, and so is the Deepwater program at the Coast Guard. They are at a very fragile state right now. This thing got started before DHS ws created.

As a matter of fact, it got started back in the nineties, but the contractors were, more or less, directing the program. We found out that that got us in trouble. There were a lot of inefficiencies and a lot of waste, and, as a result, the Coast Guard has recognized that they need to take control of this initiative from the contractors. It is a 25-year initiative and a $25 billion initiative.

They are in a transition right now in taking control of it. I think it is important that we pay close attention to how that transition goes, with some very clearly articulated performance plans with milestones so that we can gauge their progress and help them to make sure that these people are executing this program as intended, as the commandant intended it to operate.

The fourth area, I would say, is the CIS backlog. We have got ourselves in a real jam here. There are two things at play here.

One, CIS is living in the sixties and seventies, as far as their processes and systems are concerned. They really need to invest in their IT capabilities so that we can go paperless. We are still processing everything by paper, and it is very, very inefficient. They have developed a transition team, they have reorganized, and they are now focusing on their IT capabilities and how they can improve themselves in the out years, but that is just starting to get traction. That can falter, if we do not keep a close eye on that.

Also, we still have this tremendous backlog that we created as a result of the increases in the rates for applications. I do not understand why we did not prepare ourselves. We should have anticipated that there would have been a big increase in applications, but we did not. The CIS did not. Now, as a result, they are living with a tremendous backlog. We need to be able to keep a close eye on this to ensure that this issue is addressed, that we can get that backlog down to a manageable level again. That is why, if you do

not keep an eye on it, and if you do not stay focused, it could be five or six years before it's brought under control.

Mr. PRICE. That, most certainly, is a near-term issue. What are the benchmarks there? What needs to happen before this administration concludes?

Mr. SKINNER. They need to bring in more resources, which I think they are attempting to do. We need to find programs that will entice people out of retirement without offsets. This would entice retired adjudicators and inspectors and reviewers to come back in to provide assistance. We need to develop training programs and have outreach so that we can get people coming out of college to assist. There are a variety of things they can do here to tap into this backlog.

While they are doing that, at the same time, they need to be investing resources on developing their IT capabilities, or else we are going to repeat this two years down the road. If we had a good IT capability to intake, review, process and adjudicate, we may not even have a backlog, but we do not. We are very paper-oriented right now.

Mr. PRICE. Thank you. Mr. Walker.

Mr. WALKER. Quickly, Mr. Chairman, four. First and foremost, a Presidential transition plan that focuses on critical players for all key projects and initiatives.

Secondly, a high-risk and major-management-challenges action plan that also has appropriate responsibility and accountability mechanisms.

Number three: FEMA's efforts in connection with major disasters; we have talked about a number of things that need to be done there.

And, number four: Focus on key acquisition and contracting initiatives, for example, Deepwater, SBI, to be focused on those because they are large, they are important, and they are susceptible to increased risk because of transition difficulties.

Mr. PRICE. All right. We look forward to working with you to flesh each of those out. Mr. Rogers.

GRANTS MANAGEMENT

Mr. ROGERS. I know you want to wrap this up because we are into the noon hour here. I will be brief.

Grants management; we have talked about it somewhat here today. Let me delve into that a bit.

It has been a longstanding concern about managing these first-responder grant programs because there is such a huge amount of money involved, and they are huge programs. But the Department is currently unable to answer the basic fundamental question of what have we bought for the $23.7 billion in grant funding that has been appropriated since 2002?

It could be answered with a simple, itemized list of purchases, but a more complete and thoughtful answer ought to be in terms of a return on investment. What are we expecting of these people, and what are we giving them money for, and are those the right things to give them money for, and what sort of metrics, performance metrics, do we need to put in place that are not there now to measure whether or not we are doing what needs to be done?

I do not feel good about the grant programs, how they are being managed, and whether or not we are sending money to the right places for the right things. Any thoughts?

Mr. SKINNER. Mr. Rogers, I could not agree with you more. If you recall, at my hearing last year, these are the issues that I raised with regard to grants management, and it is why I think it is one of the major management challenges facing the Department.

We are spending billions of dollars, billions of dollars, but we are not doing it, in my opinion, in a very strategic manner. Many of our grant programs are stovepiped. We are not taking a more global, national perspective as to what we want to accomplish with these billions of dollars, and we do not have the metrics to demonstrate that we are, in fact, accomplishing what these grants were set up to do.

We do a very good job of advertising our grants, as I said earlier, reviewing them, awarding the grants, and getting the funds, or making the funds available, to the states. We do not do a very good job—we do a very poor job—of actually providing oversight on how those funds are being spent, whether they are being spent for their intended purposes, or whether they are being spent wisely. We simply do not have the resources in place right now to do that.

I understand that they have asked for additional resources; at least, I understand, 20 to 30 additional employees for 2008, and they are asking for 20 to 30 again in 2009. In my opinion, that is not sufficient to provide oversight, on a national scale, of all of the 30 to 40 different nondisaster grant programs that we have responsibility for.

Mr. WALKER. Mr. Rogers, one of the concerns that I have is that DHS not fall into the same pattern that the Department of Defense has fallen into over the past several decades, and that is, since the Department of Defense and the Department of Homeland Security are both in the business of safety and security, and they are the most fundamental things for a national government to do, you can have a mentality where it is get the money, spend the money, get the money, spend the money, and there can also be a circumstance in which the Congress feels compelled to provide more funds to show that it cares because these are very serious missions and very important missions to this nation.

I think I come back to two words. Risk and resources. Everything we are spending money on ought to be based on a considered risk-based assessment because this nation has finite resources. We are mortgaging the future of our kids and grand kids at embarrassing rates, and we are not getting good value for money.

So everything needs to be focused on risk, number one, and to really press them hard on how these monies are being allocated to mitigate the most risk with the available resources, recognizing that there are limits; and, secondly, performance metrics that ultimately lead to outcomes. What type of outcome are we trying to achieve? And you need to have performance metrics that will give you interim indicators, all geared towards trying to achieve a desired outcome.

So risk and outcomes, and focus like a laser on those two things, I would respectfully submit.

FIRST RESPONDERS

Mr. ROGERS. I have the feeling, a rather strong feeling, that the Congress has failed to define what it is we want first responders to do in the context of national security.

First responders, obviously, are local city and state organizations to protect the health and safety of their individual constituents. Fire departments are there to protect local people from the natural hazards of fire, police against local crime, and so on. EMTs have their chores.

Very little of what they do, or what we are asking them to do, relates to national security, homeland security on the national level. Are we training them for the purposes that we are using them for? Are we paying them adequately to do that, and are we measuring whether or not they are trained and whether or not they are succeeding in doing what they are supposed to do?

All of these cities and counties and states are hungry for money. Their budgets are worse than ours. The only difference is we can print, make money, and they cannot. So they are broke as well, and they are hammering us, politically in Congress, send more money, send more money to the first responders, and we respond to that. But I do not think that we have defined and told the first responders, "Here is what we want you to do, and here is the money to do that and we are going to expect to see a measurable result in so many months or years or whatever."

We have not done that. I think that is our fault. But the Department has not given us very good indications of how to do that, and we have been wrestling with this now for, at least, five years, and I really have not seen any progress. In fact, I have seen it recede back. I think it is a shame, number one; and, number two, it is very dangerous.

Mr. SKINNER. Mr. Rogers, you are absolutely correct. Part of the problem that we are experiencing within the Department of Homeland Security is the mere fact that we are receiving large sums of money that we are asked to administer without doing our own adequate, internal planning and without the resources to administer those monies.

So we are reacting. Every year, we are reacting to try to get the monies out to the state and locals that is appropriated this year. We have not stepped back and asked the very basic question: What outcome do we want? What is the purpose of these grant programs? Are we safer today? Are we better prepared today? How do we measure our progress?

As Mr. Walker says, we cannot satisfy everyone, so what we have to do is prioritize based on risk. Many of the grant programs right now are risk based, as I mentioned earlier, Port Security, for example, Buffer Zone, but, nonetheless, those are stovepipe grants. We have never stepped back and looked at the big picture. We are focusing on establishing priorities for each individual stovepipe grant without stepping back and looking at what the priorities, on a national scale, are.

Mr. ROGERS. Who needs to do the stepping back and looking? Is it Congress, or is it the Department?

Mr. SKINNER. I believe the Department has that responsibility to do that. Right now, they need to catch their breaths and step back and say, "If we are going to go forward with large, multibillion annual grant programs, then we need to instill in ourselves certain disciplines and processes so that we can make informed decisions and also demonstrate our successes here." We cannot do that now.

Mr. ROGERS. Do we need a law change?

Mr. SKINNER. I would not say so much that we need a law change. Grants management is not new. There are a lot of best practices out there. There is a lot of literature, both on the academic side and also on the operational side, as to how you can manage grant programs.

Mr. WALKER. Mr. Rogers, if I can jump in here, I would agree with virtually everything you said earlier, but I also think you have to put this in context. We are talking here about grant management within the Department of Homeland Security, and, clearly, it needs to be more risk focused, it needs to be more comprehensive and integrated with regard to the definition of "risk," and it needs to be more outcome based.

The level of detail that has to be not gotten into is something that, by definition, Congress should not do. That would be the point of micromanagement. But let me tell you what Congress should do that it has not done, and it is not just with regard to Homeland Security; it is virtually everything the federal government does.

This government spends three trillion dollars a year. It forgoes revenues of $800 to $900 billion a year because of tax deductions, exemptions, credits, exclusions, and, for the most part, Congress never defines, when it passes a law or reauthorizes a program or enacts a tax preference, it never defines what outcome it is trying to achieve.

What are we trying to achieve, and how are we, therefore, going to be able to hold those responsible for implementing those policies and programs accountable for whether or not, in fact, they are doing that?

I will tell you, this government wastes tens of billions of dollars a year, at least, if not hundreds, because people are focused on getting the money, spending the money, doing the compliance rather than focusing on what are we trying to achieve? And we desperately need some key national, outcome-based indicators that would drive decision-making not only in the Congress but also in the executive branch, and I would be more than happy, at some point in time, if you want to talk further about that, to do that.

Mr. ROGERS. Thanks.

Mr. PRICE. Thank you. I do think this discussion is needed and would be useful. The administration's budget simply removes the funding for a lot of this grant activity, as opposed to trying to focus it in a more discriminating way, and, from the congressional side, I think your point is well taken.

We often get a papering over of the kinds of goals that we are pursuing, partly because ever since this Department was established, we have been in the business of compensating for failures elsewhere in the budget to give the kind of support for first responders that they have called for and that we had in the nineties.

That is not to say Homeland Security should become the repository for all of those requests and the kinds of goals that they are based on, but the political reality is that that has happened, to some degree, until the Justice Department programs, let us say, are put in a more robust, healthy state, then we are probably going to continue to have to deal with this politically.

Your comments are certainly well taken as to the need for, on both sides of Pennsylvania Avenue, for a more articulate set of goals and measurable outcomes so that we have some way of assessing what we are doing.

Thank you all very much. We appreciate your testimony. We will study it, and we look forward to consulting with you in the months ahead. Thank you.

The subcommittee is adjourned.

Questions for the Record Submitted by Chairman Price to the Government Accountability Office

Question: Has DHS put policies in place that hinder fusion center staffing?

Answer: In October 2007, we reported on the development of fusion centers—which we defined as collaborative efforts to detect, prevent, investigate, and respond to criminal and terrorist activity. During our work, we contacted officials from 58 fusion centers from across the country and requested information on their efforts to create and administer these centers. In their responses, fusion center officials identified several DHS policies that created challenges to their staffing. More specifically, officials in 40 of the 58 fusion centers we contacted identified challenges with finding adequate funding for specific components of their centers' operations—in particular personnel, training, and facilities—and officials in 24 of those 40 centers related these challenges to restrictions and requirements of federal grant funding. Officials in 21 fusion centers we contacted said that obtaining adequate funding for personnel was difficult, and officials in 17 centers found federal time limits on the use of DHS grant funds for personnel difficult—which they said could affect the sustainability of their centers.[1] In addition, officials in 8 of the fusion centers expressed concerns about maintaining their personnel levels, particularly if federal funding declines, and officials in 17 of the 58 fusion centers found it challenging to comply with the DHS grant requirement for training newly hired analysts (that they attend training within 6 months or have previous analytical experience) or the funding costs associated with training. In addition, officials in 14 of the centers said that they had difficulty funding training costs, such as when using the funds for training conflicted with buying equipment or other tangible goods.

Question: If you had to pick four improvements that you think DHS should be able to achieve by September 2008, prior to the administration transition, what would they be?

Answer: In the near-term, we believe that there are four areas on which the department should focus its efforts prior to the administration transition:

- Establish a Presidential transition plan. DHS has taken steps to address challenges associated with the upcoming presidential transition, but it needs to establish an overall transition plan. The Homeland Security Act of 2002, as amended, requires DHS to develop a transition and succession plan to direct the department through its first transition to a new presidential administration, and the Homeland Security

[1] According to the fiscal year 2007 Department of Homeland Security Homeland Security Grant Program Guidance, Urban Areas Security Initiative and Law Enforcement Terrorism Prevention Program funds could be used to hire new staff or contractor positions to serve as intelligence analysts to enable information and intelligence sharing capabilities. Costs associated with hiring new intelligence analysts are allowable only for 2 years, after which states and urban areas may be responsible for supporting the costs to sustain those intelligence analysts. Fiscal year 2008 Homeland Security Grant Program Guidance similarly specifies such costs are allowable for 2 years, after which states and urban areas are responsible for sustaining them.

department's planning efforts. In line with HSAC's recommendations, as well as the Homeland Security Act, we believe that a transition plan focusing on avoiding vacancies in leadership positions and defining roles and responsibilities for these key positions is necessary. Clearly defining roles and mechanisms to hold relevant personnel accountable for stated responsibilities is a goal that can be attained prior to the transition. Further, setting transition planning and preparation milestones for the next 9-12 months will help DHS prepare for and implement the transition and allow evaluation of progress in the months ahead.

DHS is already addressing some of the ATTF recommendations and the transition challenges in general. For example, DHS reported that it is promoting career professionals to positions typically held by Presidential appointees. This not only addresses broad leadership continuity concerns but also is responsive to the ATTF recommendation of reducing the number of political appointees to effect a more even mix of career and political personnel in leadership positions. DHS reported that it is also carrying out training activities for career leadership personnel to help prepare these senior executives to manage operations throughout the transition.

- Develop corrective action plan for high-risk area. In 2003, we designated the implementation and transformation of DHS as high-risk because it represented an enormous undertaking that would require time to achieve in an effective and efficient manner. The area has remained on our high-risk list since then.

  To be removed from GAO's high-risk list, agencies must demonstrate a strong commitment to and top leadership support for addressing problems and provide the capacity to resolve them. Agencies also must produce a corrective action plan that defines the root causes of identified problems, identifies effective solutions to those problems, and provides for substantially completing corrective measures in the near term. Such a plan should include performance metrics and milestones, as well as mechanisms to monitor progress. In the spring of 2006, DHS provided us with a draft corrective action plan for its transformation that did not contain key elements we have identified as necessary for an effective corrective action plan, including specific actions to address identified objectives. As of February 2008, DHS had not yet completed its final plan. Agencies must also demonstrate significant progress in addressing the problems identified in their corrective action plans. It will be important for DHS to become more transparent and minimize recurring delays in providing access to information on its programs and operations so that Congress, GAO, and others can independently assess its efforts. It is also important that agencies and, in particular top leadership, demonstrate a commitment to sustain initial improvements in their performance over the long term. DHS's leaders need to make and demonstrate a commitment to implementing a transformed organization. The Secretary has stated such a commitment, but appropriate follow-up is required to assure that transformation plans are effectively implemented and sustained, including the allocation of adequate resources to support transformation efforts.

- Improve disaster preparedness and response capabilities. In the area of disaster preparedness and response, DHS must overcome a number of continuing challenges, including those related to clearly defining leadership roles and responsibilities. This was a key issue in the response to Hurricane Katrina, and DHS has made some progress in the area, including designating Federal Coordinating Officers (FCO) for regions and states at risk of hurricanes, as well as Principal Federal Officers (PFO) for the Gulf Coast, the Northeast Region, the Mid-Atlantic Region, Florida, and Texas. It is critically important that the authorities, roles, and responsibilities of these designated FCOs and PFOs be clear and clearly understood by all. However, there is still some question among state and local first responders about the need for both positions and how they will work together in disaster response. In addition, because the January 2008 National Response Framework makes some distinctions in roles and responsibilities for "emergency management" versus "incident management," it is essential that these terms be clearly defined, communicated, and understood, as the lessons learned from Hurricane Katrina demonstrated. Similarly, DHS's leadership responsibilities in an influenza pandemic, which it shares with the Department of Health and Human Services, are unclear, and we have recommended that both agencies develop rigorous testing, training, and exercises for pandemic influenza to ensure that federal leadership roles are clearly defined, understood, and work effectively.

  DHS also faces challenges in ensuring necessary disaster response capabilities. In any major disaster requiring the coordinated efforts of all levels of government, including substantial federal involvement, key capabilities include (1) real-time situational awareness for evaluating and coordinating appropriate response activities; (2) having an effective incident command and management system that all of those involved in the response—federal, state, local, nongovernmental, and private-sector entities—clearly understand and routinely use; and (3) having the ability to identify, access, and deploy resources from other governmental, nonprofit, and private entities for effective response.
  DHS does not have reliable, comparable information regarding the capabilities that exist across the nation compared to the capabilities that we need to respond to major disasters, regardless of cause. Developing these key response capabilities requires realistic training and exercises. Exercises—particularly for the type or magnitude of events for which there is little actual experience—are essential for developing skills and identifying what works well and what needs further improvement.

- Strengthen key acquisitions and contracting initiatives. DHS has some of the most extensive acquisitions needs within the U.S. government, ranging from information systems and new technologies to weapons and professional services. In recent work, we found that the department relies heavily on contractors. We reported that given its use of contractors to provide selected services, it is critical for DHS to strategically address workforce deployment and determine the appropriate role of contractors in meeting its mission.

Two of DHS's key acquisitions—SBI*net* and Deepwater—have faced challenges that deserve attention. In its early stages, SBI*net* encountered unforeseen problems that could affect DHS's ability to meet projected completion dates, expected costs, and performance goals. These issues underscore the need for both DHS and Boeing, as the prime contractor, to continue to work cooperatively to correct remaining problems and to ensure that the SBI*net* Program Management Office has adequate staff to effectively plan and oversee future projects. These issues also underscore Congress's need to stay closely attuned to DHS's progress in the SBI*net* program to make sure that performance, schedule, and cost estimates are achieved and the nation's border security needs are fully addressed.

Over the past several years, GAO has also reported on challenges the Coast Guard faced in managing and overseeing the Deepwater program related to management, contractor accountability, and cost control. As a result of these problems, the Coast Guard has decided to take on more direct responsibility for the acquisition management and support of key Deepwater assets. However, until the Coast Guard has sufficient staff with the requisite skills, abilities, and contract management tools to carry out these new and expanding responsibilities, the Deepwater program will remain at risk of not being delivered on time and at fair cost and performing as intended.

Question: What are your views on the Homeland Security Advisory Council's Administration Transition Task Force Report?

Answer: The Homeland Security Advisory Council (HSAC) Report of the Administration Transition Task Force (ATTF) provides a reasonable roadmap for DHS to follow in its transition planning efforts. We believe that, in addition to carrying out the ATTF's recommendations, DHS should assign roles and responsibilities and set milestones so that the department and its personnel can be held accountable for performing its duties throughout the transition period.

Among the key themes HSAC identified, three are of particular importance:

- Leadership. Among activities to bolster leadership during the transition, the ATTF recommends identifying nominees early in the transition period, encouraging current political appointees to overlap (at the request of the new administration) with incoming appointees or to at least finish their terms, suggesting incoming nominees to function as consultants until confirmed, reducing the number of political appointees in the department, assigning back-up career professionals for each key political position, and considering current appointees for career positions. In addition to these ATTF recommendations, we believe that clearly outlining roles and department milestones will help DHS to maintain strong leadership during the transition and allow for independent evaluation to hold the department accountable for implementing its plan.

- Information Transfer. The ATTF is appropriately concerned with information transfer. The task force recommends providing summaries, briefings, best practices, lessons learned, and cost/benefit analyses of controversial budget items to incoming personnel; holding meetings of outgoing and incoming leaders; building an alumni list (of both career and political personnel) for reference; encouraging state, local, private sector and other partners to support transition efforts; supporting fusion centers; and developing a clear communication strategy. We agree with these recommendations and hope that such efforts will promote the continuation of DHS's use of risk management practices throughout the transition and into the new administration.

- Congressional Concerns. While much of the transition effort will be shouldered by DHS, we agree that the Congress should do its part to smooth the pending administration change by taking action on ATTF suggestions regarding expediting nominee confirmations.

Question: Please provide your views on the FTEs DHS has allocated to management and operations in its FY2009 budget.

Answer: While we have not evaluated the impact of DHS's FY2009 budget on the department's staffing, in past work we have reported on human capital and staffing issues at the department. Since its inception in 2003, DHS has faced numerous human capital challenges related to recruiting, retaining, and managing its workforce of 208,000 employees. In previous work, GAO has noted that hiring or staffing difficulties have adversely affected DHS operations in various areas, including border security and immigration enforcement, aviation security, emergency preparedness and response, and acquisition management. For example, in May 2005 we reported that ineffective DHS management processes have impeded the department's ability to hire employees and maintain contracts. In September 2006 we reported that concerns regarding staffing for disaster response management have been longstanding, and we noted that FEMA officials cited the lack of agency and contractor staffing as a difficulty. We also reported that DHS's Office of the Chief Procurement Officer had not focused on oversight due in part to limited staffing. In addition, in January 2007 we reported that FEMA lacked a strategic workforce plan and related human capital strategies—such as succession planning or a coordinated training effort. Such tools are integral to managing resources, as they enable an agency to define staffing levels, identify the critical skills needed to achieve its mission, and eliminate or mitigate gaps between current and future skills and competencies.

While we have not independently assessed what the number of FTEs dedicated to management and operations should be, it is important for DHS to have the needed amount of staff with requisite skills and abilities to fill management positions. Further, DHS's plans for hiring and staffing management should be part of its overall efforts to strengthen the department's human capital management—including hiring, retaining, and training talented professionals—and to improve employee morale. In previous work,

GAO recommended that DHS develop a management integration strategy for the department and a dedicated team to help develop and implement it.
The Implementing Recommendations of the 9/11 Commission Act of 2007 require DHS to develop such a strategy, and the Undersecretary for Management will lead this effort. GAO is following up on its status as part of its routine recommendations follow-up process.

Questions for the Record Submitted by the Honorable Sam Farr to the Government Accountability Office

Question: Mr. Walker, you note in your written testimony that "DHS has not always implemented effective strategic planning efforts and has not yet fully developed performance measures or put into place structures to help ensure that the agency is managing for results." What specific structural changes would be most helpful to strengthen DHS' strategic planning process, and bridge the divides that continue to exist between its component agencies? In particular, should DHS re-establish an Integration Staff organization, along the lines of the organization that Governor Ridge created for that purpose but has since been eliminated?

Answer: We believe that DHS could take several actions to strengthen its strategic planning efforts and enhance the integration of its component agencies. First, DHS should complete a corrective action plan to help address those issues that have contributed to our identification of DHS transformation and implementation as high-risk. Such a corrective action plan would define the root causes of identified problems, identify effective solutions to those problems, and provide for substantially completing corrective measures in the near term. The plan should also include performance metrics and milestones, as well as mechanisms to monitor progress. In the spring of 2006, DHS provided us with a draft corrective action plan for its transformation that did not contain key elements we have identified as necessary for an effective corrective action plan, including specific actions to address identified objectives. As of February 2008, DHS had not yet completed its final plan. Second, we have recommended that DHS develop a management integration strategy for the department and a dedicated team to help develop and implement it. The Implementing Recommendations of the 9/11 Commission Act of 2007 requires DHS to develop such a strategy. Third, we have recommended that DHS's strategic planning process include direct consultation with external stakeholders.

In addition, DHS is an appropriate candidate for a Chief Operating Officer/Chief Management Officer (COO/CMO) as a second deputy position or alternatively as a principal undersecretary for management position. Designating the Undersecretary for Management at DHS as the CMO at an Executive Level II is a step in the right direction, but this change does not go far enough. A COO/CMO for DHS with a limited term that does not transition across administrations will not help to ensure the continuity of focus and attention needed to protect the security of our nation. A COO/CMO at the appropriate organizational level at DHS, with a term appointment, would provide the elevated senior leadership and concerted and long-term attention required to marshal its transformation efforts.

Questions for the Record Submitted by the Honorable Lucille Roybal-Allard to the DHS Inspector General

Reporting Cyber Incidents at DHS

Question: In Inspector General Skinner's semiannual report covering DHS operations from April 1 – September 30, 2007, the Inspector General indicated that all known cyber incidents from across the federal government are not being reported to the National Cyber Security Division, which has established an incident-handling center.

Please describe the risk inherent in the Department's current inability to report all cyber incidents, and please speak to how the Inspector General would recommend the Department improve this situation.

Answer: Less than complete reporting hampers the government's ability to know whether an incident is isolated at one agency or is part of a larger event and thus complicates and delays appropriate response, such as distributing security patches or other compensating controls. Further, programs such as Einstein, helps agencies identify baseline network traffic patters, configuration problems, unauthorized network traffic, network backdoors, routing anomalies, and network scanning activities. Unfortunately, Einstein is not deployed at all agencies throughout the federal government. An effective incident response capability can provide Chief Information Officers and other agency senior managers with input for risk assessments, help prioritize security improvements, and illustrate risk and related trends.

THURSDAY, FEBRUARY 14, 2008.

LAND BORDER ENFORCEMENT

WITNESSES

ARVIN WEST, SHERIFF OF HUDSPETH COUNTY, TEXAS
CHAD FOSTER, MAYOR OF EAGLE PASS, TEXAS
JIM ED MILLER, MILLER BROS. FARMS, FORT HANCOCK, TEXAS
RICHARD S. WALDEN, PRESIDENT, FARMER'S INVESTMENT CO.
NAN STOCKHOLM WALDEN, VICE PRESIDENT AND COUNSEL, FARMER'S INVESTMENT CO.

Mr. PRICE. The subcommittee will come to order. Good afternoon, everyone. Today we review the Department of Homeland Security border enforcement programs, including its plans for fencing on the southwest border.

I want to welcome five witnesses this afternoon, two of them public officials, Mayor Chad Foster of Eagle Pass, Texas, who is also chairman of the Texas Border Coalition; Sheriff Arvin West of Hudspeth County, Texas, who represents the Texas Border Sheriffs Coalition.

In addition, we are fortunate to have the perspective of private citizens who are landowners and business people: Mr. Jim Ed Miller of Fort Hancock, Texas, and Richard and Nan Walden of Sahuarita, Arizona. How is that? We welcome you and look forward to your testimony.

Last week in a speech entitled Why Washington Does Not Work, Secretary Chertoff said that implementing border security presented a structural problem, what he called a structural problem, one where those with an intense personal stake in a policy decision may have or try to have more influence than the great majority of citizens whose interest is more general. That is the way he framed this issue.

For example, he argued that the cost of not building a border fence should be taken into account, including the impact of drug dealing in Chicago or the consequences of letting criminals or potential terrorists enter our country. These impacts, he argued, should be weighed against local opposition to a fence. In his words, a fence would be for the greater good.

I would ask the witnesses who testify today to reflect on that; on whether DHS policies to secure the land borders of the U.S. seem to them to be consistent with the greater good of the United States. Do you see any conflict between achieving such goals and at the same time taking into account local conditions and needs? After all, many of you have lived on the border and in close proximity to Mexico for your entire lives.

I hope and expect that you will have some ideas about how to address our broader goals, as well as about the fence's local impact.

While the Secretary alludes to the costs of consultation, I believe he ignores the fact that consultation often can lead to an outcome that may be superior to what any single party could achieve independently. It also might satisfy some of those broader concerns, the concerns of a greater number of stakeholders.

In other words, we are looking here for the proverbial win/win solution. You cannot always find those solutions, but I think it is highly desirable in this case to explore all the possibilities.

Last year the subcommittee traveled to the southwest border twice to learn firsthand the challenges involved in trying to secure almost 2,000 miles of diverse border land. We met Border Patrol agents and CBP officers on the ground. We saw mountains and deserts and the beautiful Rio Grande. We visited the area where the FBI Net Technology Project was being undertaken, and we observed operations of CBP air and marine.

Of particular value were our meetings with local officials, and some of you were in on those meetings. We met with law enforcement personnel, with local elected leaders and citizens, and we heard concerns expressed about the prospects for extensive fencing through areas of great cultural, economic and environmental sensitivity.

As a result, we incorporated language in the fiscal 2008 appropriations bill to require the Department of Homeland Security to thoroughly justify its future projects and to participate in meaningful consultation with the communities involved.

I hope we can discuss how well that legislation is being implemented today, what kind of implementation you would look for in the future, including provisions that require transparency, consultation and good stewardship in the use of public funding for such major and complex projects.

So we look forward to your testimony this afternoon and to hearing your insights on how we can better manage the security of the border to the benefit of us all.

Let me now ask our distinguished Ranking Member, Mr. Rogers, for his comments.

Mr. ROGERS. Thank you, Mr. Chairman, and we say welcome to our distinguished guests who have come so far to be with us today to share your views.

I do not think I have to tell anybody here how important it is for Members of Congress to listen to those on the front lines, so to speak, the issues that we are responsible for addressing on behalf of the American people.

I have often said that the desk, and in this case the dais, is a dangerous place from which to view the world, and that is certainly the case when we are talking about the issues of border security and illegal immigration issues that are as complex and important as they come.

I am sincerely grateful to have before us today individuals who deal with the impacts of illegal immigration and cross border smuggling every day. I believe you will bring us all a unique perspective from which we all can learn.

As this subcommittee has labored over the last five years to vastly increase the resources devoted to border security and immigration enforcement, we have always been mindful of the impacts

upon state and local communities. We have not only expected DHS to reach out to localities that are affected by their operations; we have expected DHS to do so with vigor.

While DHS certainly has a duty to secure the borders and ports of entry and to enforce the immigration laws, the Department also has a duty to be considerate of citizens' rights, especially law abiding citizens, while carrying out the mission of securing the borders.

So I think we have to approach this issue in terms of balance. It is without question that we are going to have to secure our borders and end illegal immigration. Sovereign control of borders and a viable immigration system are fundamental to our homeland security, and these are goals that are not negotiable. However, many local governments and private landowners have interests that are impacted by the Department's efforts, and they have every right to be heard and to be granted reasonable considerations.

I know the issues of border security and illegal immigration are difficult. I have been dealing with these issues my entire 27 years here in the Congress and have often cringed over the futility of our feeble efforts, but now in looking at recent results I am somewhat optimistic that the tide may be turning and that we are finally achieving the control of our borders that has been so elusive, yet also unquestionably vital to the safety and security of the nation.

So we thank you again for coming here to testify today and share with us your wisdom. We appreciate your willingness to contribute to solving the problems and look forward to hearing your testimony.

Thank you.

Mr. PRICE. Thank you, Mr. Rogers.

I am going to suggest that we start with Mayor Foster and then turn to Sheriff West, then to Mr. Miller and then to Mr. and Mrs. Walden. We would like to ask each of you to keep your oral remarks to five minutes.

We have your full statements. We will gladly put those statements in the hearing record, but I think it will help move us along if you can summarize your statements and then leave time for our questions.

Mayor, why don't you begin?

BORDER FENCE

Mr. FOSTER. Thank you. Chairman Price, subcommittee Members, I am speaking today for 2.1 million Americans in 14 border counties of the 1,250 mile Texas-Mexico border.

Historically our communities have endured the neglect of federal and state governments. In recent years, the tide has begun to turn as the border has emerged as one of the most vibrant and dynamic regions in Texas. Ours is a region of contrast exhibiting differences of language, culture, tradition and economy. The interconnectedness of our communities on both sides of the international boundary gives our region a distinct sense of place.

The Texas Border Coalition thanks you for your leadership. We ask your continued assistance in giving our communities a voice in government decisions and ask for your help in providing us the tools to advance our region.

Your 2008 bill set the performance bar high for the Department of Homeland Security and Customs and Border Protection. Our region needs your help making the execution clear the bar. Their performance in the six weeks since enactment has not been encouraging.

Even before the President signed your bill, we sought to begin consultation with the CBP as required by law and were rebuffed. We were told that CBP had held 18 town hall meetings. That, on investigation, turned out to be meals in restaurants and phone calls. I trust that most of you have held town hall meetings in your districts, and none of you would consider a private phone call between two parties to meet that definition.

In the single instance where CBP consulted with local government, a resolution has been agreed to. Last week Hidalgo County agreed to partner with DHS to rebuild levees along the Rio Grande to create a more effective barrier to illegal entry. It does not include a fence that people seeking illegal entry can climb over, cut through or tunnel under. It is a smart solution.

We have proposed similar solutions with the Laredo Vega and Brownsville Weir projects, only to be rejected without discussion or investigation. We want to work with DHS to fashion smart solutions. We need your muscle to bring them to the table and work with us.

As the Border Patrol gains greater control of the border between the ports—and in Texas we are achieving control without a fence—the ports of entry come under great stress. It is a top TBC priority that Congress give the ports of entry the personnel and technology needed to harden their vulnerability.

We will work with your financial services colleagues on needed infrastructure improvements. According to the Government Accountability Office, we need 4,000 new officers to secure the ports of entry. The President's budget proposes 500. We understand the need to ramp up, but at this pace we will remain in danger beyond 2017. We need to double the President's number to 1,000 this year and double it again next year to 2,000 new Customs agents.

The President's budget proposes to implement the Western Hemisphere Travel Initiative on October 1, 2008. Whether it is implemented in 2008 or 2009 as provided by your bill, our ports of entry must be equipped to deal with the new rule.

The budget does not include needed investments in technology, training, public education or testing that are essential to success. In the face of these shortcomings, the budget proposes to cut salaries and expenses, budget authority for the ports of entry by $344 million. I understand that the appropriations justification for ports of entry reduces their request by another $300 million.

The President's plan raises questions whether the DHS commitment to secure the border is no more than a hollow premise that depends on ineffective fences. The consequence of the Administration's policy would be a less safe border, a less safe America, fewer hands on deck without the equipment they need and longer lines at the border.

The 9/11 terrorists entered the United States through ports of entry. Most undocumented aliens enter the United States through ports of entry. Most illegal drugs entering the United States come

through ports of entry. We need to invest in our ports of entry to protect Americans from terrorism, illegal drugs and unlawful entry. Without these investments our economy will continue to falter as commerce is frustrated by growing border crossing wait times at the expense of American jobs and economic growth.

The Texas Border Coalition believes we can do better. We urge your subcommittee to improve the Administration plan and harden the security on the nation's borders.

Thank you, gentlemen.

[The information follows:]

Chairman
Mayor Chad Foster
City of Eagle Pass

Vice-Chairman
Pat Townsend Jr.
City of Mission

Treasurer
Mike Allen
City of McAllen

Executive Committee
Mayor Pat Ahumada
City of Brownsville

Mayor Efrain Valdez
City of Del Rio

Mayor Joe Ochoa
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Mayor John David Franz
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Healthcare

Blas Castañeda
Education &
Workforce Development

Monico Stewart
Immigration

Mission:

To make Legislative recommendations to help the Texas Border Region grow and prosper economically.

★ TEXAS BORDER COALITION

Statement by
The Honorable Chad Foster
Mayor of Eagle Pass, Texas and
Chairman of the Texas Border Coalition
House Appropriations Subcommittee on Homeland Security
February 14, 2008

Chairman Price, subcommittee members, I am speaking today for 2.1 million Americans in 14 border counties of the 1,250 mile Texas-Mexico border. Historically, our communities have endured the neglect of federal and state governments. In recent years, the tide has begun to turn as the border has emerged as one the most vibrant and dynamic regions of Texas. Ours is a region of contrasts, exhibiting differences of language, culture, tradition, and economy. The interconnectedness of our communities on both sides of the international boundary gives our region a distinct sense of place.

The Texas Border Coalition thanks you for your leadership. We ask your continued assistance in giving our communities a voice in government decisions and ask for your help in providing us the tools to advance our region.

Your 2008 bill set the performance bar high for the Department of Homeland Security and Customs and Border Patrol. Our region needs your help making their execution clear the bar. Their performance in the six weeks since enactment has not been encouraging. Even before the president signed your bill, we sought to begin consultations with the CBP as required by the law and were rebuffed. We were told that the CBP had "held 18 town hall meetings" that, on investigation, turned out to be meals in restaurants and phone calls. I trust that most of you have held town hall meetings in your districts, and none of you consider a private phone call between two parties to meet that definition.

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As the Border Patrol gains greater control of the border between ports, and in Texas we are achieving control without a fence, the ports of entry come under greater stress. It is a top TBC priority that Congress give the ports of entry the personnel and technology needed to harden their vulnerabilities. We will work with your Financial Services colleagues on needed infrastructure improvements.

100 S. Monroe St. Eagle Pass, TX 78852 P: 830-773-1111 F: 830-773-9170

According to the Government Accountability Office, we need 4,000 new officers to secure the ports of entry. The president's budget proposes 500. We understand the need to ramp up, but at this pace we will remain in danger beyond 2017. We need to double the president's number to 1,000 this year and double it again next year to 2,000 new customs agents.

The president's budget proposes to implement the Western Hemisphere Travel Initiative on October 1, 2008. Whether it is implemented in 2008 or 2009, as provided by your bill, our ports of entry must be equipped to deal with the new rules. The budget does not include needed investments in technology, training, public education or testing that are essential to success.

In the face of these shortcomings, the budget proposes to cut salaries and expenses budget authority for ports of entry by $344 million. I understand that the appropriations justification for ports of entry reduces their request by another $300 million.

The president's plan raises questions whether the DHS commitment to secure the border is no more than hollow promise that depends on ineffective fences. The consequence of the Administration's policy would be a less safe border region, a less safe America, fewer hands on deck without the equipment they need and longer lines at the border.

The 9-11 terrorists entered the United States through ports of entry. Most undocumented aliens enter the United States through ports of entry. Most of the illegal drugs entering the United States come through ports of entry.

We need to invest in our ports of entry to protect America from terrorism, illegal drugs and unlawful entry. Without these investments, our economy will continue to falter as commerce is frustrated by growing border crossing wait times, at the expense of American jobs and economic growth.

The Texas Border Coalition believes we can do better. We urge your subcommittee to improve the Administration plan and harden security on the nation's borders.

100 S. Monroe St. Eagle Pass, TX 78852 P: 830-773-1111 F: 830-773-9170

Mr. PRICE. Thank you, Mayor.

Sheriff West.

Mr. WEST. Yes. Thank you all for inviting me up here. I have this speech wrote up here, but I am going to tell you how it is, gentlemen.

First of all, let me start by thanking you gentlemen for the money that the Texas Border Sheriffs Coalition has received from you gentlemen. It has been a shot in the arm, so to speak. Congressman Culberson and Congressman Rodriguez have been real instrumental in seeing the aspects that we deal with down there.

You made a comment earlier that you were seeing the tide change. Yes, sir. Absolutely. You are seeing the tide change, and you are seeing those changes as a direct result of a conglomerate of everybody working together and being able to do this with such funds that we have received from you gentlemen, as well as funds that we have received from the State of Texas.

I am pleased to report to you that by last consensus the crime rate is down 63 percent in the State of Texas on the border, which is a significant difference as to what it was say two years ago, a year and a half ago. We are making good strides. We are developing a wonderful partnership with DHS, Border Patrol, CBP, however you want to call it. We are moving forward.

As we push these issues back, and I want to say by issues, as we press towards the border there is going to be more to come. They are obviously laying in hiding now. They are going to wait for the opportunity. They are going to wait until we give out. They are going to wait until we quit pushing. It is our strong determination that we keep pushing, that we keep it secure and secure it more and more every day.

Once again, I would like to say that I think we are making good strides. I think there is a lot of work still left to be done. I cannot honestly sit here and tell you that we are ever going to get to Point B, but we are a long ways from Point A I guess you might say.

I would just thank you, gentlemen, for everything you all have done for us.

[The information follows:]

TESTIMONY

ARVIN WEST
SHERIFF HUDSPETH COUNTY
TEXAS

FEBRUARY 14, 2008

COMMITTEE ON APPROPRIATIONS
HOMELAND SECURITY
SUBCOMMITTEE

TESTIMONY
COMMITTEE ON APPROPRIATIONS
HOMELAND SECURITY SUBCOMMITTEE

Arvin West
Sheriff
Hudspeth County, Texas
United States of America

David Price
U.S. House of Representatives
Committee on Appropriations
Homeland Security Subcommittee
United States of America

Testimony
Border Security Programs and Operations on the U.S. Land Border
Challenges and Priorities

Monday, February 04, 2008

Congressman Price,

Sir, let me first thank you for the opportunity to serve the citizens of Hudspeth County, The Great State of Texas and The United States of America with testimony to this Committee on Appropriations Homeland Security Subcommittee.

Moreover, I want you Chairman Price, Ranking Member Rogers and each of you who work on this committee to know that it is with heart felt appreciation and great pride to be the one to thank you for the $60 million dollars of Stonegarden funds you have so generously provided to Law Enforcement to continue the work in securing our Southwestern Border.

In partnership with you and the United States Border Patrol these funds will enable Law Enforcement to assist and support the Border Patrol in a Second Line of Defense in securing the Southwestern Border. The funds will be used to continue the work of dismantling, apprehending, deterring and putting the criminal element on notice, that you are serious about securing the Southwestern Border and are committed to a secure Nation and have proved your resolve by providing this funding to continue the work of Law Enforcement. Along with the Stonegarden Funds and the resources the State of Texas has provided, Law Enforcement can and will be a loyal partner in the Border Initiative.

Since January 23, 2006 when the Mexican Military incursion in Hudspeth County became embedded in the minds of Congress, Representatives and Senators alike, Republicans and Democrats, News Media and the public as a whole and Law Enforcement across this Nation. Law Enforcement who live and work in the Border Counties have encountered challenges today as they were before January 23, 2006. The challenges Law Enforcement face at this very moment on the Southwestern Border are as real as they were two years ago.

Law Enforcement on the Southwestern Border with Mexico is still dealing with violence, criminal organized enterprises and narco terrorism from Mexico that has spilled over into our Nation. This violence directly on the Southwestern Border is not dealt with by Law Enforcement farther inland from the Southwestern Border, it is the Sheriff's Offices, Police Departments, State Agencies and Federal Agencies directly located on the border that are the first responders to the violence, organized crime and illegal drugs that enters our Communities, Counties, State and our Nation. One of the largest challenges facing Law Enforcement is the lack of personnel to devote to this every growing problem. The U.S. Border Patrol has worked tirelessly on their problem of insufficient personnel, it seems they are gaining ground, however it appears they have a long way to go. Before I explain the challenge that the Sheriff's offices face on a daily basis, let me thank those in Washington who have championed the cause for a secure border with Mexico and we are thankful for every penny that has been allocated for Law Enforcement to work the border initiative.

Local Law Enforcement has been facing the challenge of insufficient boots on the ground to do our part when dealing with securing the Southwestern Border. The challenge is how we are to spend the funds that we receive to secure the Southwestern Border. Some allocations have been for equipment, some have been for new hires and some have been for overtime only. The challenge is that the job of local law enforcement is very hard to accomplish when the funds received are for just one or the other. To meet this overwhelming challenge, it would be a blessing to receive funds that were for everything. This particular challenge would be overcome, by being able to hire additional personnel, paying existing personnel overtime, securing direct law enforcement tools not exotic equipment, replacement items, administrative support, direct operating expenses and travel to aid Law Enforcement to continue doing the job of securing the Southwestern Border.

Some local law enforcement agencies on the Southwestern Border are small. If we were able to hire additional personnel while paying existing personnel overtime, we could show dramatic increase in presence, dismantling and deterring those that are doing harm to the citizens of the United States of America. When the funds specify one or the other a gap in continuity of forces deployed to the border initiative are disrupted. It takes everyone that some of the small agencies have to continue operations to secure the Southwestern Border. At present while we wait for funds to become available, the violence continues, organized criminal enterprises grow and the flow of narcotics and possible terrorist related crime against the United States is being perpetrated.

While I speak, a war is raging in Juarez Mexico, a place of over a million people, a place that is located across the Rio Grande River from El Paso, Texas, an American city. A place where American citizens live and work, young and old, rich and poor, of every ethnic background that we have sworn to protect. Today, right now, rival cartel gangs are killing each other, coming to America to kill and terrorizing every honest hard working person that lives on the Southwestern Border for fear of being caught up as an innocent bystander when violence from these Mexican cartels erupts. This is the challenge of Law Enforcement on the Southwestern Border to secure this border, to rid the citizens of fear and return our border areas to a place that is safe to, live, work and raise our families.

The challenges of working relations with the U.S. Border Patrol have made great strides in overcoming our differences. I am thankful for these resolutions and we have seen a remarkable improvement in coordinated efforts to secure the Southwestern Border. The challenges of local Law Enforcement and the U.S. Border Patrol when working together are not over. As the U.S. Border Patrol builds their manpower, there are still wide areas of uncovered border land. When, the U.S. Border Patrol adds more agents to one area the criminal element move to another. Local law Enforcement is still undermanned and lack equipment and overtime to take up the slack. This is one challenge that should take a high priority in Washington to continue to aid local, state and federal agencies in this area of concern.

There are many challenges that face Law Enforcement in the United States when working to secure the Southwestern Border. These challenges have been here for a long time and will be here for a long time to come if we do not secure the border now and put these organized criminals, cartels, drug runners and terrorist faction on notice that we are total committed and serious about the security of our Homeland.

The priority of all Law Enforcement Agencies in America, local, state and federal should be the security and well being of every citizen of this Nation. To realize this priority we must have border security. Then we can realize Homeland Security. The priority of every Law Enforcement Agency on the Southwestern Border is to have the resources to do the job of securing our Southwestern Border. Some counties are so small that their tax base can not support the border initiative. These counties rely on Washington for help. We on the Southwestern Border are committed to doing our part in the border initiative and we need the help of the Federal Government to accomplish this goal.

Of the highest priorities are manpower, overtime and equipment. With these three things all at one time and the continued support of Washington to stay for the duration, we can begin to seriously impact security on the Southwestern Border. Great strides have been made, but we can not quit when we see a reduction in activity along the Southwestern Border by organized criminal organizations. Our priority is to keep up the pressure till the end. Till, the criminal element is afraid to come to the United States. Till, we have denied their access all up and down our border with Mexico. Till, we can freely trade with Mexico without worries of criminal organized crime that has made this type of open economic border harder for the United States and Mexico to realize. Till, our citizens are free from terrorism and fear.

As for the local Sheriff's Offices on the southern border a priority is to keep the Texas Sheriff's Border Coalition a working and effective coalition of men dedicated to a secure Nation. There is strength in numbers, as we grow and our numbers grow with the help from Washington we can more effectively do our part to secure the southern border. A high priority for continued success is funding for the Texas Border Sheriff's Coalition main office in El Paso, Texas. The coalition's success is greatly enhanced with staff and leadership of the executive director in our main office. A priority is sharing the successful Texas model in partnerships that have grown with State Agencies, Texas Rangers, Game Wardens, Federal Agencies, United States Border Patrol and Local Law Enforcement, Sheriff's Offices and Police Departments. The Texas Border Sheriff's Coalition has joined with the Southwestern Border Sheriff's Coalition to spread the successes of lessons learned and to grow into a force that can effectively be a partner with all who are working to secure our Nation.

Thank you again for allowing me to testify before this committee and the support you have shown for the Border Initiative. And moreover, God Bless you and The United States of America.

Yours in service,

Arvin West
Sheriff
Hudspeth County, Texas

Mr. PRICE. Thank you, Sheriff.
Mr. Miller.

BORDER FENCE

Mr. MILLER. Thank you, Chairman Price and Members of the committee, for this opportunity to come and visit with you.

My name is Jim Ed Miller. I am a farmer in Fort Hancock, Texas, which is in Hudspeth County, Texas, of which I am a county commissioner also. I am here today to voice my support for a secure border.

There are two concerns that I want to bring up about installing the border fence along the Rio Grande in El Paso and Hudspeth County. Number one, you cannot in my opinion secure a border along the Rio Grande without controlling the vegetation along the Rio Grande.

Number two, the installation of the border fence must not damage the flood control capability of the river and/or interfere with canals and other infrastructures that irrigation districts have in their facilities that run parallel to the river.

With your permission, I have some photographs. I think you have them in your package. They may not be in color. There are some color ones here. It is pictures of the Rio Grande. Picture No. 1 is a picture of the Rio Grande very close to Fort Hancock, Texas, where I farm. This part of the river has not been cleaned for many years, and most of the vegetation that you see along the banks of the river here is salt cedar.

Now, these salt cedar provide a tremendous staging area for all sorts of illegal activity along the river. Number one, it endangers us for flood control. Number two, that endangers the Border Patrol when they are down there on that river trying to patrol it.

Picture No. 2 is a section of the river just upstream from Picture No. 1, and it has been cleaned. The salt cedar has been removed. The floodways have been mowed. This is the levee here.

Picture No. 3 just kind of gives you a brief overview of where we are talking about putting this fence and the infrastructure that the irrigation districts, both El Paso and Hudspeth, have that parallel the river.

We all agree that we need a win/win situation, Mr. Chairman. If we can get the river cleaned, the border protection agencies, be it Border Patrol or whomever, have a much better chance of securing our border, and the local people have a much greater flood control structure here in times of flooding.

My second concern is the damage that may be caused to the infrastructure of our region by placing a fence down there. Again, the irrigation districts parallel the Rio Grande, and if the fence is put up this impedes the ability of the local districts to get in and maintain their infrastructure.

Picture No. 4 deals with that. This is a stretch of river in El Paso County. The water you see is the main canal. The dirt there to the right of the picture is the river levee. To the right of that is Mexico.

All the water that comes to the irrigation districts, farmers in El Paso and Hudspeth County, has to come through this common ditch, and also a tremendous amount of water that is being delivered to the City of El Paso all has to come through this canal. If

you put a fence in, where you put it could really deter in the ability of the district to maintain this main artery for water delivery.

All of these structures that are on the irrigation side of this equation are being supported by the local taxpayers. There is a point to where the local people cannot afford to maintain these kind of things.

Coming full circle, if we will clean the vegetation in the river we go back to the win/win deal of the Border Patrol can patrol the border and flood control is afforded, the flood control which could damage local people and/or damage the fence if it were put in there somewhere.

I want to support and applaud Secretary Chertoff's recent effort for the work in Hidalgo County and our concerns with the border fence. We hope that we can work also with Customs and Border Patrol to come up with some sort of solution to minimize and mitigate the damage that would be done by putting a fence down there.

With that, I thank you very much for this opportunity to visit with you.

[The information follows:]

Feb. 14, 2008 House Appropriations Subcommittee on Homeland Security – Jim Ed Miller

TESTIMONY OF HUDSPETH, TEXAS COUNTY COMMISSIONER JIM ED MILLER

Thank you Chairman Price and members of the committee for this opportunity to testify. My name is Jim Ed Miller and I am a Commissioner for Hudspeth County, Texas. I am here today to voice my support for a secure border. I will be brief.

There are two concerns I wish to raise regarding the installation of the Secure Border Initiative's – Border Fence along the Rio Grande in El Paso and Hudspeth Counties of Texas:

1) Simply put, you will never secure the border along the Rio Grande unless you control the vegetation along the Rio Grande; and

2) Installation of the Border Fence must not damage the flood control, irrigation canals and other infrastructure in the United States that runs parallel the Rio Grande.

With your permission, I have photographs I would like to provide you that show these concerns.

Photograph number 1 shows a section of the Rio Grande near Ft. Hancock, Texas that has not been cleaned for many years. This dense vegetation is mainly salt cedar or Tamarisk that creates a staging area for illegal border activity and is safety risk to Border Patrol Agents. Photograph number 2 shows a recently cleaned section of the Rio Grande just upstream of the location of photograph number 1. It is easy to see why control and management of the vegetation along the Rio Grande is essential to a secure border.

Removal of this vegetation will improve the security of our border, and reduces the likeliness of flooding of US lands adjacent to the Rio Grande and the associated damage to the Border Fence. It is a win-win

situation. The United States wins by having a more secure border and the local communities win by having improved flood protection.

This brings me to my second concern: the damage that will be caused by installing the Border Fence in the flood control and irrigation infrastructure that parallels the Rio Grande along the US side of the border. Photograph 3 is a map showing the proposed location of the Border Fence and the location of our canals. Photograph 4 shows you how close our canals are to the US border.

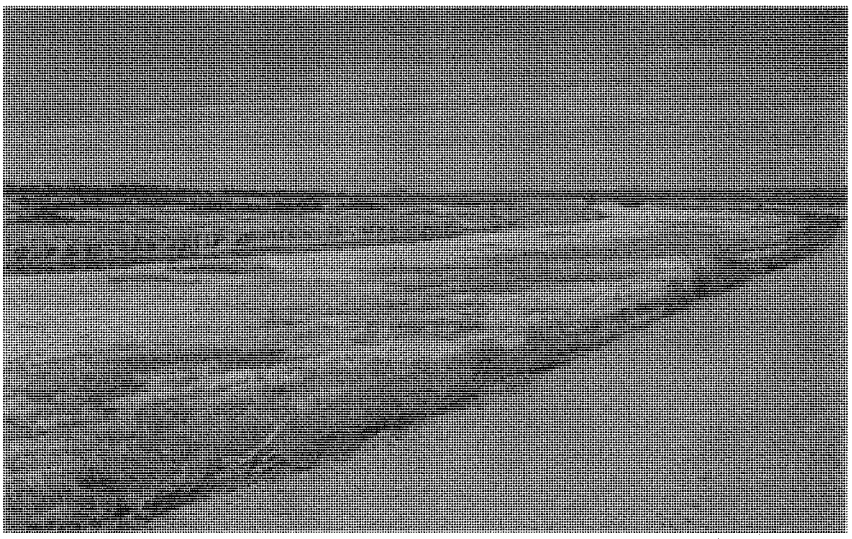
Much of this infrastructure was constructed and is maintained at a cost to the local taxpayer. Neither the citizens of El Paso nor Hudspeth County can afford for it to be damaged. This infrastructure is essential to the local economy and the well being of our community. The Border Fence, as proposed under the SBI program, will cut off access to our canals, increase our maintenance cost, and put at livelihood at risk.

I support and applaud Secretary Chertoff's recent effort to work with Hidalgo County to find solutions to their concerns with the Border Fence. Likewise, we hope Customs and Border Protection will work with us to minimize and mitigate the damage that will be done to our infrastructure by the construction of the fence.

I strongly support Senator Hutchinson's and Congressman Rodriguez's amendments made Consolidated Appropriations Act of 2008 (H.R. 2764; Public Law 110-161 under Section 564) to Section 102 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1103 Section 102) and their inclusion of the Explanatory Statement regarding invasive plant species. Attached to my written testimony are my suggested changes to 8 U.S.C. 1103 that would address some of my concerns. Thank you for the opportunity to testify and I am pleased to answer any questions.

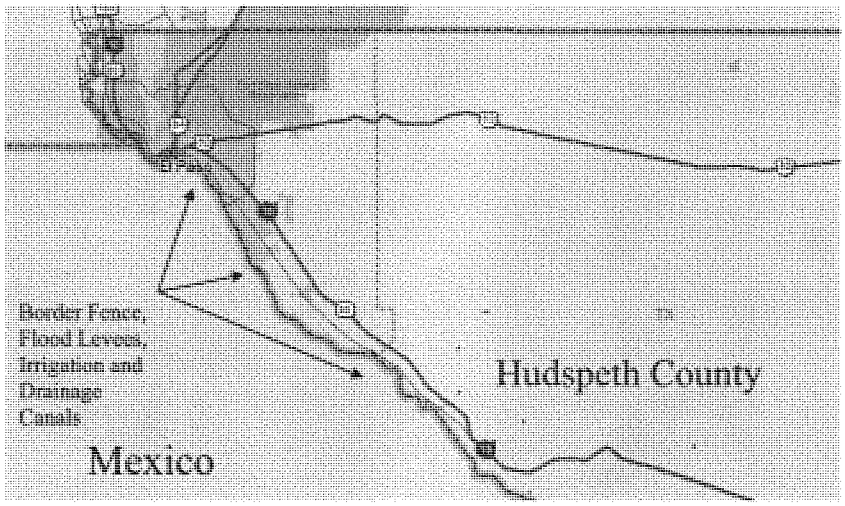
Feb. 14, 2008 House Appropriations Subcommittee on Homeland Security – Jim Ed Miller

Photograph 1 – Heavy Vegetation along Rio Grande in Hudspeth County, Texas

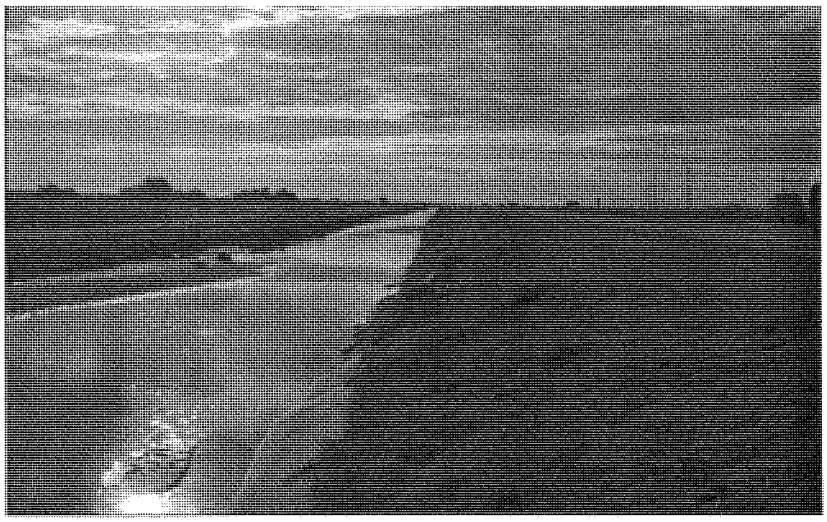


Photograph 2 – Recently Cleared Reach along Rio Grande in Hudspeth County, Texas

Feb. 14, 2008 House Appropriations Subcommittee on Homeland Security – Jim Ed Miller



Photograph 3 – Location of Proposed Border Fence El Paso and Hudspeth Counties, Texas



Photograph 4 – River Levee and Riverside Irrigation Canal, El Paso County, Texas

Feb. 14, 2008 House Appropriations Subcommittee on Homeland Security – Jim Ed Miller

(a) Section 102 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1103 note) is amended--

(1) in subsection (b) in paragraph (1) by striking subparagraphs (D) and adding

``(D) Limitation on requirements.-- Notwithstanding subparagraph (A), nothing in this paragraph shall require the Secretary of Homeland Security to install fencing, physical barriers, roads, lighting, cameras, and sensors in a particular location along an international border of the United States, if the Secretary determines that the use or placement of such resources is not the most appropriate means to achieve and maintain operational control over the international border at such location <u>or such fencing or barrier would damage the flood control or other infrastructure along the international border.</u>

Mr. PRICE. Thank you very much, Mr. Miller.

Now we turn to the Waldens. Welcome.

BORDER FENCE

Ms. NAN WALDEN. Thank you, Mr. Chairman. Dick and I and our neighbors are grateful for the opportunity to share some of our experiences today, and we thank you for your good work on these issues.

You all have to have the wisdom of Solomon and the patience of Job to sit here and usually listen to us citizens blame you for everything the federal government does wrong, but today Dick and I are going to try to minimize the generalities and to give you some specific solutions from our point of view on strengthening security and improving government/community relations along our southern border.

We believe achieving a successful and strong border and immigration policy is both a matter of national security and economic security, and it is also a humanitarian issue. We are concerned that many citizens who do not live, work or travel across our southern borders do not appreciate the gravity of the situation. The drug-associated violence, the human smuggling, environmental impacts, as well as the impacts on commerce, all must be considered as you craft our federal policies.

While we appreciate the challenges they face and the service they render, we and our neighbors have some serious concerns about the culture of the parts of the Department of Homeland Security, DHS, with which we interact most, the Border Patrol, and we will give you some specific examples of that later.

We hope that you will read our testimony in its entirety, and we have included some articles as well for the record. Our overall message today is that if we address these issues piecemeal we are doomed to failure.

Allow us to give you some firsthand examples as citizens who live and work within 30 to 40 miles of the Arizona-Mexico border.

Mr. RICHARD WALDEN. Our family and our company, Farmer's Investment Company, has been farming and ranching in this area for more than 60 years, and before that we were five generations in agriculture in California. My ancestors came from England in the 1600s.

One rode a horse from New York to San Francisco in 1842. Two years later he sent for his wife and two children, who sailed around the Horn, an 11 month trip. Since it is Valentine's Day I thought I would add they had five children after that, so I guess absence makes the heart grow fonder.

We come from military families and law enforcement backgrounds. Our company has 7,500 acres mostly planted to pecans in the Santa Cruz Valley south of Tucson and 2,000 acres in eastern Arizona, a warehouse facility in Las Cruces and a 1,000 acre pecan farm in Albany, Georgia.

With 250 employees and a peak of 300 during the harvest, many of our permanent employees are second and third generation, largely Hispanic. Spanish is their language of work. We provide generous health benefits and 401[k] plans.

In addition, Nan and I personally own a ranch, which is the picture on the right, in Amado, Arizona, which is where you turn to go to Arivaca when you want to see the site there. We raise Arabian horses and commercial cattle. The FICO lands are about 40 miles north of the border, and our ranch is 30 miles from the border.

We deeply appreciate the history and the beauty of where we live. We appreciate the service of the men and women in law enforcement, including Immigration and Customs Enforcement, Border Patrol, the National Guard, who has until recently been on the border, and local police and sheriffs who help protect us.

We sincerely value our cultural heritage, social and commercial ties with Mexico. We believe most of our Arizona neighbors and Americans share these goals. Number one, secure our borders from criminals and terrorists, protect our families and neighborhoods, protect our commerce, protect the environment which inspires us, which sustains many of our enterprises, be they farming, ranching, tourism and hospitality.

Ms. NAN WALDEN. We have no illusions about the conditions in northern Mexico which are spilling over into our country: The increasing violence among the drug cartels and gangs, the kidnappings and homicides against judges, journalists, police chiefs and other leaders.

There are new alliances now between the coyotes, who used to only smuggle people, and the drug smugglers. Now in addition or in lieu of charging illegals money, and we understand the going rate is $3,000 to $5,000 per person, the coyotes use illegals to carry drugs or carry smaller or poorer grade materials to enable other diversions in shipments to go around. Beatings of the people who pay the coyotes to be transported are common. We had some very sad examples right in our backyard.

Recently a Mexican business colleague of ours was kidnapped. We were called for ransom by the desperate family. We had to involve the FBI. In these situations, the FBI does not call the local police, of course, because they cannot trust them. They deal with the army or professional negocios out of Mexico City who now make a living from arranging with the kidnappers. Fortunately, this man's family was able to get his release in about 10 days.

We have listed for you here some of our daily experiences. We have had neighbors who have had people turn up wounded and bleeding on their porch. Hearing automatic weapons fire is not uncommon in their neighborhood, which is an exclusive estate area within two miles of the I–19 freeway.

Some nights on our ranch we come home to Border Patrol in the driveway, which is fine with us. On other occasions we have come home to a number of Minutemen camped out in and around our driveway with coolers and weapons sitting on their tailgates.

We woke up in the middle of the night worried one night about our hired hand, who is legal, but who does not speak much English. I was concerned that if he went to change the irrigation sets he might be mistaken for an illegal and shot at.

We would like to add we understand the frustration of folks living along the border who join the Minutemen because they do not believe that the federal government is doing enough to protect

them. On our ranch, our young 25-year-old woman manager wears a Glock in her holster every day. We carry firearms whenever we ride out, and in our car and home we have a trained German Shepherd with us all the time.

Mr. PRICE. Ms. Walden, if I could ask you all to wrap up fairly quickly here?

Ms. NAN WALDEN. Let me just say that we have recommended in the last part of our statement about eight different things that we could take, actions the federal government could take that would improve in very specific forms securing our border.

One of the largest things I think that we think would be maintaining the National Guard presence there. The Border Patrol tells us that they are very helpful, that they take some of the stresses off of the Border Patrol.

We also think standardizing the communications among the federal, state and local agencies with the radio frequencies is very important. That was a major recommendation of the 9–11 Commission, and it has not been done.

There are serious concerns about the fence, and we have submitted some letters from our neighbors for the record about that.

Then we also feel it is very important that the Border Patrol take the citizen participation seriously. You called for consultation. Many of us worked on a citizen work group for Congressmen Giffords and Grijalva, and the day before we were to announce the results of our work group we woke up to this headline in our local paper, which says Official Rules Out Debate on Border Facility.

You know, it is up to them to decide what the best policy is, but for the citizens to work six months and come up with a report and then the Border Patrol to hold a press conference the day before and say that our opinion did not matter is very disturbing to us as Americans.

Mr. PRICE. We will insert at this point in the record that press account if you leave it with us.

Ms. NAN WALDEN. Thank you very much.

[The information follows:]

TESTIMONY OF RICHARD WALDEN AND NAN STOCKHOLM WALDEN
SUBCOMMITTEE ON HOMELAND SECURITY
COMMITTEE ON APPROPRIATIONS
UNITED STATES CONGRESS
FEBUARY 14, 2008

INTRODUCTION

- THANK YOU FOR THE OPPORTUNITY TO SHARE OUR EXPERIENCES TODAY BEFORE YOU, OUR CONGRESSIONAL REPRESENTATIVES WHO HAVE DONE SO MUCH GOOD WORK ON THESE ISSUES.

- YOU ALL HAVE TO HAVE THE WISDOM OF SOLOMON AND THE PATIENCE OF JOB AS YOU SIT HERE AND USUALLY LISTEN TO US CITIZENS BLAME YOU FOR ALL THE WRONG THINGS OUR FEDERAL GOVERNMENT IS DOING!

- TODAY DICK AND I ARE GOING TO TRY TO MINIMIZE GENERAL CRITICISMS AND GIVE YOU SOME SPECIFIC SOLUTIONS FOR STRENGTHENING SECURITY AND IMPROVING GOVERNMENT/COMMUNITY RELATIONS ALONG OUR SOUTHERN BORDER.

- **ACHIEVING A SUCCESSFUL BORDER AND IMMIGRATION POLICY IS BOTH A MATTER OF NATIONAL SECURITY AND ECONOMIC SECURITY.**

- **IT IS ALSO A HUMANITARIAN ISSUE.**

- WE APPRECIATE THE GRAVE RESPONSIBILITY OF CONGRESS AND THE EXECUTIVE BRANCH TO SECURE AND PROTECT OUR BORDERS.

- THIS ENTAILS A HUGE COMMITMENT OF FUNDS, MANPOWER AND TECHNOLOGY: WE NEED TO EXPEND THESE RESOURCES WISELY.

- WE ARE CONCERNED THAT MANY CITIZENS WHO DON'T LIVE, WORK OR TRAVEL ACROSS OUR SOUTHERN BORDERS DON'T APPRECIATE THE GRAVITY OF THE SITUATION. THE DRUG-ASSOCIATED VIOLENCE, HUMAN SMUGGLING AND ENVIROMENTAL IMPACTS—AS WELL AS IMPACTS ON COMMERCE ALL MUST BE CONSIDERED AS YOU CRAFT OUR FEDERAL POLICIES.

- FINDING THE BALANCE AMONG THESE SOMETIMES CONFLICTING GOALS IS KEY TO THE SHORT AND LONG TERM FUTURE OF OUR COUNTRY—WE MUST NOT DESTROY OUR COUNTRY IN ORDER TO SAVE IT.

- WHILE WE APPRECIATE THE CHALLENGES THEY FACE AND THE SERVICE THEY RENDER, WE AND OUR NEIGHBORS HAVE SOME SERIOUS CONCERNS ABOUT THE CULTURE OF THE PARTS OF THE DEPARTMENT OF HOMELAND SECURITY (DHS) WITH WHICH WE INTERACT MOST— THE BORDER PATROL (BP). WE WILL GIVE YOU SOME SPECIFICS LATER.

- WE REALIZE THAT THIS SUBCOMMITTEE'S JURISDICTION IS NOT ALL ENCOMPASSING—BUT AS HOLDERS OF THE PURSE YOU HAVE A BROAD AND POWERFUL ROLE OVER THESE POLICIES AND AGENCIES.

- **OUR OVERALL MESSAGE TODAY IS THAT IF WE ADDRESS THESE ISSUES PIECEMEAL—WE ARE DOOMED TO FAILURE. ALLOW US TO GIVE YOU SOME FIRSTHAND EXAMPLES AS CITIZENS WHO LIVE AND WORK WITHIN 30-40 MILES OF THE ARIZONA MEXICO BORDER.**

PERSONAL BACKGROUND

The Waldens and our Company Farmers Investment Co. (FICO) have been farming and ranching in the Santa Cruz Valley of Arizona for more than sixty years, and before that five generations were in agriculture in California. Dick's ancestors came from England in the 1600's. One rode a horse from New York to San Francisco in 1842. After he arrived, he sent for his wife and two children, who sailed around the Horn, a trip of eleven months. Since it is Valentine's Day I might add that they had five more children after that, so I guess it is true that absence makes the heart grow fonder!

We both come from military/law enforcement families. Dick served in Viet Nam as an Army pilot and continues to fly today for business. Nan's father, Carl Stockholm, who was first generation from Denmark, served in both World Wars I and II, receiving the French Legion of Merit. Returning to civilian life he was National President of the U.S. Navy League. One of Nan's brothers served in Viet Nam on Seal Team One. The other brother served in the Army, and later was in charge of the Narcotics Division of the Cook County, Chicago States Attorney Office. Nan has a law degree from Stanford and worked with Federal and state government throughout her career, serving as counsel to Senator Daniel Patrick Moynihan on the Senate Environment and Public Works Committee, and as Chief of Staff to Senator Bill Bradley.

THE FARM AND RANCH

FICO has 7500 acres in the Santa Cruz Valley, and an additional 2,000 acres in Eastern Arizona, warehouse facilities in Las Cruces, New Mexico and a 1,000-acre pecan farm in Albany, Georgia. We employ about 250 employees year round and 300 employees during the harvest. Many of our permanent employees are second and third generation. They are largely of Hispanic descent. Spanish is the language of work in the plant and on the farm. FICO provides all our permanent employees with generous health benefits and 401(k) plans. They have a fine work ethic and many skills. Their children are all going to community college or university and have become engineers, doctors and fashion designers. We are the largest integrated grower and processor of pecans in the world, with a large export business, mainly to Europe and China. We are the largest grower of organic pecans, also.

Nan and I personally own a 6,000-acre ranch in Amado, Arizona that includes a State lease, where we raise performance Arabian horses and commercial cattle. The FICO farmlands are about 40 miles from the United States-Mexico border; our ranch is about 30 miles. I and my employees travel often to Mexico to buy pecans to put through our processing plant, in addition to the ones we grow. Again, we have relationships with growers there going back two and three generations.

HISTORY OF SANTA CRUZ VALLEY, ARIZONA

The Santa Cruz Valley is one of America's longest inhabited regions, with traces of human occupation extending back more than 12,000 years. The valley is the home of the Tohono O'odham and the adopted home of the Yaqui Indians, who fled warfare in Mexico in the 1900's. In 1691 Jesuit Father Eusebio Kino introduced Christianity and established a string of missions stretching from Mexico to San Francisco, California, including San Xavier, acclaimed by authorities as the finest example of mission architecture in the United States. Explorer Captain Juan Bautista de Anza journeyed from Mexico to San Francisco from 1774-76 and established the Presido there. Mexican families farmed and ranched in our valley before the Gadsden Purchase of 1854 made it part of the United States. That purchase divided many families, American, Mexican and Native American.

The valley is home to spectacular and hardy flora and fauna including the Desert Bighorn Sheep, pronghorn antelope, mountain lion, desert kit fox, bobcat and numerous raptors including golden and bald Eagles. Birders come from all over the world to view hummingbirds and many other species found only here. The valley is the northernmost range in the United States of the jaguar, North America's largest cat. It, like a number of other species is rare, endangered and highly migratory, with males hunting over as much as 300 square miles of territory.

SO WE DEEPLY APPRECIATE THE HISTORY AND BEAUTY OF WHERE WE LIVE--AND WE ALSO APPRECIATE THE SERVICE OF THE MEN AND WOMEN IN LAW ENFORCEMENT, INCLUDING OUR IMMIGRATION CUSTOMS ENFORCEMENT (ICE), BORDER PATROL (BP), NATIONAL GUARD, AND LOCAL POLICE AND SHERIFFS WHO PROTECT US.

WE ALSO VALUE OUR CULTURAL HERITAGE, AND SOCIAL AND COMMERCIAL TIES WITH MEXICO.

GOALS

- We believe most of our Az neighbors and most Americans share these goals:
    - Secure our borders from criminals and terrorists
    - Protect our families and neighborhoods
    - Protect our commerce
    - Protect our environment which inspires us and which sustains many of our enterprises, be they farming, ranching, tourism or hospitality

WE HAVE NO ILLUSIONS ABOUT THE CONDITIONS IN NORTHERN MEXICO, WHICH DO SPILL OVER INTO OUR COUNTRY.

There is increasing violence among drug cartels and gangs in Northern Mexico, along with kidnappings and homocides against judges, journalists, police chiefs, and other leaders. There are new alliances between coyotes, who used to only smuggle people, and the drug smugglers. Now in addition or in lieu of charging illegals money (the going passage rate is from $3-5,000 per person), coyotes will use illegals to carry drugs or carry smaller or poor quality drugs as diversions for law enforcement so that bigger shipments can get through.

Those who cannot pay "enough," or who fall behind can receive horrible treatment. One woman was beaten almost to death and left in the desert, while her child was taken and held for ransom from the father already in this country. Fortunately the FBI caught the extortionists, and returned the child, but the woman had to have plastic surgery as part of her recovery.

Last June we attended in Chihuahua the first communion of a daughter of a Mexican business acquaintance of Dick's he has known for years. A couple weeks later this man was kidnapped. Apparently the kidnappers used the speed dial on his cell phone and called Dick to ask him to contribute to the $5 million ransom. In these situations, the family does not call the local police because they are not trustworthy. They deal with the Army or professional "negocios" out of Mexico City who arrange deals with the kidnappers. Fortunately his family was able to get his released after about 10 days.

HERE ARE SOME DAILY REALITIES THAT WE AND OUR NEIGHBORS EXPERIENCE:

- Border Patrol is #1 number on our cell speed dial; BP has code to all our ranch gates
- Our neighbor, who used to work for the FBI, and his wife, have had wounded and bleeding illegals show up on their porch. Hearing automatic weapon fire is not uncommon in his neighborhood, which is in an exclusive estate area within two miles of I-19 freeway. His high school daughter called him one day on the way home to report that she heard automatic weapon fire, to ask if she should go on home. After that he told her to come to his office after school and they went home together.
- Some nights we come home to BP in our driveway, which is fine with us. On a couple occasions we have returned home to see suspicious vans that were pick up vehicles, which we call into BP.
- On other occasions we have come home to a number of Minutemen in and around our driveway, with coolers and weapons sitting on their tailgates. We woke up in the middle of that night worried about our hired hand who **is legal,** but who does not speak much English. We were concerned that when he went to switch the irrigation sets in the middle of the night, he might be mistaken by them for an illegal, and not be able to explain. We feared someone might get excited and take a shot at him!
- We would like to add, that we understand the frustration of folks living along the border who join the Minutemen because they do not believe that the federal government is doing enough to protect them.
- On the ranch, our young manager wears a glock in a holster every day; we carry firearms whenever we ride out on horseback and in our car and home; we have a trained German shepherd as well.
- Last year we both received concealed weapons permits, along with some neighbors. This was an interesting experience for Nan, because despite having lived as a single woman in large cities including Chicago and Washington, DC most of her life, she had never felt the need to own a handgun, much less to train with one.
- Unlike in previous years, crossers who cannot easily be identified any more as harmless vs. criminal are being seen in increasing numbers on our farm and ranch.
- We see and hear BP helicopters daily. We have had neighbors lose a horse who ran through a wire fence because BP helicopters swooped too low over the pasture, terrifying the animal. We were awakened at 3:30 the other morning by a BP copter, first hovering for 45 minutes, and then passing so low over the house as it pulled out, that our doors, windows and roof

shook. They swoop down low enough to fan the bushes along the river, disturbing domestic and wild animals as well.

- Trash, cut fences, water left running, and other damage seems to be getting worse. We have included in our materials for the record a Tucson Weekly story, "Under Siege," about the Cowan family, who has ranched over 17,000 acres near Douglas, since the 1800's. (A-1) They have moved off their beloved ranch. The final straw was when they left for a summer weekend to help a neighbor brand cattle. They returned to find their corral gate, which they had carefully wired open to allow their horses access to water, wired shut, probably by drug runners. Some of the horses were dead, the rest were stumbling and blind from dehydration.
- High-speed chases originating twenty miles away by BP have cut through our home front yard area in Sahuarita, in that case capturing an illegal couple and two terrified children who crashed into a wash in our backyard.
- These chases go into our local resort and retirement communities including Tubac, Green Valley and Sahuarita. (A-2) These are not remote areas; they are suburban areas with many elderly residents. Recently a national publication demoted Green Valley from one of the "best places to retire," to one of the "worst," citing border violence. People are worried about property values. This is not an esoteric, selfish concern. These are homes and businesses that people have worked a lifetime to acquire.
- Signs warn of illegal drug and human smuggling in our beautiful national and state parks and forests; friends who have B & B's say that foreign visitors especially have returned from popular hiking spots too frightened to hike.
- Our School Superintendent tells us Border Patrol landed a helicopter at the Sahuarita middle school and agents got out with guns drawn in the presence of children on the playground!
- Exhausted crossers show up on our farm and ranch begging for food, water and sometimes to rescue loved ones they left behind in the desert, too weak to continue. If we were to feed them or transport them, we risk a charge of abetting illegals. Two University of Arizona students were charged with that last year, although they claimed they were only rendering humanitarian assistance.

FOR ALL THESE REASONS, WE HELPED FOUND ARIZONA EMPLOYERS FOR IMMIGRATION REFORM (AZEIR) chaired by our former Congressman, the Hon. Jim Kolbe. (A-3)

Arizona Employers for Immigration Reform (AZEIR)

AZEIR (www.azeir.org) is a coalition of Arizona businesses and trade associations dedicated to the passage of comprehensive immigration reform. AZEIR works with and has endorsements from other organizations besides business including:

Hispanic chambers of commerce, humanitarian and faith groups, and others

Immigration Works (A-4)

Moreover, a dozen other states, including Texas, Virginia, Oregon and Colorado have formed their own state EIR's. These have recently coalesced into a national effort called, Immigration Works, whose President is Tamar Jacoby, a leading conservative voice who worked on immigration reform during the most recent battle in the Senate.
www.ImmigrationWorksUSA.com

WE IN ARIZONA URGED CONGRESS TO ADDRESS FOUR ESSENTIAL COMPONENTS FOR NATIONAL REFORM:

- **Enhanced Border Security**
  We endorsed a multi pronged strategy of manpower, technology, and infrastructure.

- **Humane Guest Worker Program**
  Although the old Bracero program did not have enough worker protections, there were some constructive parts to it. Due to strong family ties, many Mexican workers want to go back and forth. If given a legal and practical means of entry and reentry, they would not be permanent citizens. This benefits both America and Mexico.

- Last fall the Laredo BP Sector Chief Carlos Carillo told a group of citizen visitors, A good guest worker program would reduce illegal crossings immeasurably. Right now I am looking for a needle in a haystack (drugs and smuggled people). Anything that will reduce the size of that haystack will help me find the needle."
- **Employment Eligibility Verification/ID cards**
  We favor a national id card, with background checks and a biometric marker-for everyone. Our Governor, Janet Napolitano, has proposed a state i.d. card/drivers license that meets the federal Real ID Act criteria.

- **Some Path to Regularization or Citizenship for 12 + Million Here**
  With a declining birthrate, and aging population, America needs an influx of foreign workers to compete in a global economy. Fifty years ago, there were 20 workers for every retiree on Social Security. By 2030 there will be two workers to offset each retiree.

  According to Tamar Jacoby writing in Foreign Affairs, (A-5)

  The most important of those new realities is the global integration of labor markets. Today's immigrant influx—second in volume only to the wave that arrived a hundred years ago—is not some kind of voluntary experiment that Washington could turn off at will, like a faucet. On the contrary, it is the product of changing U.S. demographics, global development, and the increasing easy international communications that are shrinking the planet for everyone, rich and poor. Between 2002 and 2012, according to the Bureau of Labor Statistics, the U.S. economy is expected to create some 56 million new jobs, half of which will require no more than a high school education. More than 75 million baby boomers will retire in that period. And declining native-born fertility rates will be approaching replacement level. Native born workers, meanwhile, are becoming more educated with every decade. Arguably the most important statistic for anyone seeking to understand the immigration issue is this: in 1960, half of all American men dropped out of high school to look for unskilled work, whereas less than 10 percent do so now.

  The resulting shortfall of unskilled labor—estimated to run to hundreds of thousands of workers a year—is showing up in sector after sector." (Ms. Jacoby goes on to document shortages in the construction and restaurant industries, as well as others).

  Many of the visas, for temporary workers are cumbersome, impractical. For example, to obtain H-A2 agricultural workers, among other requirements, one has to advertise the job opening for 45 days. Recently the Government

increased this to 75 days. With a perishable crop in the field ready to harvest, that is too long. Similarly, cows need to be milked three times a day. If one loses a worker, one needs a replacement right away.

In the U.S., the backlog to obtain green cards, legal citizenship or temporary visas is too long. That is partly what is driving the underground economy.

Two colleagues, one a lawyer, one a labor specialist, recently visited Canada. Our northern neighbor is welcoming immigrants, and streamlining both paths for temporary workers and permanent citizens. In Canada, even with background checks, many are able to qualify for citizenship within one to two years!

Also in Canada there are temporary categories of workers, governed by Labor Market Opinions, administrative regulations that document worker shortages in more than 32 categories, both skilled and unskilled. This process used to require 4 weeks, but with many immigrants now choosing Canada instead of the U.S., last year the backlog created a six-month wait. There was such an outcry from employers, that the Government acted and reduced the processing time to five days!

NOW OUR DHS MAY NOT AGREE THAT FIVE DAYS ARE ENOUGH TO PROPERLY BACKGROUND AN IMMIGRANT. HOWEVER, THE COUNTRY THAT CAN SEND MEN TO THE MOON AND CAMERAS TO MARS CAN SURELY DO BETTER THAN NINE OR MORE YEARS TO CITIZENSHIP!

Our AZEIR Board Chair, Jason LeVecke, has provided a thoughtful analysis of how the current ICE IMAGE Program could be updated to be more user friendly for American businesses. (A-6)

CONGRESS' FAILURE ACT SET THE STAGE FOR THE AZ LEGISLATURE TO ENACT MOST STRINGENT EMPLOYER SANCTIONS LAW IN COUNTRY-WE BELIEVE IT IS ALSO MISGUIDED AND WILL HAVE MANY DELETERIOUS EFFECTS.

When Congress failed to enact comprehensive reform, the Arizona Legislator passed an extremely unfair and punitive state Employer Sanctions Law. Many legislators voted reluctantly for it, and Governor Napolitano signed it, partly under the threat from sponsor State Rep. Russell Pearce (R-Mesa) of an even more draconian state ballot initiative. However, that initiative is going forward anyway).

If an employer makes two hiring mistakes in five years, regardless of its size, and regardless of whether it follows federal rules for documenting new hires, the employer may lose its state business license(s) permanently.

WHAT ARE SOME OF THE REAL WORLD UNINTENDED OR INTENDED CONSEQUENCES OF THE EMPLOYER SANCTIONS LAW?

Two Mistakes and You are Out
Imagine a company with hundreds or thousands of employees, and decentralized hiring practices like in many franchises. One major food company in our state employs over 40,000 workers. Another friend who has 66 fast food restaurants estimates he will employ 100,000 employees over a fifteen-year business plan. If two of his managers each makes one mistake, in five years, he could lose everything, including the loans he has personally guaranteed, like many American entrepreneurs. He might even go to prison. And the other 99.9% of his employees, who are legal, will also lose their jobs, their apartments, their homes, and so on.

Vital Services
What about a hospital that employs 1,000 people? After the first violation, the hospital can be shut down for 30 days and put on probation for five years. On the second violation it can be closed permanently. What will happen to the patients?

Extortion
If a business owner fires someone for cause, the fired employee may threaten to report an illegal they know who works for the company. An agriculturalist in our state told us he has already been threatened with this unless he gives the person a generous "severance" he does not deserve. Or a competitor might report another business. Complaints can be anonymous under the law, and must be pursued by the county attorney. Can you begin to see what a nightmare this is for our state?

Businesses and Jobs Leaving our State
The Wall Street Journal reported in December, "Arizona businesses are firing Hispanic immigrants, moving operations to Mexico, and freezing expansion plans ahead of a new law that cracks down on employers who hire undocumented workers." (A-7)

At certain times of the year, Yuma, Arizona produces 90% of all lettuce consumed in the U.S. Last year, much of it rotted because farmers could not get seasonal workers. This has happened to apple farmers in the Northwest as well. A California Congressman told me that while his district used to be the "Garlic capitol of the World," now 80% of what formerly came from his district is now grown in China. The largest chili grower in New Mexico and Arizona is moving to Mexico because of this law. Our country is losing 1-2 million acres of farmland to development annually. Do we want to be totally dependent on other nations for our food supply? Do they have the same strict labor and environmental rules that we apply? Food security is a security issue as well.

$29 Billion Annual Loss to Arizona Economy
Dr. Judith Gans at the University of Arizona, estimated recently that if all noncitizen workers left Arizona's economy, economic output would drop by at least $29 billion annually in construction, manufacturing, service industries and agriculture. Dr. Gans' work also showed that immigrants, despite costs they impose on the state for education and health care, are a net gain to the state. If one considers the contribution that their children make as citizens, the net benefit is even greater. (A-8)

Breakup of Families
This raises another related issue. We have cases in Arizona where one spouse is legal, but the other is not. Or the children are legal, born here, but the parents are not. Or the parents are legal but the children are not. (This happens more often than one might suspect because the Hispanic culture is so family oriented and a young woman may go home to Mexico to give birth, despite the common perception).

Document Fraud Against Immigrants
We know of cases where immigrants have paid what is for them huge sums of money to "experts," who have them fill out some forms and tell them they will be legal in a short time. The forms may be bogus, or they may be incorrect forms. In an example I know of personally, a fine young man paid an expert and filled out forms for a SINGLE man, when he was married and should have filled out a different form. Now after waiting for 8 years, he finds he must go to the back of the line and start over. His kids are young and legal, but he and his wife are not.

THE LABOR SHORTAGE IS NOT JUST AN ISSUE FOR AGRICULTURE, BUT FOR CONSTRUCTION, HOSPITALITY, HEALTHCARE, LANDSCAPING, ELDER AND CHILD CARE, EQUINE AND RACING INDUSTRIES.

The myth is that these jobs will remain and be filled. Instead, we are seeing them go to Mexico, Canada, China, India and Indonesia, where wages are lower and regulations are often lax, as evinced by the recent lead paint problems from China.

> Some of us can't move--we can't move our trees that took 60 years to grow!
> But we might be forced to stop farming and sell our land, a sad outcome for us.

TO THEIR CREDIT, SOME LEGISLATORS IN ARIZONA ARE WORKING TO AMEND THE LAW, BUT THE SPONSOR IS STILL PLANNING A MORE STRINGENT STATE INTITIATIVE. (A-8)

ALSO, A STATE SENATOR HAS CALLED UPON CONGRESS TO PERMIT ARIZONA TO HAVE ITS OWN GUEST WORKER PROGRAM. (A-9)

ALSO RECENT ADMINISTRATIVE CHANGES IN FEDERAL LAW HAVE REQUIRED BUSINESSES TO INCURR MAJOR COSTS AND PERSONNEL TIME TO IMPLEMENT.

The requirements and procedures are often confusing. Until recently we were told not to keep certain copies of documents in employee files, after they had been checked. Now we are being told to retain them. We have had to become somewhat expert in detecting subtle signs of counterfeit documents.

WE THINK THERE SHOULD BE A "9-11" COMMISSION TO RECOMMEND A COMPREHENSIVE BORDER/IMMIGRATION STRATEGY

We are dismayed by the demagoguery, oversimplification and in some cases, downright hatred and racism fueled in part by some am radio talk and TV shows. **We and others like Jason LeVecke, who have dared to speak up publicly about these issues, have received hate mail, phone calls and even death threats**. A man walked into our corporate offices and said angrily to our young Hispanic-American receptionist, "Do any of your people pay taxes?" She answered, "Of course we do," but he upset her.
The Arizona law is being trumpeted by its sponsor in talks around the country. It is even being praised on the websites of the KKK and similar groups! There were recently race riots over immigration issues in Phoenix outside a furniture store.

We need some distinguished leaders like a former Secretary of State, and others especially those with a military and strategic background, to join others in business, the faith community,

environmental organizations and humanitarian groups to find a balance. At a recent conference we attended at Arizona State University, sponsored by the Thomas R. Brown Foundation and the Communications Institute, leaders ranging from the Minutemen organization to the Mexican Consul were able to agree on an amazing number of key issues. In general, Americans are a fair people. If given the facts, they will apply common sense. **In fact in poll after poll an overwhelming majority of Americans favor border security and a guest worker program and path to residency or citizenship for those already here. (A-5).**

WE HAVE SOME VERY SPECIFIC RECOMMENDATIONS WE WANT TO SHARE TODAY, BASED ON MANY MONTHS OF RESEARCH AS PART OF A COMMUNITY WORK GROUP ASSEMBLED BY CONGRESSWOMAN GABRIELLE GIFFORDS. OF COURSE HERE TODAY WE SPEAK ONLY FOR OURSELVES PERSONALLY.

1. We believe in securing the Border at the Border through a multi-layered and multi-faceted strategy.

We believe that the most effective way to address drug smuggling and illegal immigration is to stop it at the border. We further believe that the border can in fact be secured through a series of strategic measures. This strategy includes utilizing all EXISTING roads along and adjacent to the border to facilitate patrolling. It includes using patrols on horseback in rugged areas. It could include enlisting local ranchers, cowboys and volunteers to help spot illegals, people who know the terrain well. **A thoughtful series done by our Arizona Daily Star raises serious questions about the efficacy of high fencing, especially in rural areas, and we agree. (A-11)**
It includes evaluating the opportunities to use permanent vehicle barriers along the border, any place where penetration by vehicles is possible and/or likely. **Where there are cattle operations, there should be provisions to include appropriate wire fences to contain livestock. These vehicle barriers and fences should be wildlife friendly to allow for animal migration, including the jaguar.(see discussion, infra # 7.)** Currently, only 30 miles of the Tucson Sector border have vehicle barriers in place, and these are not permanent vehicle barriers. It includes increasing Border Patrol presence on the border, both on the ground and in the air, and rapidly implementing available technology such as cameras, ground sensors, radar and satellite communications at various locations along the border. It includes the use of Unmanned Aerial Vehicles (UAVs) in addition to manned aircraft. This system could be a modern version of the technology used on the line between North and South Korea.

We understand that there have been problems with the SBI Net, and these must be monitored and solved. But we believe that proper surveillance cameras can be used effectively and cut down on the need for fencing, provided there is proper manpower to respond to sightings. Community input on the placement and deployment of the SBI cameras is essential.

The Tucson Sector includes 261 miles of the international border. It is much more efficient and effective to *fully* enforce this entire 261-mile stretch, rather than leave it porous and have to patrol the nearly 8,000 square miles of interior that exist between the international border and the proposed permanent checkpoint locations 30 miles north.

2. We believe we must fund and rebuild the Tucson sector Ports of Entry at Nogales and Douglas and elsewhere.

These antiquated ports must be updated, with modern technology and expanded commercial and passenger vehicle lanes to alleviate wait times, stimulate local economic activity and growth, enhance detection capabilities, and better secure the border. Such technology should include all Port of Entry customs technology, such as machines to scan biometric ID cards as well as the most up-to-date "flanking" technology, including but not limited to ground sensors, sky watch towers equipped with day and nighttime cameras, ground surveillance radar units, and aerial surveillance equipment such as the RC-7 Airborne Reconnaissance Low (ARL) with Communications Intelligence (COMINT) and Imagery Intelligence (IMINT) and Moving Target Indicator (MTI) technology.
We understand that the Mariposa Port of Entry is slated to be rebuilt by 2012, but that Congress has not allocated to date nearly enough resources to substantiate this reality. Full funding for the very high-volume Mariposa POE must be allocated immediately. **Furthermore, we understand there are currently no plans to rebuild or upgrade the DeConcini Port of Entry or other ports of entry in the Tucson Sector, in Douglas, Naco, Lukeville and Sasabe. We urge Congress to act swiftly to appropriate the total amount necessary to evaluate the needs of each port of entry and make high-tech, more secure ports of entry throughout the sector a reality.**

3. We support maintaining the National Guard presence at the border and increasing manpower in general in our sector.

We understand that originally the National Guard was an interim solution until additional BP agents could be employed. We understand that half the 6,000 National Guard troops employed along the Mexican border were gone by last September, and that the rest will be gone by next summer. The Arizona Republic reported September 25, 2007, "By every measure available, Guard troops have helped slow the flow of smugglers and improve the capability of the Border Patrol." (a-12_Every BP agent we talked to said privately they appreciated the Guard's help. Major Paul Babeu, who commanded Jump Start's Yuma Task Force was also quoted in the same article as believing that the Guard should remain.

We have not done a scientific study, but it is our impression from living with this situation, that many BP agents are younger, less trained and less experienced than National Guard Troops. We and our neighbors have had BP agents turn up at our doorstep, lost when they are a quarter mile from a main road or freeway. When we call in a sighting or problem, they seem unfamiliar with important landmarks, and even sometimes get confused about directions, eg. north and south.

We favor an increase of CBP manpower in the Tucson Sector – on the border, at tactical, roving checkpoints, and in mobile vehicle and aerial units.
As previously noted, the Tucson Sector accounts for a significant and growing share of CBP's overall apprehensions and seizures due to an influx of illegal activity here in recent years. Border Patrol Chief David Aguilar's stated goal is to increase the number of Border Patrol agents from 13,500 today to 18,300 by the end of 2008,[8] representing an increase of 36% nation-wide. Some reports are that Border Patrol plans to bring on 6,000 new agents by the end of 2008, a 44% increase nationwide.
We believe the evidence shows that the Tucson Sector requires a

share of that increased manpower commensurate with demand. We therefore propose that CBP manpower in the Tucson Sector be increased by 25% in the next 8 months and 50% by the end of 2008. It should be noted that the promise of new technology, such as SBI-net, ground

[6] **GAO-05-435, p. 13**
[7] **Agent Fitzpatrick's comments to Community Workgroup on Southern Az Checkpoints, 6/18/07**
[8] **REUTERS, *Border Patrol chief sees border control by 2013*, 5/09/07**

sensors, radar, unmanned aerial vehicles and the like, is only as good as the personnel that is able to respond to incursions as soon as they occur. Minutes lost because of long travel time for the nearest agent are in fact the difference between an apprehension and no apprehension.
Furthermore, we recommend that Border Patrol implement heightened applicant screening measures and improved training of new recruits to ensure that, as it rapidly staffs up, the possibility of infiltration by human and drug smuggling rings is prevented. Recently a lawyer friend who went with a group to observe border operations saw illegals crossing on their stomachs under sensors within plain view of both Mexican and American personnel at the Port of Entry. Her guide explained that there had been a payoff.

4. **We must standardize communications among federal, state and local law enforcement, and cross train among agencies.**

We were shocked to learn that one of the most important recommendations of the 9-11 Commission, the interoperability of radios, has not yet been implemented, particularly at the border. We know it is costly. However in our rugged country, it is a huge handicap for different agencies to use different frequencies and different terminology. Some agents carry three or more radio devices in their cars.

Also, local law enforcement said they would benefit from cross training and more understanding of BP policies and procedures. We understand that when a local police officer finds an illegal, he must often wait 30-45 minutes for a BP to arrive. Increasingly, smugglers send a small group ahead of a big drug shipment to detain law enforcement so the second group can get through. Congress should explore ways for the National Guard or local law to assist with these apprehensions.

5. **There is a need to reimburse local authorities for resources spent addressing these issues, through SCAAP and other programs.** Our local Representatives, Grijalva and Giffords have called for **full** funding for the State Criminal Alien Assistance Program (SCAAP). Local law enforcement tells us this would be significantly helpful.

6. **Congress should encourage the Department of Homeland Security and Border Patrol to institute clear and transparent accountability standards, and to involve the local residents in a meaningful way, as was done with the federal community policing legislation.**
In studies done by Sandia National Laboratory and the Government Accounting Office (GAO), analysts called for better data collection and analysis by BP and independent reviews. BP gives many statistics about how many people are arrested or drugs seized. They claim if these numbers go down, they are being effective, when in reality no one seems to know how much is getting across the border, past BP. Also in The Grim Reaper, written by a former Customs and BP agent, the author reports that often smugglers send across inferior drugs or drugs damaged by moisture, so that BP can claim a big bust. The more valuable cargo then goes around the Port of Entry or Checkpoint.

Last fall, GAO testified before Senator Baucus and the Senate Finance Committee about border issues. It reported that little progress had been made in the past three years to secure either the southern or northern borders. Both Republicans and Democrats expressed concern with the BP witness whom they termed "unresponsive" to their questions at that same hearing.

Congresswoman Giffords and Senators McCain and Kyl called in December 2007 for a report from GAO on the effectiveness of checkpoints. That is an commendable first step. **But this should be broadened to examine all the data collection, reporting methods, and performance benchmarks from CBP on border strategies. Or perhaps one of the national laboratories like Sandia, or RANN, or one of the military academies or institutions should undertake such a study.**

7. **Fencing**

While we appreciate the need for fencing in some strategic urban areas, we are not convinced that it is effective in rural areas. We have very rugged country in many parts of our Arizona border. Shifting sands is some areas, rugged mountain ranges in others, and monsoon rains will make it very difficult to build and maintain a fence. **Our long time ranching neighbors, Wendy and Warner Glenn of the Malpai Borderlands ranching group have submitted a thoughtful analysis of this. They believe that building new roads to construct the fence will exacerbate the crossing problem.**

(I would request that Glenns' letter appear in the record at this point)

The Malpai Group won a MacArthur genius award for its work to bring ranchers and environmentalists together to work on complex issues like prescribed burns on grazing lands and endangered species. They and we have deep concerns too about the unique, irreplaceable wildlife along the border, including the jaguar, mountain lion, Desert Bighorn Sheep and pronghorn antelope.

Our economy relies heavily on tourism, and second home/retirement communities. Tourism in southern Arizona generates $6 billion annually. Bird and wildlife watching bring in a large part of these revenues. We are very disappointed that DHS has chosen to not provide for a jaguar protection plan, and has commenced building fences even in highly sensitive National Wildlife areas like the Buenas Aires over the objections of administrators. (A-13), (A-14) We are disappointed that DHS has received the most sweeping exemptions from our national environmental laws like NEPA.

Responsible farmers and ranchers see themselves as stewards of the land and keepers of traditions and culture. We have learned to cooperate with our neighbors, both old timers and new residents that seek out the beauty and history of our land. That is why it is very disturbing to us to have a government officials who sometimes appear to merely give lip service to collaborating with us locals on security at the border.

8. FINALLY WE RESPECTFULLY WANT TO EXPRESS OUR CONCERNS ABOUT THE APPROACH AND ATTITUDES WE HAVE EXPERIENCED WITH SOME OF THE BORDER PATROL IN OUR SECTOR.

As we said at the start of our testimony, we are grateful for all the law enforcement personnel who often risk their lives to protect us. However, we are troubled by some of the statements made by BP, DHS, and DEA personnel both publicly and privately to us and to our neighbors.

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February 8, 2008

To Who It May Concern,

We are asking that you not appropriate the funds for a section of United States Border Road and Fence in Cochise County, Arizona and Hidalgo County, New Mexico. This road and fence is a travesty and huge waste of funds. We are asking that you not fund the new road and vehicle barriers from the San Bernardino National Wildlife Refuge east to Antelope Wells, New Mexico.

We are ranchers on the United States and Mexico Border, east of Douglas, Arizona. We have 3 ½ miles of border fence in our ranch pastures. We surround the San Bernardino National Wildlife Refuge. It sits on the border in the center of our ranch area. (see map)

There are 2 ½ miles of this fence on our west side and an additional 10 miles of border fence west towards the town of Douglas, that has a border road on it with a huge amount of traffic on both sides, drive-through vehicles and foot traffic from Mexico and constant DHS Border Patrol vehicles on the United States side. This road and fence need to be secured before any more new country is opened up.

Besides funding for the vehicle barriers they are putting into place, there needs to be funding for replacement of the wire cattle fence they are tearing out along the way. They don't plan to replace the cattle fence although this is cattle ranching country, saying that livestock won't go through a barrier that is a 4 foot high rail with nothing below it to the ground. This is not realistic. The ranchers can't afford to replace miles of fence that the US Government tears out.

There is 1 mile of fence on the east side of our ranch, where there is no border road. This fence extends through our neighbors to the east for approximately 40 miles with no border road. This is rough country and mostly inaccessible right now to vehicles.

There are 5 places in that 40 miles where a ranch road goes to the border, but has no access east or west on the border, where there are occasional drive-through vehicles and some foot traffic. These places should have sensors on them and checked often. The

proposed new cameras will help also.

DHS wants to plow a 60 foot wide right-of-way and road through almost all of the area that has no road to "secure the border". They are in the process of walking the border with Baker Corporation engineers and DHS personnel to complete planning for this huge expensive new border road/barrier project. They plan to install vehicle barriers on the border. They also plan to remove the existing livestock border fence, saying the 4 foot high single rail vehicle barriers will keep cattle from crossing the International Boundary. This is ridiculous.

All that this expensive road/barrier project will accomplish is to give illegal entries more streamlined access into the United States. There are not enough Border Patrols out here to secure this position now and there will never be enough to maintain watch through this area unless they have 24 hour patrols stationed every few yards. The new road will only tear up open spaces and will bring heavy traffic into an area that is currently very rough, pristine and isolated.

We are working with DHS and Boeing to allow 3 camera towers on our property. There are several more proposed in the area. These cameras need to go into use for a year or more to be able to assess the need for a road and vehicle barriers.

The planning for this section of fence is flawed at the least and there needs to be a reality check on the funding that is appropriated. The information being sent to Washington decision makers is not realistic.

We are asking that you not fund the new road and vehicle barriers from the San Bernardino National Wildlife Refuge east to Antelope Wells, New Mexico.
Thank you for your consideration.

Sincerely,

Warner Glenn and Wendy Glenn

There seems to be a prevailing attitude at BP that "we know best," and that we citizens should 'put up or shut up.'

We are concerned that this attitude is part of a top down culture espoused by many of the senior officers.

For example, a Community Work Group assembled last year by Rep. Giffords worked six months in two subcommittees on researching and writing a report about border issues. This report included extensive research, visits to Texas and many meetings and submeetings.

The day before the final meeting where the citizens were to present the results of their hard work to Rep. Giffords and Sector Chief Robert Gilbert, Gilbert called a press conference. Citizens saw this headline in the Arizona Daily Star that morning "Official Rules out Debate on Border Patrol Facility." (A-15)

When asked about community involvement, Chief Gilbert went on to say "We are America's law enforcement. We are America's border security experts. That's what we do; that's what we have done since 1924. We are not going to ask permission to do our job." This was despite specific concerns raised by local police and sheriffs, who were also part of the Work Group. Anthony Coulson, a DEA agent in Tucson said all the community cared about was "property values," when what people were most worried about was violence in their communities.

Not only did Chief Gilbert express disdain for the citizens who had given up many evenings and weekends to work on the report, but he also showed disdain for Congress and its oversight role, as well as Rep. Giffords whom he had promised he would take no action until he had heard all the input from the communities. Unfortunately this attitude is all too common in some of the agencies with which we deal. We see much better attitudes among our local police and sheriffs who have the trust and support of the community.

WE ALL UNDERSTAND THAT CBP AND DEA HAVE A DIFFICULT MISSION, BUT WHEN THAT MISSION DIRECTLY IMPACTS PEOPLE'S SAFETY AND LIFE'S WORK, WE DESERVE TO BE MORE THAN RUBBER STAMPS.

POLICE DEPARTMENTS ACROSS THE COUNTRY HAVE EMBRACED THE VALUES OF COMMUNITY POLICING, WHERE THE COMMUNITY TRUSTS AND SUPPORTS THE POLICE AND VICE VERSA, CREATING BETTER RESULTS.

AFTER YEARS OF TOP DOWN OPERATIONS, THE ARMY CORPS OF ENGINEERS HAS TRANSFORMED ITSELF INTO ONE OF THE BEST AGENCIES IN TERMS OF MEANINGFUL PUBLIC PARTICIPATION.

PERHAPS BP WOULD BENEFIT FROM SOME TRAINING FROM ONE OF THESE ENTITIES THAT HAS LEARNED TO VALUE PUBLIC DIALOGUE AND PARTICIPATION.

EVEN THOUGH THERE IS A "GAG" RULE FOR BP, WE KNOW THAT MANY OF THEM ARE FRUSTRATED. THEY FEEL UNDERSUPPORTED IN TERMS OF MANPOWER AND EQUIPMENT.

SINCE SO MANY ARE BEING HIRED SO QUICKLY, MAYBE THERE NEEDS TO BE MORE SCRUTINY FOR SCREENING, AND MORE TRAINING, INCLUDING TRAINING ON HOW TO DEAL WITH THE PUBLIC THEY SERVE.

WE HAVE ALSO BEEN DISTURBED BY THE LOCAL BP UNION'S WEBSITE, AS WELL AS ITS NATIONAL WEBSITE. WHILE WE KNOW THIS NOT THE OFFICIAL WEBSITE OF THE BP, THERE IS A LOT OF DISTURBING AND DISRESPECTFUL RHETORIC ON THAT SITE. WE HAVE SEEN HATEFUL, RACIST AND EXTREME SPEECH ON THOSE SITES DIRECTED AT FIGURES SUCH AS THE PRESIDENT, SECRETARY CHERTOFF, NATIONAL CHIEF AGUILAR AND THE PHOENIX POLICE CHIEF.

WE FEAR THAT THIS MAY SIGNAL A LACK OF SCREENING, TRAINING, OR EVEN RESPECT FOR AUTHORITIES BY SOME MEMBERS OF THE BP. IN RAMPING UP SO QUICKLY, WE URGE CONGRESS TO BE SURE RECRUITING STANDARDS ARE MET.

WE DO HAVE SOME GOOD REPORTS! A LOCAL OWNER OF AN HISTORIC B&B TOLD ME THAT SHE WAS LOSING GUESTS DUE TO THE PROXIMITY OF A LOCAL CHECKPOINT, WITH BP AGENTS ALWAYS AROUND HER GROUNDS, ASKING HER GUESTS IF THEY HAD SEEN CROSSERS OR SMUGGLERS, AND SOMETIMES ASKING HER GUESTS FOR I.D.! SHE SAID THE BP AGENTS WERE ALARMING HER GUESTS, AND THEY WEREN'T RETURNING.

AFTER SHE TALKED TO ONE OF THE BP SENIOR STAFF, BP WAS ABLE TO SUBSTITUTE A LARGE CAMERA, SUSPENDED HIGH UP ON A TALL POLE FOR ALL THE AGENTS ON THE GROUND. THE AREA IS VISIBLE FROM THE CHECKPOINT A FAR DISTANCE AWAY. SO HERE IS A WIN-WIN RESULT WHICH CAME FROM A DIALOGUE.

AND INDIVIDUALLY, WE HAVE HAD SOME PRODUCTIVE AND RESPECTFUL CONVERSATIONS WITH EVERYONE FROM RANK AND FILE BP TO THE LEADERS, INCLUDING DEPUTY CHIEF OF OUR TUCSON SECTOR, JOHN FITZPATRICK.

THERE WAS NEVER A GREATER NEED FOR REASONED, RESPECTFUL DIALOG AND BIPARTISAN LEADERSHIP BY YOU OUR PUBLIC OFFICIALS.

These are challenging times do doubt. There has been discrimination before in our nation's history. But thanks to true leaders, we have educated those who feared the newcomers and they have helped make our country stronger and better, the greatest melting pot in the world. In order to compete in a global society, we must find the way to welcome an immigrant workforce—many of whom are willing to risk their lives to get to America. All of us, unless we are Native American, came from someplace else at some point in the family tree.

Thank you for your leadership, and may God guide and bless you. We stand ready to assist you in any way that we are able.

APPENDIX OF RELEVANT ARTICLES AND REPORTS

A-1 TO A-15

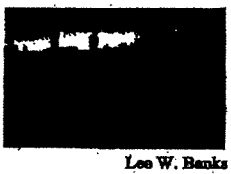
PUBLISHED ON MARCH 10, 2005:

Under Siege

As illegal immigrants surge across Southern Arizona, life for ranchers living near the border has become a living hell

By LEO W. BANKS

You couldn't find a better place to have lunch than this cramped, dusty Cochise County cook shack. It has every bit of ambience that Arizona ranch country can offer, including a wood-slat ceiling covered with strips of tin from a dismantled pigpen. In ranching, nothing goes to waste, so when Ruth Evelyn Cowan had the opportunity to collect some scrap from her parents' New Mexico ranch, she grabbed it.



Leo W. Banks

This is what it's like on the border now. Illegal immigrants bust gates open on ranches, creating expensive problems for ranchers.

The tin might rattle in the wind and drum in the rain, but those sounds create a symphony for Cowan, who loves this place and this life. She was born into it 57 years ago, and you can see that it suits her down to the mud on her boots. You don't have to listen hard to hear the contentment in her voice when she goes on about her American Brahman cattle—big, silver, hump-backed animals with floppy ears that she talks to as if they were her kids.

But this is Southern Arizona under siege, so there really is only one subject on the agenda, one issue that dominates all others here: the border with Mexico and the invasion of illegals who, every day and every night, rush to fill this yawning vacuum.

Leo W. Banks

Rancher Fred Davis found several of his horses dying of dehydration after illegal immigrants locked them in a pasture away from their water supply.

They are hungry campesinos; unemployed Colombian dishwashers; Brazilian professors on the lam; Syrian women running from abusive men; felons and child molesters; young Mexican women who've been tricked into believing that Chicago is right up the road from Bisbee, so sure those Manolo Blahnik knockoffs will be perfect for walking there; strong-shouldered teenage boys who can lift everything you own for $7 an hour; dark-eyed men who love pornography and use breaks in their treks to ogle skin mags, then toss them on the ground before moving north again; drug addicts who litter pull-up sites with used needles; children who play with Barney dolls; terrified mothers who nurse their infants while hoping to reunite with their stone mason husbands; *coyote* guides who carry 9 mm automatics, long knives to slash the throats of barking dogs and epinephrine to squirt up their noses for fast energy; and pregnant girls desperate to birth their babies in the great United States.

You can't name a category of human being—good-hearted or crooked, kind or mean—or a nation, religion or ethnic group that isn't using this border to sneak into America illegally. The numbers boggle the mind. In January alone, the Border Patrol in the Tucson sector impounded 557 smuggling vehicles, confiscated 34,864 pounds of marijuana and arrested 35,704 illegals, according to agency spokesman Jose Garza.

The important number is one they can't pinpoint with certainty: how many got through. But figure it this way, using the common belief that, conservatively, for

every arrest the Border Patrol makes, another two illegals make it through: With almost 500,000 arrests in the Tucson sector last year, that means somewhere in the neighborhood of 1 million illegals broke into the country successfully last year--an average of almost 3,000 every 24 hours. And arrests for 2005 are up 10 percent, according to Garza.

Because of the sheer number of illegals--as well as their desperation, their willingness to destroy property and intimidate, and the always-simmering fear--Cowan and husband, Bob Giles, have sold most of their cattle and are significantly scaling back their ranching operation.

"I feel such relief," says Cowan of the decision she and her husband made last summer. "I'm tired of continually looking over my shoulder. I'd like to be able to get up in the morning and not have the first part of my day spent repairing damage from the night before. I'd like to be able to live on my own ranch, but I don't feel safe there. I want a rattlesnake to be the worst thing I have to worry about."

Lunch today is tamales and lemonade. It's beautiful outside, the sunlit-gold grass bending in the wind and the Dragoon Mountains standing against the far horizon like black-and-purple pyramids. They make postcards out of scenes like this. Cowan stops to catch her breath. Little in her manner or the setting indicates the seriousness of the topic, or the heartbreak involved. She's good at keeping the rawest of her emotions in check. But there is one tip-off, and it's her eyes. They burn as she talks.

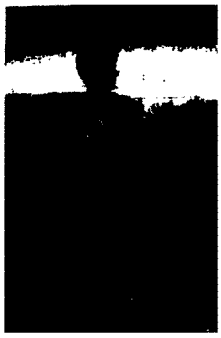
"I'm not an angry person, but I'm just ticked all the time, and that's not a healthy way to live. We're all so angry here. We're tired of the apathy of people who live elsewhere. What's happening here is everyone's problem, not just ours. We're tired of people who live in another country thumbing their noses at our laws, our culture and our customs, and threatening what we've spent generations building."

The words still hold little heat. As we eat and listen to the breeze sifting through the shack, Cowan continues in flat-toned recitation of what she and other ranchers have been saying for a long time. But no one has listened, and nothing has changed, and maybe that's what you hear in her voice--a sad resignation born of the knowledge that she's powerless to change the ongoing nightmare of her life.

"I'm a rich rancher," Cowan says, her tone mocking the very idea. "Well, I guess I *am* rich in a way. I have my husband, my parents, my friends, the ability to work and make a living. As far as cash in my pocket, I don't have that. Financially, I've been devastated. But I feel spiritually, emotionally and physically bankrupt, too. In my lifetime, I've never been where I am today. I don't want to see the damage the illegals have done anymore, I don't want to look at it; I don't want to fix it. That's a whole new me, because I'm 9-foot-tall and bulletproof. The illegals have changed everything."

Leo W. Banks

"We're tired of people who live in another country thumbing their noses at our laws, our culture and our customs, and threatening what we've spent generations building," says Ruth Evelyn Cowan.



Leo W. Banks

Ruth Evelyn Cowan: "I feel so violated. I just get wound up so tight I want to scream. It just goes on and on and on, every day."

She's right, and it's happening up and down the Arizona-Mexico border. A way of life is being run through a grinder. The way people think, how they go about their days, the way they work, the way they view the government--everything is changing. The smuggling trade has done this, by its sheer vastness, by the corrupting profits it produces.

In towns like Sierra Vista, high school kids earn money making fast-food deliveries for *coyotes*. A group heading north will lay in a wash to await their pickup rides. They're hungry. A 17-year-old kid, dealing by cell phone, will take an order for 150 burgers from the dollar menu at McDonald's, and deliver them to the waiting mob. They pay $2 each

to eat--a 100 percent profit for the kids--then heave their trash everywhere. Thanks and be sure to come again, says the kid, thumbing a wad.

In Douglas, high schoolers make huge profits driving illegals to Phoenix, maybe six to eight of them stuffed into an SUV, each paying $1,200. How does $10,000 for a weekend's work sound?

"A kid making that kind of money, do you think he's going to school on Monday morning?" asks retired Douglas educator Frank Adams. "Those kids used to drive clunkers. Now they drive Navigators. You start out so young making that kind of easy money, where's it lead? He'll be dead or in jail. It upsets me very much."

The same kinds of things are happening in towns on the Mexican side. In Cananea, the smugglers have even changed the smell of the air. It reeks of barbecue now, from the makeshift grills that have sprouted on almost every street corner to fill the bellies of the hordes moving north.

Four Mexican towns abutting the Arizona border--Cananea, Altar, Naco and Agua Prieta--once quiet, traditional, mostly safe, anchored by a few old families, have become the primary smuggler-staging grounds. Their central plazas bustle with men, women and children who stay in the hotels, eat at the restaurants, buy hats, water bottles, clothes and shoes, and lounge around in public until it's time to hop a cab up to the line.

With them comes a post office wall full of bad guys allied with the movement of people and drugs north--enforcers, cutthroat coyotes, gang bosses, gang soldiers and on and on. Ordinary Mexicans, those not involved in the trade, don't like seeing these people filling their streets, the smugglers or their charges. They view the latter just as many Southern Arizonans do--as invaders.

They're from somewhere else. They dress differently. They look different. Fearful parents in these towns order their kids to stay indoors because they don't want them playing near the strangers. They call them *crosseros*, Spanish for "crossers." Stay away from the crossers, they tell their kids.

Close to dark, the cabs move out. From the right hilltop vantage point on the Arizona side, you can set up a lawn chair, fire up a cheap cigar and watch the invasion. You see the headlights streaming north, virtual convoys of Ford Crown Vics and beat-up old Mercurys filled to the windows with soon-to-be illegals. From Cananea--where a legal taxi permit now costs an astonishing $15,000--they follow a dirt road that splits about 10 miles south of the border, one fork leading to the San Rafael Valley, in the mountains above Patagonia; the other to the San Pedro River Valley. In some cases, their feet don't hit the ground until they're literally a quarter-mile from the international fence.

It's an enormous business, and by any measure, a historic migration that is profoundly changing our country. But none of it is happening according to anybody's plan, certainly no American legislative body, and here's the biggest rub--it's a revolution of appetites. Mexico benefits by dumping off its poorest, avoiding the thorny responsibility of taking care of its own people, and it benefits from the cash these laborers send home, which, after oil, now constitutes that government's second-largest income source. But American appetites contribute greatly as well, specifically, our appetite for cheap labor and illicit drugs, which creates this powerful magnet effect, pulling people and dope to the border.

For those living on the line, that might be the worst of it--the recognition that their own people help fuel the daily chaos in which they live. It breeds in good citizens a corrosive cynicism, especially toward government--the same government to which they've been loyal all their lives, and to which they pay taxes and rely on for protection.

"I feel kind of betrayed," says Frank Adams, sitting at the kitchen table of his home outside Douglas. He speaks slowly and sadly, measuring words he couldn't imagine saying 10 years ago. "I feel betrayed by the federal government and by the state government, too. All the governor has to do is bring the National Guard down here and seal this border up, but they won't do it. What makes it so phony is you can see these illegals everywhere, so why can't our law enforcement stop them? The answer is they don't want to. It's a political game all the way to the top."

What's happened to Frank and Barbara Adams has happened to many families along the border. Douglas residents since the 1950s, the Adamses have watched their once-friendly town transform, in a scant eight years, into a cold, nearly unrecognizable place. During a home renovation in 1997, a worker asked the Adamses for a house key to get in when they were gone. The couple looked at one another. "Key? We don't have a key. We've never locked the door." Same with the car; they left the keys in it at night.

Now they lock down everything tight as a drum, and Frank won't even drive to the Douglas Wal-Mart in his new Ford F-250, because he's afraid it'll be stolen.

The Adamses are trying to move to Texas to be near their children, but the fingerprints of the smugglers are on that decision, too. The family's property has been on the market two years, and they've had a grand total of two serious buyers. When the Realtor tells callers the property is right outside Douglas, the callers say goodbye, and that's it

This is what life is like on the border now. You don't put your faith in hapless law enforcement or empty political promises, but in your own instinct for survival. You make sure someone is always home. You keep weapons by the door and by the bed, just in case. You rig up burglar alarms. You lock pasture gates. You post "No Trespassing" signs. You toss and turn at night. You watch your property values tank. You cry or punch a wall. You get up in the morning and do it all over again.

We're in Cowan's pickup truck now, driving across a broad stretch of southeast Arizona on an inspection tour of the war zone. The road we're traveling, Davis Road, is a particular menace, a stretch of hot top that connects Highway 80, near Tombstone, with Highway 191 above Douglas.

[illegible]loesn't look especially perilous as it rolls over its 23-mile course. But the frequent dips and doglegs can leave drivers blind and at the mercy of smugglers who screech around the turns, sometimes at 100 mph. Cowan has twice been run off this road, and like others in the vicinity, she avoids traveling here at night. But she can't avoid it entirely, because portions of her 17,000-acre spread straddle Davis Road.

Her ancestors homesteaded near here, and Cowan herself was born into a prominent Southern Arizona ranching family, her grandfather a multi-term member of the state Legislature in the 1930s and 1940s. She talks of her girlhood in the tiny settlement of McNeal, near Douglas, as an idyllic time, playing barefoot in alfalfa and cotton fields and riding horses bareback into the mesquites. It was a life of solidity and comfort in a place where everybody knew everybody else.

"As kids, we knew it'd never do any good to tell a lie, because you couldn't get away with anything anyway," says Cowan laughing. "You learned to play by the rules."

After graduating from Douglas High School, she went to ASU before becoming a flight attendant for TWA in 1969. Except for helping her father, she'd never worked full-time as a rancher until 1994, when she bought the property she now owns, from her sisters. Cowan wanted to preserve the family heritage and keep the land from being subdivided. But she held on to her day job, too. By then, she worked for Northwest Airlines, which required three weekends of work a month, flying all over the world as an international flight attendant.

Th[illegible]s the role well—welcoming, confident, polite. Think of June Cleaver with close-cropped silver hair. But Cowan is no shrinking violet; a few years ago, she organized the first concealed-carry gun class for women of Cochise County, drawing a crowd of 28 to the Benson firehouse. And at most public meetings she attends, Cowan stands to give a rousing recital of a poem she wrote called "Ode to the Vigilante":

"I haul them to town, I'm trafficking.
"I take them in, I'm harboring.
"I feed them all, I go broke.

If I deny them, they steal.
If I'm vulnerable, they take advantage.
If my dog bites them, I have to pay their medical bills.
If I haul off a known trafficking vehicle, I face auto theft.
If I carry a gun because I'm afraid, I'm a vigilante.

"The media always twist everything we say, making us out to be these terrible vigilantes," says Cowan. "But we're just vigilant Americans."

Cowan keeps her own gun stashed under the console of her truck as we drive Davis Road, a supremely sane thing to do in a place where automatic-weapons fire from drug runners shatters the night quiet, and the daytime signs of smuggling are everywhere. Just look around: hubcaps hooked to range fences—signals for coyotes or druggies to cross there; cars with Florida and California plates, probably stolen, wheeling up and down the road; cattle gates mangled by smuggler cars. Cowan says every single gate along Davis Road has been smashed at least once.

With her weekend's work as a flight attendant done, Cowan would return to Arizona to run the ranch. Her husband, Bob, now 58, who lives and works in Phoenix running his own company, would drive the 200 miles to Tombstone, work with her on Saturdays and Sundays, then drive the 200 miles back to Phoenix on Sunday night. "It was very hard," Bob Giles says. "I wonder now how the hell I survived it. But we needed the money I sent down there to run the ranch."

But the damage caused by illegals in Cowan's absence kept getting worse, which made going to work a peculiar torture. She knew the odds were good that something bad was happening back on the ranch, but she didn't know what it was, and couldn't do anything about it anyway. "If I'm in Japan, what can I do about a problem in Arizona?" she asks. "All I can do is worry. It got to the point where I stopped calling home."

Illegal immigration became the hell that followed her around the world. There was no escaping it.

On work weekends, her routine was to drive to Phoenix, catch a flight to L.A. and begin whatever assignment she had from Northwest. But while parking at the Phoenix airport, she said, she'd sometimes spot vehicles that she'd seen crossing her property the day before. The van or truck would park, and a dozen or more illegals would jump out, then head to the terminals to catch flights all across the country.

Sometimes, Cowan says, they were even on her flight to L.A., and because she speaks fluent Spanish, she was often asked to translate for, quite possibly, the very same individuals who'd just trashed her property.

"So many things have happened; I can't remember the chronology," Cowan says as we drive. "It all blends together."

She points to a pasture out the driver's window. "See, over there, I have a water line they keep cutting. So I rigged a faucet to it so they could drink without letting thousands of gallons drain out. But now they don't turn off the faucet, so the water runs out anyway."

A little farther along, she recalls another disaster: A gate the illegals left open allowed a nurse cow to wander onto the road. It was killed when a passing motorist smashed into it, demolishing the car. Then the motorist, who'd suffered a broken arm, threatened to sue Cowan.

On and on it goes. She and Bob have had one truck stolen and another vandalized, jacking up her insurance rates. One of her prized bulls ate a plastic bag, the kind illegals discard everywhere, blocking its intestines and creating such agony that she had to kill the animal. Cost: $2,400.

Three north-south smuggling trails cross Cowan's land, and so many illegals walk them that they spooked her cattle, making them wild. Wild cattle don't gain as much weight, and when ranchers go to market, they sell quality and

weight. She also followed a specific breeding program, but with her gates constantly left open and fences cut, her herds were becoming mongrelized and more susceptible to disease from neighboring cattle.

Cowan takes pride in how she manages her property, and in the past six years, she's received more than $375,000 in various grants for watershed rehabilitation. But the illegals leave behind piles and piles of human feces, which, after a rain, drain into the gullies and into the water supply.

Should we test to see whether the feces in the water is from cows or people?" she asks. "In some places on my land, the native grasses have been trampled so heavily they won't grow back in my lifetime, and I'll be blamed."

In October, she had nine at-risk kids out on the ranch picking up the illegals' garbage. They bagged a spectacular 6,080 pounds over five days. Four months later, it was all back again. She once called the EPA to report dumping of trash on state trust land. "Who's doing the dumping?" the bureaucrat asked.

"Illegals."

"Oh," said the bureaucrat. "We don't have a department to deal with that."

Everyone along Davis Road lives the same horror story.

Fred Davis is a professional rodeo roper, and he furnishes horses and equipment to movie companies on location. He's worked on *The Alamo* and *Braveheart*, among others. On the Fourth of July weekend last year, he settled some of his horses into a pasture on Thursday night, leaving the gate wired open so they could drink at a draw nearby.

When he went to check on them Monday morning, he found the horses in terrible shape, their stomachs hollow from lack of water. Davis watched as one mare kept tangling her feet in the pasture fence, and at first he couldn't figure out why. Then he realized she'd gone blind from dehydration. Illegals had closed and locked the gate, which took considerable effort, cutting off the horses' access to water.

Davis had to shoot the $7,000 mare. "I'm sure it was intentional," says Davis. "Why else would they go to the trouble of closing a gate that was wired open?"

Another time, Davis' daughter Marlo, then 23, was home alone when a man rapped at the kitchen window. He wanted to come inside and use the phone. She said no. He persisted, telling her that the man with him had hurt his leg, and she had to take them someplace in her car. But she kept saying no.

To back him off, Marlo told the invader that her father was in the back room. The man at the window said, "Your father isn't home, and I know your neighbor isn't home either. I've been watching the house from the barn all day."

Now terrified, Marlo noticed that he held his right hand in a strange way, the knuckles forward, his fingers curled up as if concealing something in his palm. She was about to get the family shotgun when the mysterious man finally gave up and left.

Later, on the ground outside the kitchen window, the Davises found a knife from a rack the family keeps in a workshop near their barn. They surmised that the man at the window had been holding that knife.

This happened in August 2001—domestic terrorism a month before Sept. 11.

Every rancher has a similar story. Sue and Rob Krentz, who live north of Douglas, lost a baby calf when two illegals beat it to death with a metal fence post, then barbecued it on the spot. The animal, barely 12 hours old, still had afterbirth on it. The two were arrested, spent 52 days in jail, and were ordered to pay the Krentzes $100 each. But they fled back into Mexico without paying.

What has changed since Sept. 11? Not much, except the invaders have become more aggressive. They're a scarier breed now, with an attitude of entitlement about what they're doing and a willingness to threaten anyone who interferes.

One day, Cowan came across a blue Chevy pickup with a camper shell parked off Davis Road. Opposite it, on the other side of the road, there was a man standing near his truck. He pretended to be inspecting a sign that Cowan had put up. It said: "If this were Crawford, Texas, the National Guard would be here." She knew immediately the man was spotting for a coyote. She drove up to him and rolled down the window. He was Anglo, middle-aged, with tattoos along both arms and bright blue eyes.

In a sickeningly sweet voice, he said, "Oh, do you have a problem with illegals around here?"

Right then, the Chevy across the street bolted toward Tombstone. Even though she was pulling a 16-foot stock trailer, Cowan roared off in pursuit, punching 911 on her cell as she went. Tombstone's marshals intercepted the Chevy, finding 19 illegals inside. It was a good outcome, except that the coyotes, listening in on police scanners, heard everything the dispatcher and the deputies said. A few days later, a relative with ties to the sheriff's office delivered a chilling warning to Cowan: The coyotes know who you are, and they know where you are, so watch your back.

The latest? A truck roared across Cowan's property, mowing down five fences. She repaired them, but two weeks later, another invader mowed them down again. She and Bob figure it was a drug truck. "We have a president who doesn't understand the Constitution and two representative bodies that are afraid to do anything," says Giles. "I don't know what it's going to take for them to wake up. Maybe a little revolution wouldn't hurt."

If you listen to border residents up and down the line--at least those few brave enough to talk--the drug traffickers, a decades-long presence, have become much more aggressive, violent and visible of late.

In the San Rafael Valley, in the mountains above Patagonia, they've been known to enter sovereign American territory simply by driving over the international border fence, plowing down the barbed wire line in huge pickups, some actually equipped with armor plating. Marshal Goodwin, who does maintenance work for Arizona State Parks there, says he's repaired the seven-strand barbed-wire border fence three times in the same place on the same day, after drug runners have broken it down.

It's not at all rare now to hear a rancher tell of coming across heavily armed men escorting drug shipments across their land. It only has to happen once--you look out your kitchen window and see guys carrying AK-47s--to make you realize there's a new force in your life, a controlling force, and it's not American law.

Every rancher makes his own peace with the outlaws. Bud Strom's ranch sits at the east base of the Huachuca Mountains, south of Sierra Vista, and he's experienced all the standard troubles--a truck stolen, fences cut, illegals boldly demanding beer and getting angry when he refuses. For a long time, before the feds built day/night vision towers on the southern part of his land, which cut foot traffic, the 72-year-old Strom estimated that 1,000 illegals a week crossed his property.

But the retired Marine officer says he never confronts them, and when he finds bales of marijuana, which he occasionally does, he steers clear of them as well. "Someone else could be watching me, and you don't want to mess with these drug guys," says Strom.

When asked about the accommodations necessary to live in such a dangerous place, another border-area rancher (who spoke on the condition of anonymity) said, "I've sent a message to the drug dealers: 'Don't let me see you, or I'll have to report it.' I've let it be known to my help that if I find out anyone cooperated with drug people, they're fired. But it's not my job or my business to stop them, and it'd be foolish and dangerous of me to try. It's kind of live and let live. That's the only way I feel it's safe. I could disappear so easily, and there'd never be a trace."

This rancher added that the status quo is actually better than a crackdown: "If the drug people and the illegals can't get across, and things get more complicated, the people now making easy money might resort to kidnapping. We've actually been warned about that possibility. It's better for us to have the drug dealers and the people smugglers making money the way they are, rather than through kidnapping. ... Kidnapping is always in my head. I take different routes."

In some places, the smugglers have made the border their own. Right across the line from Lukeville, in far western Pima County, stands a shrine believed to represent a Mexican drug-hero, Jesus Malverde. No one is quite sure whether the bandit Malverde, supposedly hung by the Mexican government in 1909, was a real person, a composite of two men or pure fiction, but to the Mexicans who mule drugs for the cartels, he's a Robin Hood-like character, and there his monument stands, near Lukeville. The traffickers pray at the feet of this so-called narco saint on their way into our country.

Davis Road has a shrine of its own, a strange monument anchoring its west end. Locals call it the "Pee and Pray." The ground around it is usually littered with trash, some dumped by area residents who don't want to pay a $5 dump fee. But smugglers use it, too, according to Larry Talvy, a deputy with the Tombstone Marshal's Office. They use it as a landmark and pull-up spot, a place to take a leak, light a candle and say a prayer to the Virgin Mary. Talvy says he's noticed a funny thing: the number of drug cars that have statues of the Virgin hanging from the rearview, or the dashboard.

Hail Mary, mother of God, please smile upon us as we violate American sovereignty, flaunt its laws and poison its people. Amen.

Night begins to fall over a long day in the war zone. We're on Leslie Canyon Road, north of Douglas. It's two lanes, no traffic, mostly pastureland straddling the blacktop. One of the pastures belongs to Cowan, and there's a red truck parked on the shoulder near her pasture gate, two men standing beside it. They have no reason for being there, and they're acting strange.

Cowan drives a mile past the gate, pulls to the shoulder to wait, and we talk some more. She has remained even-tempered through the day, in the telling of every wrenching episode, and she has tried to keep perspective. She acknowledges that many factors have contributed to the difficulties of ranching in Southern Arizona—everything from the nine-year drought to housing development that has brought dogs that run in packs, killing calves.

But the illegals have been the tipping point. She could survive everything else. She can't survive the invasion. "It just consumes you," she says. "If you're not at a meeting talking about it, you're repairing something they've done, or you're standing on the highway looking at a dead animal, because they left a gate open. You have to decide: Is this more important than my quality of life, my health, my marriage?"

Asked what she has to say to executives of American companies that feast off the cheap labor, Cowan pauses, and the anger returns to her eyes.

"I want them to have a Martha Stewart experience," she says. "I want their sentence to be two years living on the border. Then tell me how great cheap labor is."

Five years ago, Cowan took a leave of absence from Northwest, forfeiting the much-needed income and losing company health insurance, which she has since been paying herself to the tune of $400 a month. But the move gave her more time on the ranch, and she hoped that with her increased presence, and Bob's on the weekends, and their energy, they could save the place. It didn't work. Everything came to a head one night last June. Unable to sleep, the tension knotting inside her, Cowan got on her computer and typed out the pros and cons of staying in ranching. No matter how she parsed the list, the answer came out the same.

The next day, she and Bob called a family meeting at her parent's home in Tucson. Dad, Bill, was there; her mom,

Cordy; and her sister, Marguerite. The discussion went smoothly, without rancor or even much emotion as everyone agreed the time had come. In July, Cowan unloaded most of her cattle, lucking out by hitting the market at its peak.

But she kept her American Brahmans, and right now, sitting in her pickup off a lonesome two-lane with darkness coming on, those misshapen critters constitute the best part of what remains of her ranching life. "They're regal, wonderful, intelligent animals, smarter than we are," she says. "I need them to soothe my soul."

We double back to check on the mysterious red truck and the two men. They're gone. Then Cowan spots them again, down the pasture road, about a half-mile beyond the gate. The men have cut the lock, closed the gate again and looped the chain back into place. You have to look closely to see it, which is no doubt what they wanted.

Now it starts—the uncertainty, the jangled nerves. Who are these guys? Are they using the pasture for a drug drop? Are these the coyotes out to get even with Cowan?

She gets on her cell and calls the Cochise County sheriff. Then we wait, wondering if this time, she'll have to pull that gun.

It's a rotten feeling. It shouldn't be this way. For the first time all day, Cowan's temper cracks, and under the strain, she cries. She makes a fist. "I feel so violated. I just get wound up so tight I want to scream. It's just goes on and on and on, every day."

This event ends much better than it might have. The men tell sheriff's deputies they're Douglas residents and American citizens out hunting for the afternoon. They claim the lock was already out when they came along. Cowan wants to press charges, saying she's placed legal notices in three area newspapers, describing the property in English and Spanish and stating that her land is off limits to hunters, and the pasture fence is plastered with "Keep Out" signs.

But on the border, gates mean nothing. Your possessions are up for grabs. Private property means nothing.

Later, driving back to Tombstone, Cowan calls Bob to say she's on her way home. It's become part of life here, making sure your loved ones know where you are at all times. Then you say your prayers to help you get over the ache in your gut from the way of life that's being taken away from you—the life you've chosen, the life you loved, that's now slipping away.

Driving through the night, Cowan says, "I have to think God's guiding me through this maze, that he was with me the night I got up to make the list, and when I sold my cattle at the top of the market. I believe he's guiding me through this. I really do."

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Deputies, agents catch illegals, gunmen

By Jim Lamb
Green Valley News

On the day after deputies and Border Patrol agents chased scores of illegal entrants and smugglers through mesquite thickets east of Green Valley, Sheriff Clarence Dupnik vowed Monday to create a new border crime unit.

In the past few months there have been murders in the mesquites, hijackings in the hills and desert drug -smuggling.

Two people were murdered and another wounded near the entrance to the Phelps Dodge Sierrita Mine in late March. There have been murders in the Aliso Springs area southwest of Tubac.

No one was wounded Sunday, but a kind of running pursuit took place from Arivaca Junction to southwestern Green Valley.

Pima County Sheriff spokesperson Dawn Barkman said 66 people were arrested, including at least two gun wielders. She said some shots were exchanged, but apparently no one was wounded.

A pair of automatic weapons, one similar to an AK-47, were seized.

Marilee Wright, who lives in the vicinity of Camino del Sol and Camino Encanto, said she heard helicopters most of Sunday afternoon and early evening and then again early Monday morning

Looking west into the desert, Wright said, she saw scores of people running and trying to hide in the underbrush.

Sheriff Dupnik said his new unit, consisting of six deputies and a sergeant to start, will focus on seizing drugs and catching smugglers.

They won't go after illegal entrants, but if they grab some during their investigation they'll turn them over to the Border Patrol.

A Border Patrol spokesman said Monday there were a number of agents there at the same time the deputies were chasing the illegals.

After the March killings, an angry Dupnik said the situation had reached crisis proportions and blamed some troubles on lax federal enforcement. He said there were smugglers moving north and south in the path running west of Tucson to the border.

Drugs and illegals are smuggled north, and cars, money and guns are smuggled south, Dupnik said.

The Associated Press reported that Pima County Supervisor Sharon Bronson described this area of the desert as "a war zone; it's a scary place. It's not a safe place to be." Her district includes Pima County's 130-mile border with Mexico..

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www.azeir.org

Our borders are not secure. Our health care, education and justice systems are under heavy burdens. Employers can't find enough workers to fill the essential jobs Americans just won't do. Our current immigration system has resulted in over 12 million undocumented immigrants in our country. And that number increases everyday. Our nation, our security and our economy can't continue like this.

America's immigration crisis has gone on for far too long. Its disruptions and distortions are too serious to allow extreme special interests to continue blocking meaningful solutions. Those fed up with the demagogues and federal inaction are coming together across the nation to support a solution that can achieve four main goals:

Enhanced Border Security

Guest Worker Program

Employment Eligibility Verification

Resolution of the Legal Status of the 12 Million Undocumented Immigrants

Arizona Employers for Immigration Reform (AZEIR) is a coalition of Arizona businesses and trade associations dedicated to the passage of a comprehensive immigration reform bill this year before the 2008 elections make passing such complex compromise legislation impossible. We are small businesses, farmers, manufacturers, contractors and service providers. We are the backbone of the Arizona economy and we demand that Congress accept its responsibility for regulating our borders and immigration system. Both the United States Senate and United States House of Representatives are considering promising reform proposals like the STRIVE Act of 2007. Our congressmen need to hear from employers in Arizona that comprehensive immigration reform must happen this year.

TAKE ACTION NOW!

Call each of our congressmen and encourage them to support comprehensive reform this year:

Sen. John McCain (202-224-2235)
Rep. Ed Pastor (202-225-4065)
Rep. John Shadegg (202-225-3361)
Rep. Jeff Flake (202-225-2635)
Rep. Trent Franks (202-225-4576)
Sen. Jon Kyl (202-224-4521)
Rep. Raul Grijalva (202-225-2435)
Rep. Rick Renzi (202-225-2315)
Rep. Gabrielle Giffords (202-225-2542)
Rep. Harry Mitchell (202-225-2190)

Go to *www.azeir.org* to join AZEIR's growing coalition to counteract the extremes and support our congressional delegation in doing the right thing:

Pass Comprehensive Immigration Reform!

The Honorable Jim Kolbe - Honorary Chairman
Arizona Employers for Immigration Reform - P.O. Box 17662 - Phoenix, Arizona 85011 - (602) 501-6691

Supported by over 150 Arizona employers and the following business groups:

Alliance of Construction Trades – American Subcontractors Association, Arizona Chapter – Arizona Builders' Alliance – Arizona Chamber of Commerce and Industry
Arizona Concrete Contractors Association – Arizona Landscape Contractors Association – Arizona Roofing Contractors Association
Associated General Contractors, Arizona Chapter – Associated Minority Contractors of America, Phoenix Chapter – National Utility Contractors Association of Arizona

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ImmigrationWorks USA

WHO WE ARE

ImmigrationWorks USA is a federation of state-based pro-immigration business coalitions from across America. The employers at the local level hail from every sector of the economy that relies on immigrant workers: agriculture, food processing, landscaping, hotels, restaurants and construction. The national federation links coalitions from a dozen states – TX, AZ, VA, OR, CO, among others. Its aim over the next year is to strengthen these existing groups, create new ones in another 15 to 20 states and help them fight local battles even as they build and train for a renewed approach to Congress.

The battle today is beyond the beltway – in state legislatures, courtrooms, congressional elections – where these local coalitions are ideally positioned to explain the need for immigrant workers and push back against policies that could damage the economy. But the ultimate goal, when immigration reform comes up again in Washington, is to have a grassroots army in place – the national business presence that was missing in the last congressional fight. No matter how good our arguments or how sound our policy, we can't hope to pass a bill as long as anti-immigrant groups are able to field so many more troops than we can. We need to even out the disparity in emails, faxes and phone calls – and we can, we're convinced, *if* we start now, engaging small-business owners and building the database we need.

WHAT THE FEDERATION WILL DO

- **Strengthen and expand our network.** Jumpstart employer coalitions in states where they don't exist. Provide fledgling chapters with toolkits, templates and other how-to advice. Help with recruiting and, where needed, modest seed funding for new coalitions.

- **Messaging – local and national.** Conduct public opinion research, develop messages, provide local chapters with media training and how-to media toolkits. Help the coalitions document the economic benefits of immigration to their states. Help them speak out about the damage created at the local level by enforcement-only policies. Create an arsenal of tailored TV and radio spots that can be aired locally, and when the time comes, nationally.

- **An early warning system: mapping and tracking local battles.** Which of the dozens of immigration bills introduced in the TX legislature is likely to move; which way is the governor of VA leaning as his legislature gears up to act; which congressional candidate is building a campaign around immigration as a wedge issue – ImmigrationWorks' local roots put us in a position to know before anyone else. We'll use our state-based chapters as eyes and ears on the ground to track ongoing battles and predict where others are about to break out, then alert national allies so our side can mobilize to fight back.

- **Building the grassroots database.** *The* key to winning is an army of engaged, articulate employers prepared to contact their members of Congress and make the case for immigration reform. These troops must be recruited state by state, business by business – and they're best drawn in peer-to-peer, rather than by a professional firm. Key tools: regional training and mobilization sessions, electronic town halls, sustained follow-up communication to maintain interest and engagement. The eventual goal: a national database that can produce both quantity and quality – large numbers of emails and letters, but also personalized communications.

LEADERSHIP

President and CEO, Tamar Jacoby, is a leading conservative voice in favor of immigration reform who helped jumpstart many of the existing state-based coalitions and worked with them through the 2006-2007 battle for a Senate bill.

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Immigration Nation

By Tamar Jacoby

From *Foreign Affairs* , November/December 2006

Summary: The United States is far less divided on immigration than the current debate would suggest. An overwhelming majority of Americans want a combination of tougher enforcement and earned citizenship for the 12 million illegal immigrants in the country. Washington's challenge is to translate this consensus into sound legislation that will start to repair the nation's broken immigration system.

Tamar Jacoby is a Senior Fellow at the Manhattan Institute and the editor of Reinventing the Melting Pot: The New Immigrants and What It Means to Be American.

THE ROAD TO REFORM

As recently as 18 months ago, a visitor could have spent a week in the United States, watching television and reading the newspapers, and come away with virtually no clue that immigration was a major issue. Today, it is at or near the top of most voters' lists of problems facing the nation -- one that, in many people's minds, outweighs every other threat save international terrorism. This shift has been driven in large part by politicians and the media. The U.S. immigration system has been broken for a long time, and little -- including the number of immigrants arriving in the country -- has changed dramatically in recent years. There is little doubt that the system needs fixing. But just how big a problem is immigration? Is it in fact a crisis that threatens the United States' security and identity as a nation? And does it, as today's bitter debate suggests, raise so many fundamental questions as to be all but unsolvable?

As of this writing, Congress appears to be at an impasse, after nine months of intense debate and the passage of two major bills (one in each chamber) still unable to agree on a piece of legislation. The president has made clear that immigration reform is his top domestic priority, and legislators from both camps spent the summer insisting on the need for change. And yet, as the 109th Congress draws to a close, it seems unlikely that members will make a serious effort to resolve their differences before going home to face voters in November.

In fact, the nation is far less divided on immigration, legal or illegal, than the current debate suggests. In the last six months, virtually every major media outlet has surveyed public attitudes on the issue, and the results have been remarkably consistent. Americans continue to take pride in the United States' heritage as a nation of immigrants. Many are uneasy about the current influx of foreigners. But an overwhelming majority -- between two-thirds and three-quarters in every major poll -- would like to see Congress address the problem with a combination of tougher enforcement and earned citizenship for the estimated 12 million illegal immigrants already living and working here. A strange-bedfellow coalition -- of business associations, labor unions, and the Catholic Church, among others -- has endorsed this position. In Washington, the consensus behind it is even more striking, with supporters spanning the spectrum from conservative President George W. Bush to left-leaning Senator Edward Kennedy (D-Mass.), from mavericks like Senator John McCain (R-Ariz.) to party regulars like Senator Bill Frist (R-Tenn.) and all but a handful of congressional Democrats. But even this broad agreement

may not produce a solution this fall.

Congress' failure to act is largely a product of political circumstances. The high-stakes midterm elections in November put an unusual premium on the opinions of the 20-25 percent of voters who depart from the emerging national consensus. Mostly male, white, and lacking college degrees, these naysayers believe immigrants are bad for the economy; they want to build a wall along the southern border and adamantly oppose allowing illegal immigrants to become citizens. Only about half are Republicans, and they account for no more than a quarter of the GOP. But many Republicans in Congress, particularly in the House, are convinced that this group is more intense -- more concerned, more motivated, more likely to vote on the basis of this single issue -- than anyone else likely to go to the polls. So the naysayers have become the tail wagging the dog of the immigration debate, and they may succeed in blocking a solution this year.

Still, such circumstances will not last forever. The political stars will realign, perhaps sooner than anyone expects, and when they do, Congress will return to the task it has been wrestling with: how to translate the emerging consensus into legislation to repair the nation's broken immigration system.

REALITY CHECK

The term of art for what the consensus favors is "comprehensive immigration reform." But the shared understanding is far more than a grab bag or a horse traders' deal with a little something for everyone. The president and Senator Kennedy, for example, are both convinced that far from being a threat or a crisis, immigration is a boon to the United States -- that the newcomers bring a welcome vitality, and that openness and optimism are a critical part of the nation's character. Neither man sees danger in the growing role immigrants play in the economy; both see today's influx as a force to be harnessed for the United States' benefit. And although troubled by the illegality currently associated with immigration, both believe that reform must go beyond reasserting existing law in the face of lawlessness. Any effective overhaul must also bring the immigration system more into line with the changing realities of a global world.

The most important of those new realities is the global integration of labor markets. Today's immigrant influx -- second in volume only to the wave that arrived a hundred years ago -- is not some kind of voluntary experiment that Washington could turn off at will, like a faucet. On the contrary, it is the product of changing U.S. demographics, global development, and the increasingly easy international communications that are shrinking the planet for everyone, rich and poor. Between 2002 and 2012, according to the Bureau of Labor Statistics, the U.S. economy is expected to create some 56 million new jobs, half of which will require no more than a high school education. More than 75 million baby boomers will retire in that period. And declining native-born fertility rates will be approaching replacement level. Native-born workers, meanwhile, are becoming more educated with every decade. Arguably the most important statistic for anyone seeking to understand the immigration issue is this: in 1960, half of all American men dropped out of high school to look for unskilled work, whereas less than ten percent do so now.

The resulting shortfall of unskilled labor -- estimated to run to hundreds of thousands of workers a year -- is showing up in sector after sector. The construction industry creates some 185,000 jobs annually, and although construction workers now earn between $30,000 and $50,000 a year, employers in trades such as masonry and dry-walling report that they cannot find enough young Americans to do the work. The prospects for the restaurant business are even bleaker. With 12.5 million workers nationwide, restaurants are the nation's largest private-sector employer, and their demand for labor is expected to grow by 15 percent between 2005 and 2015. But the native-born work force will grow by only ten percent in that period, and the number of 16- to 24-year-old job seekers -- the key demographic for the restaurant trade -- will not expand at all. So unless the share of older Americans willing to bus tables

and flip hamburgers increases -- and in truth, it is decreasing -- without immigrants, the restaurant sector will have trouble growing through the next decade.

Fortunately for the United States, economic changes south of the border are freeing up a supply of unskilled labor to meet these growing needs in a timely way. Some of the circumstances generating the flow are positive (the move from subsistence agriculture to economies that require investment capital, including at the family level); others are not (the failure of Mexico to provide enough jobs for its working-age population). But even if Mexico were to become Switzerland overnight, the fact is that the United States would still lack unskilled laborers and would have to find them elsewhere.

The market mechanisms that connect U.S. demand with foreign supply, particularly from Latin America, are surprisingly efficient. Immigrants already here communicate to their compatriots still at home that the job market in, say, Detroit is flat, while that in Las Vegas is booming -- and this produces a just-in-time delivery of workers wherever they are most needed. The vast majority of the immigrants who make the trip to the United States do so in order to work: if you are going to be unemployed, it is better to be unemployed at home in Mexico than in New York or Chicago. Not even legal immigrants, who account for about two-thirds of the total influx, are eligible, during their first five to ten years in the United States, for the kind of welfare transfers that could sustain them without work. Illegal immigrants receive virtually no transfers. Labor-force participation among foreign-born men exceeds that of the native born: the figure for illegal immigrant men is the highest of any group -- 94 percent. And immigrants are less likely than natives to be unemployed.

These facts are stark, and those who buy into the comprehensive vision see no point in quarreling with them. Rather than seeking to repeal the laws of supply and demand -- or trying futilely to block them, as current policy does -- reformers want an immigration policy that acknowledges and makes the most of these realities.

COMPETITION OR COMPLEMENTARITY?

Critics of the comprehensive model dispute these fundamental economic assumptions, and some of their questions are serious enough to require answers. Do immigrants lower American wages, as the naysayers contend? Would Americans fill these jobs, at a higher wage, if foreigners were not available? Is it only employers who profit from the influx? And do the fiscal costs associated with immigration outweigh any macroeconomic benefit? If the answer to any of those questions were yes, the case for comprehensive reform would be far less compelling than it is. (Why change the law to accommodate a market reality if that reality is not good for the United States?) But the critics' case does not stand up.

Of all the economic consequences of immigration, the easiest to calculate is the fiscal effect -- whether immigrants consume more in government benefits than they contribute in taxes. Although this is one of the most disputed and emotional aspects of the immigration debate, in fact the net effect in most states is close to a wash. True, much of the immigrant population is poor and unskilled, which inevitably reduces their tax contribution. But most nonetheless pay as much to the government as comparable poor and unskilled native-born workers do, and even illegal immigrants pay sales and property taxes, thus contributing toward their childrens' schooling. To be sure, in states with lots of newcomers, the burden on native-born taxpayers can still add up: according to one estimate, in California in the mid-1990s the bite was $1,178 per native-born bousehold. But in most states today, the cost per native household is no more than a couple of hundred dollars a year. And on average, this is offset by what immigrants pay in federal taxes. According to estimates, two-thirds of illegal immigrants have income tax withheld from their paychecks, and the Social Security Administration collects some $7 billion a year that goes unclaimed, most of it thought to come from unauthorized workers.

Immigrants' overall contribution to U.S. economic growth is harder to measure, although there is no

doubt among economists that newcomers enlarge the economic pie. Foreign workers emerging at the end of the day from the meatpacking plant or the carpet factory buy groceries and shoes for their children; on Saturday, they buy washing machines and then hire plumbers to install them. The companies where they work are more likely to stay in the United States, rather than move operations to another country where labor is cheaper. Readily available immigrant workers allow these businesses to expand, which keeps other Americans on the job and other U.S. businesses, both up- and downstream, afloat. Economists call this shifting the demand curve outward, and no one disputes that it results in a bigger, more productive economy.

Just how much do immigrants expand the economy? One conventional way to measure this would be to calculate their spending power, but it is difficult to isolate immigrant purchases. And even if we could, that would not reflect the growth that occurs when, say, suppliers of irrigation equipment, fertilizer, and trucks sell more of their products to a farmer whose business is expanding thanks to immigrant workers. Still another way to quantify the immigrant contribution is to look at the percentage of new jobs they fill. Over the last decade, it was more than half of the total -- and two-thirds in regions such as the Midwest and the Southwest -- making them effectively responsible for half of the nation's economic expansion in that period.

Some of tbe best efforts to measure the elusive immigrant growth dividend look at states or regions rather than the nation as a whole. A recent report on immigrants in North Carolina -- which has one of the fastest-growing foreign-born populations in the country -- estimated their contribution to economic expansion and compared it with the more easily measured fiscal consequences. The bottom line: newcomers filled one-third of North Carolina's new jobs in the past decade, and they were responsible for $9.2 billion in consumer spending and $1.9 billion in saved wages -- a total growth dividend of $11 billion, which dwarfed the $61 million (or $102 per native-born taxpayer) that the newcomers cost the state when taxes and services were netted out.

But even these calculations may significantly underestimate the immigrant contribution to the U.S. economy. Economists disagree on whether economic growth is in fact good or bad for a society. Many believe that it produces economies of scale and overall strength, both economic and other kinds, for the nation. Others feel it burdens and clogs the economy. The critical question is whether growth makes life better for individual workers, augmenting their productivity and increasing their incomes. And according to most economists, this is what happens when immigrants complement, rather than substitute for, native-born workers. In other words, the more different the foreigners are -- the less interchangeable with Americans -- the more they add. This, too, has yet to be adequately measured. A much-cited nine-year-old estimate by the National Academy of Sciences suggests that complementarity could add as much as $10 billion a year to U.S. incomes. But according to some economists, immigrants may be even more different (and thus account for even more added income) than many realize.

Think about a typical company. If all the employees were the same, adding more would expand the business but not -- once maximum economies of scale were achieved -- make other workers better off. But the picture changes dramatically if the employees have different skills. Then, adding more low-level workers would mean not only more opportunities for foremen but also that these supervisors would be more productive and earn more. In the case of immigration, this benefit comes not just within companies but also across the economy.

Immigrants are different from native-born workers in myriad ways. Roughly a quarter are more skilled and a third less skilled. On the whole, they are younger and more mobile (think of the construction workers who raced to New Orleans in the wake of Hurricane Katrina). They generally know the language less well and are less familiar with the culture. (Remember, complementarity is beneficial even when the added workers are less productive.) They often work harder and for longer hours, and in some cases they take jobs many Americans no longer want to do. But rather than undercut the native born, immigrants who are genuinely different make Americans better off. More low-skilled construction

workers mean more jobs and higher wages for plumbers, electricians, and architects. More service workers allow skilled Americans to spend more of their time doing more productive work: instead of staying home to cut the grass, the brain surgeon has time for more brain surgeries. And over time, the higher return for higher-level work creates incentives for more Americans to become plumbers, electricians, and architects, thus making the entire economy more productive.

Complementarity also affects wage levels. Opponents of immigration ask why employers do not simply pay American workers more and avoid the need for foreign labor. But many industries cannot pay more, because they would be undercut by imports from abroad. Even in sectors such as construction and hospitality, in which the work must be done in the United States, it hardly makes sense to lure an American to a less productive job than he or she is capable of by paying more for less-skilled work. Meanwhile, because they complement rather than compete with most native-born workers (and this in turn attracts additional capital), immigrants raise rather than lower most Americans' wages.

Immigrants do compete with one category of American workers: native-born high school dropouts. But not even the most pessimistic economists think that the resulting downward pressure on wages affects more than ten percent of the U.S. labor force or that the drop in those American workers' earnings has been more than five percent over the last 20 years. Moreover, these unskilled native workers benefit in other ways from immigrant complementarity, because they pay less for goods such as food and housing.

Finally, rather than taking jobs from Americans, immigrants often create jobs where none existed before: look at the explosion of lawn-care businesses or the proliferation of manicure parlors in recent decades. (This is the new, complementary labor force attracting capital and making it productive in new ways.) And even if there were fewer immigrants in the United States, wages for low-skilled work would not necessarily rise. On the contrary, in many instances the jobs would simply disappear as the capital that created and sustained them dried up or the companies mechanized their production.

So how hig is the real growth dividend? No one knows, in large part because it is so difficult to measure the extent and effects of immigrant complementarity. A back-of-the-envelope calculation suggests that eight million laborers working 2,000 hours a year at $9 an hour -- an average wage based on employers' reports -- would generate $144 billion worth of economic activity. Add the National Academy of Sciences' conservative estimate of the native-born income these immigrants make possible because they are different -- an additional $10 billion -- and the total contribution comes to $154 billion, or more than the gross state product of Kentucky and 1.2 percent of what is now a $13 trillion U.S. economy. A similar estimate of all immigrants' contributions -- legal and illegal -- comes to $700 billion, or 5.4 percent of GDP. And neither of these figures takes the full measure of the way the newcomers complement American workers.

Perhaps the most telling way to assess the immigrant contribution is to ask what would happen if the influx stopped or if those already here left the country. Those who favor comprehensive reform believe this would be disastrous -- in some regions, they say, whole sectors of the economy could collapse. Restrictionist opponents counter that a cutoff would mean at most a temporary inconvenience for a few employers, who would soon wean themselves from their dependence on foreign workers. Perhaps. But even if some businesses could adjust somewhat, there would be no averting the demographic nosedive to come -- the ever-slowing growth of the native-born work force. And either way, there is no reason to forfeit immigrant-driven economic expansion or the improved standard of living that comes with it for all Americans. Whether the nation benefits a great deal or just a modest amount, the newcomers still make life in the United States better -- and not just with the work they do. They also renew and reinvigorate the country's spirit with their energy, hard work, and old-fashioned values. Surely, rather than go without all of this, it makes sense to find a better way to manage the immigrant influx, so that Americans reap more benefits with fewer costs.

CONTROL WITHOUT A CRACKDOWN

Comprehensive reformers start with these assumptions about the economic benefits of immigration and build out from there to design policy. Their basic idea is that the U.S. immigration system should be market-based. For the past decade or so, market forces have brought some 1.5 million immigrants, skilled and unskilled, to work in the United States each year. But annual quotas admit only about a million, or two-thirds of the total. Enforcement of these limits is poor in part because the nation is ambivalent about how much it wants to control immigration and also because it is all but impossible to make unrealistic laws stick. And as a result, some half a million foreign workers, most of them unskilled and from Latin America, breacb the border every year or overstay their visas to remain on a job. It is as if American cars were made with imported steel but the government maintained such restrictive steel quotas that a third of what was needed had to be smuggled in. The only plausible remedy is more generous quotas combined with more effective enforcement.

Reformers understand the need to retake control, both on the border and in the workplace. Restrictionist opponents maintain that the way to do this is simply to crack down harder, enforcing the laws already on the books. The problem is that the United States has already tried that, tripling the size of the Border Patrol and quintupling its budget over the past decade, to virtually no avail: roughly the same number of immigrants still manage to enter the country each year, albeit by different methods and in different locations. Reinforced efforts and new, more creative tools, particularly in the workplace, can have some effect, as the Department of Homeland Security has shown in recent months. And if immigration were truly harmful for the United States, the government probably could shut it down with enforcement alone. But the cost would be the creation of a virtual police state, with an electric fence and armed guards on the border, roadblocks on every highway, regular raids on all U.S. businesses, a Big Brother-like national tracking system, and extensive use of ethnic profiling. Short of such drastic measures, which still might not succeed in stemming supply and demand, it makes more sense to revise the law to make it more realistic and then use modest enforcement means to ensure it holds.

This is the paradox at the heart of the comprehensive consensus. The best way to regain control is not to crack down but to liberalize -- to expand quotas, with a guest-worker program or some other method, until they line up with labor needs. The analogy is Prohibition: an unrealistic ban on alcohol was all but impossible to enforce. Realistic limits, in contrast, are relatively easy to implement.

Not only is such reform the only way to restore the rule of law; it is also one of the best ways to improve border security. As one veteran Border Patrol agent in Arizona put it, "What if another 9/11 happens, and it happens on my watch? What if the bastards come across here in Arizona and I don't catch them because I'm so busy chasing your next bushoy or my next gardener that I don't have time to do my real job -- catching terrorists?" The government needs to take the busboys and the gardeners out of the equation by giving them a legal way to enter the country, so that the Border Patrol can focus on the smugglers and the terrorists who pose a genuine threat.

The third leg of the comprehensive vision -- legalizing the illegal immigrants already here -- is the most controversial, and without it, reform legislation would undoubtedly pass much more easily. But this, too, is an essential ingredient. It makes no sense to build a new immigration policy on an illegal foundation; neither new quotas nor new enforcement will stick as long as there are 12 million illegal immigrants living and working in the country.

Some opponents of reform insist that the government deport these unauthorized residents. Others maintain that more strenuous law enforcement would persuade them to leave voluntarily, by making it difficult or impossible for them to work, secure loans, attend school, or obtain driver's licenses. In fact, neither of these approaches is likely to succeed. Many of these people have lived in the United States for years, if not decades. Many own homes and businesses and have given birth to children who, because

they were born in the United States, are U.S. citizens. A drive to deport them would cost billions and strike much of the public as unacceptably draconian. As for an attrition strategy, it would only drive immigrants further underground, deeper into the arms of smugglers and document forgers.

The only practical solution is to give these unauthorized workers and their families a way to earn their way onto the right side of the law. This should be done not just for their sake but also because it is the only way to restore the integrity of the immigration code, bring the underground economy onto the tax rolls, and eliminate the potential security threat posed by millions of illegal immigrants whose real names no one knows and who have never undergone security checks.

This, then, is the essential architecture of comprehensive reform: more immigrant worker visas, tougher and more effective enforcement, and a one-time transitional measure that allows the illegal immigrants already here to earn their way out of the shadows. Together, these three elements add up to a blueprint, not a policy, and many questions and disagreements remain. But on one thing everyone who shares the vision agrees: all three elements are necessary, and all three must be implemented together if the overhaul is to be successful. Think of them as the three moving parts of a single engine. There is no tradeoff between enforcement and legalization or between enforcement and higher visa limits. On the contrary, just as enforcement is pointless if the law is unrealistic, so even the best crafted of laws will accomplish little if it has no teeth, and neither one will work unless the ground is prepared properly.

AFTER THE IMPASSE

The bill passed in the Senate last May reflects the essential architecture of comprehensive reform. The critical question for the future is how to protect the design as it makes its way through the political process -- particularly in the House. Debate is sure to center on five key issues.

Arguments about immigration inevitably come down to numbers, and this one is no exception. The goal of comprehensive reform is not to increase the total number of immigrants who enter the country each year, nor to open up new sources of supply (new sending countries); it is merely to replace the current illegal flow with a comparable lawful influx. Still, when the issue came up in the Senate, fear of higher numbers led legislators to set a new quota well below the size of the existing flow: not the half million or so who now arrive illegally each year, but only 200,000 workers. This may sound like a trivial matter, or the limit may even seem wise: Why not start the experiment prudently? But few mistakes could do more to undermine reform. There is little point in overhauling the system if the new ceilings are not realistic -- a halfway reform that would result in more hypocrisy and more failed enforcement. (That would be like repealing Prohibition for those over 40 years old but not for the rest of the drinking-age population.) The definition of a realistic immigration system is one in which the annual legal intake is more or less equal to the flow generated by supply and demand: not the 5,000 visas currently issued to year-round unskilled workers but something closer to the 400,000-500,000 needed to keep the economy growing.

Second, some legislators, particularly House Republicans, insist that any new slots be strictly temporary: workers would be admitted, perhaps without family, for a period of two or three or six years and would then go home, with no possibility of appeal or adjustment. The Senate legislation, in contrast, although nominally a temporary-worker program, would allow workers to stay permanently if, at the end of their temporary stints, they went through a second round of processing to adjust their status. The Senate approach is the sounder of the two, although perhaps the misleading label "temporary" should be reconsidered. Some migrants want to work in the United States for a short time, earning cash for their families, and then return home. Others know from the start that they want to settle permanently. Still others start out as short-timers and change their minds along the way. The bottom line: in this case, too, no policy can hope to work if it is not realistic. A successful program must accommodate the ways real people behave, not ignore human nature. That means a policy that creates incentives for migrants to

return home when their temporary-worker visas expire -- and also incentives for them to become citizens if they decide to settle in the United States.

A third issue sure to come up -- one of the most misunderstood in the immigration debate -- is the balance between high-skilled and low-skilled workers. In fact, there is no reason to choose between the two categories: both are needed. Remember the theory of complementarity: depending on the circumstances, more busboys may do as much as more engineers to make the economy more productive. Today, the United States is short on both, and this means that more of both would make American workers better off. As is, perhaps 25 percent of the annual intake is moderately or highly skilled and the rest are unskilled, and conventional wisdom holds that Congress should recalibrate this balance. But there need be no tradeoff between the two groups -- each should be considered independently -- and no arbitrary limits in either case. What is important is that the quota for each category be consistent with the flow generated by supply and demand.

Fourth, some of the most charged disagreements of the past year were about enforcement issues: whether or not to build a fence, whether to make felons of unauthorized workers or of those who provide them with humanitarian assistance. But in fact, of the three essential elements of comprehensive reform, enforcement is the least controversial, at least among policymakers serious about fixing the system. It is well known what works best on the border: little can be done that is not done already, although it could be augmented by more technology. And it is well known what is needed in the workplace: a national, mandatory, electronic employment-verification system that informs employers in a timely way whether the job applicants standing before them are authorized to work in the United States or not. Such a system need not be Orwellian: the basic elements are biometric identity cards and a computer database. And the process should operate much like ordinary credit card verification but be backed up by significantly stepped-up sanctions against employers who fail to use the system or who abuse it.

The only real question about enforcement is how exactly to introduce it. Many conservatives do not believe the Bush administration is serious about retaking control, either on the border or in the workplace, and as a result they want the enforcement provisions of any bill to be implemented before the temporary-worker program or the legalization drive. This is not an ideal solution -- comprehensive reform will succeed only if all three arms coexist and complement one another. But if it is politically necessary -- and carefully designed -- an enforcement "trigger" could be incorporated into a workable reform package. As for workplace enforcement, the challenge there is to get a workable system up and running in a timely way, rather than rushing to implement something that does not work.

The fifth issue on the table, sure to be the most bitterly argued of all, is whether the illegal immigrants already here should be allowed to become citizens. House hard-liners will insist not. "It is bad enough," they will say, "that we are letting these lawbreakers remain in the United States. We must draw the line somewhere -- we must not reward them with citizenship." The problem with this approach, principled as it may seem, is that it would create a permanent caste of second-class workers, people trusted to cook Americans' food and tend their children but not to call themselves Americans or participate in politics. They would live in permanent limbo, at risk of deportation if they lost their jobs, afraid of bargaining with employers, and unlikely to make the all-important emotional leap that is essential for assimilation. Surely, this is not the answer for a proud democracy such as the United States. Indeed, it is hard to imagine anything worse, for the immigrants or for American values.

What then should be required of those who wish to become citizens? Reasonable people can disagree about conditions and criteria. Some, taking their cue from the Senate bill, will argue that it is enough to ask applicants to come forward and register with the government, pay a fine and all back taxes, then continue to work and take English classes while they wait in line behind other would-be immigrants. Other reformers will maintain that this is not stringent enough -- that those already in the United States should be required to return to their home countries and reenter legally. But surely, once policymakers

agree that it is unthinkable to deport these workers or allow them to remain here in legal limbo, it should be possible to agree on a compromise -- one that signals the nation's seriousness about enforcing its laws but does not preclude long-term residents from earning citizenship.

At the current impasse, it may be hard to imagine that such a moment will ever come. But immigration is not, and should not be thought of as, an unsolvable issue. If the influx is good for the economy -- and plainly it is -- it only makes sense to find a way to manage it more effectively.

Of all the naysayers' concerns, the most serious have to do with assimilation: fears that today's newcomers cannot or will not become Americans. Certainly, a lot more should be done to encourage and assist immigrants to assimilate. But it does not help to pretend that they are not arriving or to fantasize that tough enforcement can undo the laws of supply and demand. On the contrary, such denial and the vast illegal world of second-class noncitizens it creates are among the biggest barriers to assimilation today. That is all the more reason for Americans to open their eyes and face up to the facts of the immigrant influx.

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(A-6)

Testimony of Jason LeVecke
House Appropriation Subcommittee on Homeland Security
February 14, 2008

My name is Jason LeVecke and I am small business owner living in Phoenix Arizona. I am the owner operator of 57 Carl's Jr., 9 Pizza Patron franchises and I have recently opened two new Bill's Ghost convenience stores. In addition to the franchises I own in Arizona, I am in the process of purchasing additional Carl's Jr. franchises and expanding my business into Texas.

As a small businessperson, I know the importance of finding a common sense solution to the current immigration crisis. Having also served five years in the United States Marine Corps, I am passionate about protecting the American dream.

I strongly believe that a secure economy begins with secure borders. Therefore, Congress must ensure that all the necessary resources are provided to secure the border, including personnel, technology and barriers. Furthermore, lawmakers must crack down on the underground cash economy and businesses that intentionally hire illegal workers, while requiring a thorough background check for all entry/exit visa applicants. Finally, more resources are needed to address the current backlog of entry/exit visa applications. It would also be helpful if there was a U.S. Emersion Program that requires all new entrants to complete classes that teach English, as well as U.S. History and government. Finally, more resources are needed to address the current backlog of visa applications for those seeking to emigrate to the U.S. to live or work. It would also be helpful if there was a U.S. Immersion Program that required all new entrants to complete classes that teach English, as well as U.S. History and civics.

While those issues mentioned above must be addressed quickly, there is also a great need for lawmakers to focus their efforts on going after the true "bad guys." Currently, lawmakers in Arizona and other states have targeted legitimate and honest businesses in their efforts to crack down on illegal immigration. Small business owners are subject to numerous federal and state regulations and now face the threat of having the Immigration and Customs Enforcement (ICE) show up at their business locations demanding to see the paperwork on each and every employee.

I personally have my I-9 paperwork audited numerous times a year to ensure that I am complying with all federal and state regulations. However, I awake each morning with the fear that ICE will appear at one or more of my places of business and demand to see any and all paperwork on my employees. I am not afraid of any review of my paperwork, however the reputational damage I would suffer from an unwarranted investigation by ICE would be devastating. Therefore, I propose that Congress and the administration find a way to encourage a cooperative relationship between ICE and honest business owners.

One way to encourage this relationship would be to update the ICE IMAGE program. On July 26th, 2006 ICE launched the IMAGE program, which stands for ICE Mutual

Agreement Between Government and Employers, in an effort to help employers build and maintain a legal workforce. The goal of the program, according to ICE, is to "assist employers in targeted sectors to develop a more secure and stable workforce and to enhance fraudulent document awareness through education and training." However, as the program is currently set up, it is not friendly to businesses and does not encourage their participation or cooperation.

The current program requires employers to submit to an I-9 audit by ICE and adopt a list of "best practices" in order to become IMAGE-certified. I have attached to this letter a draft rule that I believe improves the current program to ensure that honest employers are not punished by joining the IMAGE program. While the list below is a small summary, ultimately, the new draft rule does the following:

1. Requires the employer to submit to a bi-annual audit by an independent law or HR firm that is certified by ICE
2. Requires employers to submit all new employees through the Social Security Number Verification System.
3. Allows employers to voluntarily adopt a list of best hiring practices. However, the employer should not be required to adopt the list in order to gain IMAGE certification or immunity from prosecution
4. Requires DHS Secretary to establish a procedure for reporting violations or deficiencies discovered during the bi-annual audits.
5. All employers are given 90 days to fix any violations or deficiencies found during the bi-annual audits.
6. All employers that have been certified by the independent auditor shall get a certificate indicating that they are ICE certified.
7. Participation in IMAGE shall be a mitigating factor in the levying of any fines
8. Secretary of DHS is required to outline appropriate steps that employer must take if they receive a "no match" letter.

The draft rule change is based on the Department of Labor's Compliance Assistance Initiative. In my opinion, these changes will make the program more attractive to businesses and increase participation in the program. Ultimately, the goal of the ICE IMAGE program should be to get more employers participating and playing by the rules so ICE can focus its limited resources on going after the employers that are working in the underground cash economy.

In 1978, Barry Goldwater gave a speech about illegal aliens and immigration reform. In that speech he stated that "America is by far the wealthiest and freest nation in the world. With the incentive of a better life, people will brave laws and obstacles to come here." Senator Goldwater did not support amnesty, but believed that employer sanctions were not acceptable, because it is the "government, not the employer, who should bear the main responsibility of determining who is here legally and who is not."

I share Senator Goldwater's sentiments and believe that it is essential that Congress and the administration work to ensure the protection of our borders without targeting honest

business owners. If the federal government continues to ignore the current immigration crisis, the illegal immigrant population will continue to grow.

U.S. communities cannot be asked to solve this crisis. An aging population exiting the workforce, companies moving operations outside the U.S., and a military falling short of recruitment goals – these are all issues that need to be immediately addressed by Congress in order to solve the immigration crisis and current labor shortages facing the United States.

Thank you for the opportunity to submit my comments to the committee. I am happy to answer any questions or further discuss my ideas with you or your distinguished colleagues.

Attachment

DRAFT Rule Change for ICE IMAGE Program as written by Jason LeVecke

The Secretary of the Department of Homeland Security shall, by regulation after notice and opportunity for comment, update the Department of Immigration and Custom Enforcement's (ICE) Mutual Agreement Between Government and Employers (IMAGE) program. The Secretary shall update the IMAGE program to include the following provisions:

(A) An employer seeking to participate in IMAGE must agree to the following steps:

1. Submit to a bi-annual I-9 on-site audit. This audit will be conducted by an independent auditing firm that has been certified by the Department of Homeland Security to conduct I-9 audits. The list of certified independent auditing firms shall be posted by the Department of Homeland Security and made available on the Departments and all other relevant agencies' websites;
2. Verify the Social Security numbers of all employees hired after the enactment of this rule, utilizing the Social Security Number Verification System (SSNVS).

(B) Participating Employers shall be allowed to voluntarily adopt the following list of Best Hiring Practices. Adopting the list shall not be required for IMAGE certification or to acquire immunity from prosecution.

1. Use the Basic Pilot Employment Verification Program for all hiring.
2. Establish an internal training program, with annual updates, on how to manage completion of Form I-9 (Employee Eligibility Verification Form), how to detect fraudulent use of documents in the I-9 process, and how to use the Basic Pilot Employment Verification Program.
3. Permit the I-9 and Basic Pilot Program process to be conducted only by individuals who have received this training—and include a secondary review as part of each employee's verification to minimize the potential for a single individual to subvert the process.
4. Arrange for annual I-9 audits by an additional external auditing firm or a trained employee not otherwise involved in the I-9 and electronic verification process.
5. Establish a Tip Line for employees to report activity relating to the employment of unauthorized aliens, and a protocol for responding to employee tips.
6. Establish and maintain safeguards against use of the verification process for unlawful discrimination.
7. Establish a protocol for assessing the adherence to the "best practices" guidelines by the company's contractors/subcontractors.

(C) The Secretary shall establish a procedure for reporting to ICE any violations or discovered deficiencies found during the I-9 audit conducted by the certified independent auditing firm;

(D) All employers that have voluntarily undergone a certified audit are granted immunity from prosecution for violations of IRCA or other civil or criminal charges as long as the employer corrects any violations or deficiencies that have been identified by the independent auditor within 90 days of notification by the independent auditor and the Department of Homeland Security of the violations or deficiencies;

(E) The Department shall allow all employers that been certified by the independent auditor to be awarded a certificate that indicates that the employer is IMAGE Certified.

(F) IMAGE participation shall be considered a mitigating factor in the determination of civil penalty (fine) amounts should they be levied;

(G) Since Employers that participate in IMAGE are required to verify the social security numbers of all future employees using the Social Security Number Verification Service (SSNVS), the Secretary shall establish a process outlining the appropriate steps an employer must take should they receive a no-match letter from the SSNVS;

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December 14, 2007

Arizona Squeeze On Immigration Angers Business

By MIRIAM JORDAN
December 14, 2007; Page B1

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PHOENIX -- Arizona businesses are firing Hispanic immigrants, moving operations to Mexico and freezing expansion plans ahead of a new law that cracks down on employers who hire undocumented workers.

The law, set to take effect on Jan. 1, thrusts Arizona into the heart of the national debate on illegal immigration, which has become a hot topic on the presidential campaign trail. Republican candidates, in particular, have been battling to show how tough they are on the issue.

Arizona's law, believed to be the strictest in the nation, is shaping up as a test of how employers will react when faced with real sanctions for hiring undocumented labor. It is being closely watched by businesses across the country. While proponents say the crackdown will save the state money on services for illegal immigrants, some businesspeople fear Arizona's economic growth may be at risk.

Under the law, people will be encouraged to contact a county sheriff's or county attorney's office to report businesses they suspect of employing an illegal immigrant. After the sheriff investigates, the county attorney can then seek to suspend and ultimately revoke the business license of an employer who knowingly hires an illegal immigrant. The measure would also require all Arizona businesses to use E-Verify, a federal online database, to confirm that new hires have valid Social Security numbers and are eligible for employment.

The law still faces a court challenge from the Arizona Chamber of Commerce and other business groups. Yesterday, a federal judge set a hearing for next Tuesday on a temporary restraining order that would freeze the law's implementation. Earlier, the judge tossed out a separate lawsuit challenging the law, saying the plaintiffs had sued the wrong parties.

With Congress deadlocked over an immigration overhaul, many states and cities are taking matters into their own hands. Some local efforts are meant to make it hard for illegal immigrants to get housing and jobs, but recent court rulings have suggested these measures may face constitutional hurdles. Meanwhile, measures that accommodate the presence of undocumented immigrants -- such as New York Gov. Eliot Spitzer's failed attempt to extend drivers' licenses to them -- have been met with a harsh public response.

The issue has echoed in the presidential campaign, as voters passionate about illegal immigration have impelled candidates to take stronger stands. One of the few candidates to buck the trend has been Arizona's senior senator, Republican John McCain. His poll ratings took a beating after he supported a Senate bill that would have given legal status to millions of people here illegally.

"It's simple. People want a crackdown," says John Kavanagh, a Republican state representative in Arizona who co-sponsored the crackdown bill. It passed both chambers of the state legislature June 20 by more than 4-to-1

margins.

Businesses are pushing back against the law, even as they scramble to comply with it. "It's crystal-clear that the employer sanctions law will harm the state economy," says Glenn Hamer, president of the Arizona Chamber of Commerce and Industry. "It's simply a question of degree."

About 500,000 undocumented immigrants live in Arizona, according to the Pew Hispanic Center, and independent estimates suggest about 350,000 of them are working. Immigrants, both legal and illegal, account for 14% of the work force. The state enjoys one of the fastest-growing economies in the nation, and its unemployment rate last year was just 3.3%.

A University of Arizona study released earlier this year concluded that economic output would drop 8.2% annually if noncitizen foreign-born workers were removed from the labor force. Researchers estimate about two-thirds of the workers in that category are in the state illegally.

"Getting rid of these workers means we are deciding as a matter of policy to shrink our economy," says Judith Gans, an immigration scholar at the university's Udall Center. "They're filling vital gaps in our labor force."

Sheridan Bailey, president of steel-beam manufacturer Ironco, said he has fired several Hispanic employees in anticipation of the sanctions law. "This law has the potential of sinking a business," he said. Mr. Bailey, who has formed a business group to address the issue, said Congress's inaction has allowed "policies to be generated on the fringe."

Ironco recently sealed a deal to outsource some production to a Mexican company. "The labor market is tight, and I face fines if I don't meet my commitments," said Mr. Bailey. Pacing his company's steel-fabrication bay, where welders and fitters build columns, he asked rhetorically: "Who will work here in 112-degree heat, come the summer?"

Dora Cardenas, who owns a small Mexican restaurant in Phoenix, has lost six out of 12 employees since late November. They moved to other states. "They say they were afraid to be here," said Ms. Cardenas. "I'm even afraid to be here, and I am a legal resident." She said business is down almost 40% since the summer at her restaurant, which caters mainly to a Latino clientele.

Jason Levecke, the grandson of the founder of the Carl's Jr. fast-food empire and the state's biggest franchisee, has put on hold plans to open 20 more outlets statewide. "That's $30 million that could blow up in my face," he said. "The risk is too great."

Rep. Kavanagh, the bill co-sponsor, disputed claims that the law will hurt Arizona's economy. "The illegals are a drain on the economy," he said, referring to education and other government benefits that some undocumented immigrants receive.

In one sense, the bill is having its desired impact: Employers are rushing to ensure they don't have undocumented workers. Mr. Levecke says he has hired outside auditors three times to ensure his 1,200 employees are clear, and he let several of them go after the checks. Earlier this week, 300 human-resources managers packed a ballroom at a Scottsdale resort to learn how to cope with the law and possible raids on their premises.

Arizona has become a laboratory for bills and policies to crack down on illegal immigration. In 2004, it passed a proposal to prevent illegal immigrants from using state services, such as adult education and nonemergency health care. Earlier this month, a ballot initiative was introduced to deny U.S. citizenship to the children of illegal immigrants born in Arizona, which critics say is a violation of the U.S. Constitution.

Supporters of such measures say the point is to deny people who broke U.S. law the benefit of government

services. Opponents contend prejudice is the real motive. "This is about resistance to the browning of the state of Arizona," said Democratic state Rep. Pete Rios.

While there is no sign of a mass exodus, immigrant advocates report that the sanctions law, coupled with stepped-up efforts to arrest illegal immigrants, has prompted some undocumented families to leave.

Maricopa County Sheriff Joe Arpaio, an elected official who has made illegal immigration his focus, has deployed deputies to arrest undocumented day laborers as well as fruit and corn vendors in recent months. If the law goes into effect as scheduled, Sheriff Arpaio will be in charge of investigating complaints against employers in the county, home to two-thirds of all Arizonans.

Mr. Levecke, of Carl's Jr., says some customers, emboldened by the law, are confronting his Hispanic workers about their immigration status, sometimes using insults.

Isabel de la Rosa lives with her husband, Benito, and three children in a Phoenix trailer park called La Rancheria, where several for-sale signs have gone up in recent weeks. "We are all so afraid, we don't even want to go shopping," said Mrs. de la Rosa, 35 years old, whose entire family is undocumented.

She works as a volunteer at her children's local elementary school. Her busband, who works for a furniture-delivery company, said his American boss is planning to take his business elsewhere. "We are thinking of moving, too," said Mr. de la Rosa.

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Tucson Citizen (A-8)

Economic impact of immigrants on AZ

Report: Immigrant work force worth billions

All migrants, legal and illegal, considered in UA calculations

The Arizona Republic

Published: 07.12.2007

If all noncitizen workers were removed from Arizona's workforce, economic output would drop annually by at least $29 billion, according to a University of Arizona study released Wednesday.

That group, which is mostly illegal immigrants, represents 8.2 percent of the state's economic activity, the study found.

The report also found that Arizona's legal and illegal immigrants generated nearly $44 billion in output.

"Output" includes the value of goods produced in industry, wages and profits.

"I'm not making a stand on what policy should be," said author Judith Gans, a program manager at the university's Udall Center for Studies in Public Policy. "This just shows what's at stake."

The study is based on Census Bureau and other data from 2004, the most complete year available. It assumed most noncitizens in the state are illegal immigrants.

Gans conceded that the research does not capture all costs associated with

illegal immigrants, but claims it caught significant expenses.

"It is not the purpose of this study to address the myriad issues surrounding illegal immigration or to imply in any way that illegal immigration is not a problem," Gans wrote in the study, funded by the Thomas R. Brown Foundation in Tucson.

The group funds academic research and promotes education about the economy.

Their findings did not surprise Jack Camper, president and CEO of the Tucson Metropolitan Chamber of Commerce.

Tucson businesses have long known immigrants provide an economic spark. The trick is to make more immigrants legal, Camper said.

"That just speaks to the need for a guest worker program," Camper said. "We need to provide some way to bring 12 million illegal immigrants out of the shadows."

However, the Center for Immigration Studies, a Washington, D.C., research group that advocates slowing immigration, said such studies don't pay enough attention to the basic services that illegal immigrants in Arizona cost the state.

"What about roads, fire protection, police?" research director Steven Camarota said. "There should be some benefit for the native-born population (from immigrants working in the economy). It just appears to be very small and come at the expense of less-educated natives."

Illegal immigrant workers are a drain on the economy, he said.

"But most 40-year-old males in Arizona without a high school diploma who are white are a fiscal drain also," Camarota said.

The study also looked at what would happen to specific industries that lost most noncitizen workers. The figures assumed unskilled citizens would fill some positions.

Without most noncitizen immigrants, the simulations showed:

- $6.56 billion in lost construction output
- $3.77 billion lost in manufacturing
- $2.48 billion lost in service sectors
- $600.9 million lost in agriculture

"Filling the specific jobs in question would require large numbers of low-skilled workers, and the U.S. education system produces relatively few of them," Gans said. "There simply aren't enough additional workers in Arizona to fill the jobs."

Experts do not expect that companies will fire illegal workers on Jan. 1, the day the state's employer-sanctions bill goes into effect.

There are an estimated half-million such immigrants in Arizona.

"If they think their folks are illegal, I think they have to address that," said Troy Foster, an employment lawyer with Ford & Harrison in Phoenix.

"But they have to be cautious. You can't just be approaching people because they are Hispanic."

Foster advises clients not to be too aggressive in going after suspicious workers unless they have knowledge of their illegal status, but said the new law will keep companies from hiring more undocumented workers.

"The real impact will be on the back end," Foster said. "In four or five years we will see an impact because of the growth-restraint issue."

ADDITIONAL INFORMATION

By the numbers
A new study from the University of Arizona measured the economic costs and benefits of immigrants, legal and otherwise, on the state's economy.
Following are some key figures based on 2004 data:
- $43.77 billion: Economic output from all immigrants in state
- $29 billion: Economic output from noncitizens, mostly illegal workers

- $1.41 billion: Costs to state for all immigrants for English education, health care (including bad debt for hospitals) and law enforcement
- $1.64 billion: State tax revenues attributable to all immigrants
- $222.6 million: Net gain to state from all immigrants

Noncitizens: $29B All immigrants: $43.8B Construction: $6.56B

(A-9)

washingtonpost.com

Advertisement

Immigration Ground Zero

In Arizona, the fruit of Congress's failure

Wednesday, December 26, 2007; A20

THE NEW ground zero in the debate over illegal immigration is Arizona, where the nation's toughest and potentially most far-reaching crackdown on undocumented workers and their employers is scheduled to take effect Jan. 1. The Arizona law, passed resoundingly by the state legislature after Congress failed to enact immigration reform last summer, penalizes companies that knowingly hire illegal immigrants by suspending their business licenses for up to 10 days; ; on a second offense, the business license would be revoked -- what Gov. Janet Napolitano (D) has called a corporate "death penalty." Thus the Arizona law may become a test case for how much pain a state is willing to endure, and inflict, in the name of ridding itself of a population that contributes enormously to its economic growth and prosperity.

Illegal immigrants have flocked to Arizona for years to fill jobs that native-born people don't want. While the state's unemployment rate remains low, undocumented employees comprise an estimated 9 to 12 percent of the state's 3 million workers. Companies in agriculture, construction and service industries rely heavily on illegal immigrants, and any successful attempt to drive them out will have economic repercussions that may be severe.

In construction alone, Judith Gans of the University of Arizona has estimated that a 15 percent cut in the state's immigrant workforce would result in direct losses of about 56,000 jobs and some $6.6 billion in economic output. The direct loss to state tax revenue would be approximately $270 million. The study, and others like it, including in Texas, refute the arguments that illegal immigrants are an overall burden on state economies because of the education, health care and other services they require; in fact they contribute heavily to economic growth.

That explains why so many business owners were livid in June when the U.S. Senate killed legislation to provide an eventual path to citizenship for the 12 million illegal immigrants already living in America; to create a legal mechanism to satisfy the national economy's annual appetite for hundreds of thousands of immigrant workers; and to tighten enforcement of existing sanctions against employers who hire illegal workers. That political failure has spawned hundreds of state and local attempts to deal with illegal immigration, including Arizona's.

The Arizona law illustrates the self-defeating hazard of addressing one part of the problem -- enforcement -- without also recognizing the plain reality of America's need for immigrant labor. It was enacted and is taking effect in an atmosphere of extreme emotion, ugly diatribes in the blogosphere and occasional street scuffles -- the sort of environment that defeats rational discourse. It is likely to be enforced with gusto in and around Phoenix, the nation's sixth-largest city, by an ambitious state prosecutor who is urging citizens to blow the whistle on offending companies -- anonymously if they wish -- and by a county sheriff whose stock in trade is hounding, arresting and helping to deport immigrants whose behavior or appearance suggests they may be here illegally.

Although the authorities are paying lip service to their commitment to fair enforcement, they are in fact contributing to a situation tailor-made to enable racial profiling and false, defamatory or vengeful reports by those who might harbor a grudge against an employer. Already, in the weeks before the law is to take effect, there were reports of businesses considering moving out of state or reconsidering in-state

expansion plans, as well as hundreds of illegal immigrants pulling their children out of school and seeking work elsewhere.

There is little clarity about the law itself, which is being challenged in court by major business associations, Hispanic groups and the American Civil Liberties Union. The statute was sloppily drafted, and Ms. Napolitano signed it at least in part because she feared an even more draconian ballot initiative by immigrant-bashers (who are trying to organize one anyway). While Ms. Napolitano believes the law applies only to workers hired after Jan. 1, Andrew Thomas, the Maricopa County (Phoenix) prosecutor whose purview includes most of the state's population and workforce, says it applies to any employee on a firm's payroll, regardless of hiring date.

Reasonable suspicions exist that many companies will continue hiring and paying illegal workers off the books to evade the law's sanctions, which may give rise to a sizable underground economy and encourage exploitation of vulnerable workers. The system of verification that employers will be required to use to check workers' status relies on a federal database whose error rate regarding non-native-born Americans is believed to be as high as 10 percent -- and for which Congress has appropriated no funds beyond next year. All in all, a recipe for chaos and confusion.

Arizona has undergone explosive population growth in recent decades, along with sharp demographic change. At least 14 percent of the state's 6 million people are foreign-born, more than twice the percentage in 1990. Much of that growth can be explained by illegal immigration; the 620,000 (mostly undocumented) noncitizens in the state in 2004 were almost four times the number there were in 1990. The shift has contributed to a rise in nativist and outright racist sentiment, as well as to legitimate concerns about the effect of so many illegal immigrants -- most of them from one poor country, Mexico -- on neighborhoods, crime rates and municipal budgets.

In responding with this law to the popular anger and anxiety about illegal immigration, Arizona may have been within its legal rights; the courts will decide that shortly. But the price the law will exact is likely to be severe -- to the state's economy, to thousands of immigrant families and, very likely, to the civil rights of legal Hispanic residents who will come under unwarranted suspicion. Those costs may cause Arizonans to question the prudence of their state lawmakers and highlight the folly of Washington's failure to come to grips with illegal immigration.

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(A-9)

BusinessW

IMMIGRATION December 13, 200

Hire an Illegal Worker, Lose Your Business

Arizona's tough new immigration law has companies running scared

by Jane Sasseen

In the 20-plus years since starting out as a cook, Jason LeVecke has built up one of the biggest restaurant chains in Arizona. He now boasts 1,200 employees manning 57 Carl's Jr.s across the state--ten of them added this year alone. But on Jan. 1, a new law takes effect in Arizona that would severely punish businesses caught hiring illegal immigrants. So LeVecke is looking for growth outside his home state, and will build 25 new restaurants in Texas. Unless the legal situation improves, he says: "We won't add any new sites in Arizona. It's too great a risk."

In the wake of the federal government's failure to reform immigration laws, Arizona joins the more than 100 states and municipalities that have taken matters into their own hands in hopes of stemming the tide of illegal immigrants. But Arizona's law is by far the harshest toward business. A company caught knowingly employing an undocumented worker has its license suspended for up to ten days. Get caught a second time, and a company loses its license to operate altogether--what Governor Janet Napolitano has called the "business death penalty."

LeVecke and others argue the law could shut a company down even for inadvertently hiring illegal workers with false papers. "The penalties are swift, absolute, and terminal," says John Doran, a Phoenix-based lawyer. Business fears similar measures could be enacted elsewhere. "This is a test case for how hard states will come down [on] employers," warns Angelo Amador, director of immigration policy for the U.S. Chamber of Commerce.

This fall a coalition of business groups filed suit to quash the law. On Dec. 7, U.S. District Judge Neil V. Wake threw the suit out on technical grounds. He also argued the suit was premature. Three days later the plaintiffs filed a new suit and have asked for a preliminary injunction.

Napolitano, who signed the bill, has nonetheless urged the state legislature to clarify the law so that companies aren't unfairly investigated. A spokesman for the governor also says that companies that do as the law requires and verify new employees' legal status with a federal database should not have a problem.

Still, companies are scrambling to prepare. Many have spent months going over old records to check the status of their workers. LeVecke says he has centralized all hiring rather than risk a local manager making a mistake that could put him out of business.

Julie A. Pace, of Ballard Spahr Andrews & Ingersoll, one of the lawyers in the employers' suit, says thousands of workers have already lost their jobs. As scrutiny increases, many of her clients worry that they won't find enough help. With a low state unemployment rate of 3.7%, sectors such as construction, hotels, restaurants, and agriculture could find the going tough. "Everyone who wants a job has one," says Glenn Hamer, the head of the Arizona Chamber of Commerce. "What we need are more workers, not less."

Meanwhile, more companies could bail. Curry Seed & Chili Co. stopped growing some crops in Arizona and may

plant in Mexico, in part because it fears worker shortages will worsen once the law takes hold. And Pace says she gets a call every month from the CEO of an out-of-state company that was set to acquire an Arizona firm in October. The deal has been put off until January. But if the new law goes into effect, she says, it may never get done.

Sasseen is a national correspondent for BusinessWeek.

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(A-10)

Arizona lawmakers want to start state-run temporary worker plan

Associated Press
Feb. 11, 2008 04:47 PM

A group of Arizona lawmakers is proposing a state-run temporary worker plan that would let Mexicans come to the state to work in businesses hard-hit by labor shortages.

The lawmakers cited their frustrations with Congress' failure to overhaul the country's immigration policies and update its guest worker programs to provide businesses with more access to skilled labor. Ironically, Arizona would need the approval of Congress to enter into a guest worker agreement with Mexico.

"We are looking at trying to solve real business problems," said Republican Rep. Bill Konopnicki of Safford, owner of six restaurants and an author of the proposals.

America's guest worker programs are run by the federal government. Linton Joaquin, executive director of the National Immigration Law Center, an advocacy group for low-income immigrants, said he wasn't aware of any state having such a program.

The Arizona proposals would allow employers who experienced skilled labor shortages and can't find local employees to recruit workers through Mexican consulates.

An approved skilled foreign worker would get an ID card valid for two years and could travel to and from Mexico through ports of entry in Arizona. They would be prohibited from traveling to other American states.

Criminal background checks would be required of the foreign workers, who would be disqualified if they were convicted of U.S. crimes or Mexican violations that would be felonies in this country.

Arizona is at the forefront of a movement to get state and local governments to crack down on illegal immigration. Last year, the Republican-majority Legislature and Democratic Gov. Janet Napolitano approved a law that prohibits employers from knowingly hiring illegal immigrants.

Republican Rep. John Kavanagh of Fountain Hills, an advocate for tougher immigration enforcement, said he was open-minded about the state starting a guest-worker program, but believes it must require that the workers be thoroughly screened and be kept from becoming permanent residents.

A neutral party also should determine the maximum number of workers to be admitted into the program, Kavanagh said. The proposals set no such limit.

"I don't want to depress American wages or displace American workers," Kavanagh said.

Lawmakers pushing the proposals said illegal immigrants already living in Arizona wouldn't be eligible for the program and that employers would have to go to Mexico to recruit workers.

Senate Minority Leader Marsha Arzberger, a Democrat from Willcox who authored some of the proposals, said a state-run guest worker program would result in fewer illegal border crossings in Arizona, the busiest illegal entry point into the United States.

David Jones, president of the Arizona Contractors Association, said the construction business in fast-growing Arizona needs labor - and it will be hard to meet those needs with only American-born workers.

"We do not have the interest of young Americans who want to work in 105-degree temperature roofing buildings and tying off rebar," Jones said. "It's not that they are lazy; it's just that after World War II we brought them up to go to college and get an education."

A REPRINT OF THE
Arizona Daily Star

STAR INVESTIGATION: SEALING OUR BORDER

It won't work

(A-11)

Canyons, rivers and shifting sand — plus a multibillion-dollar price tag, more violence and less business — make sealing the border all but impossible

azcentral.com (A-12)

National Guard cutting presence at border

Western senators urge extended deployment

Sean Holstege
The Arizona Republic
Sept. 25, 2007 12:00 AM

Half of the 6,000 National Guard troops sent to help secure the Mexico border are gone.

The rest will be gone by next summer, as planned, even though the federal government may not be ready to fill the void left by the troops' departure.

Senators from Arizona, California and New Mexico all have urged President Bush not to reduce the Guard's border presence and instead to extend Operation Jump Start, the troop deployment that began in June 2006. All Guard troops are scheduled to leave by [redacted] 15.

"Everyone agrees the border must be secured," said Maj. Paul Babeu, who commands Jump Start's Task Force Yuma, an area that has seen the mission's most dramatic results. "We at the Guard are a critical component in securing that border. The right thing to do is to continue that job until the Border Patrol believes it can sustain the mission without our support."

Border Patrol agents have said for months that they appreciate the help. Officials did not return calls about whether the mission should continue.

By every measure available, Guard troops have helped slow the flow of smugglers and improve the capability of the Border Patrol. They also have bought time for the government, which is working to introduce more lasting security improvements to the border.

But the government is behind on one key project and scrambling to meet another:

• The June unveiling of the 28-mile network of satellite-linked cameras and sensors known as a virtual fence was delayed. The Department of Homeland Security now concedes that a fourth attempt at final testing on the system in Sasabe can't begin until October because a series of technical glitches prevent the devices from relaying information accurately.

• The government, through the 2005 Secure Border Initiative, required the Border Patrol to add 2,500 agents by next month and a total of 6,000 by December 2008, to bring the total force to 18,000. The Border Patrol reports that it has added 2,400 agents since the Guard arrived, when there were 11,594 agents. But the patrol would not release its attrition rate, so it is unclear how many agents still are needed.

Extra help at the border

The National Guard gives the Border Patrol extra capabilities.

Guard task forces add staff that allow more agents to patrol rather than do clerical work. National Guard troops also are positioned in strategic observation nests that steer smugglers toward more remote areas, buying agents time to intercept border crossers.

Another Arizona task force has further slowed crossers by erecting fences and vehicle barriers. And Border Patrol agents can reach smugglers faster because another task force has constructed roads and improved damaged ones along the international line. The task force is finishing its fence-building quota this week.

Borderwide, military engineers have repaired 456 miles of roadway, far in excess of the 211-mile goal set for Operation Jump Start, according to the National Guard Bureau.

The same is true for aerial support missions. In July, the Guard flew 1,246 hours, exceeding the 1,000-hour goal, despite many of its helicopters being deployed to Iraq and Afghanistan.

"I've never been on a mission with more value added to our state or our country as this mission," said Arizona native Col. Mark Hughes, a 35-year Guard member who commands Task Force Tucson.

Others agree, which is why the plan to remove all troops by next summer is drawing fire.

"Americans could rightly question why the administration has dedicated 160,000 National Guardsmen to maintain order and security in Iraq, while eliminating the less than 6,000 Guardsmen performing an important task on our own southern border, which most agree is in a state of crisis," Sen. Jon Kyl, R-Ariz., wrote in July to President Bush. Sens. Dianne Feinstein, D-Calif., and Pete Domenici, R-N.M., also signed the letter.

A congressional audit this year concluded it was unclear whether the Guard could "successfully perform its domestic missions, including responding to large-scale multistate events."

Col. David Lively, who oversees the national Operation Jump Start mission, said an engineering battalion bound for Arizona was diverted at the last minute for the war.

Technical difficulties

The virtual fence has proved particularly troublesome.

The plan is to secure the area around Sasabe with a network of nine pole-mounted cameras, radar and ground sensors.

The technology is a cornerstone of the government's border strategy for life after the National Guard. Ultimately, there may be as many as 1,800 towers strung along the border.

The devices are supposed to focus cameras on targets moving across the border and relay, via satellite uplink, the information to a command center instantaneously. Then an image of the crossers is supposed to go straight to a patrol truck.

But the cameras track targets 30 seconds late, and rain can disrupt the ultra-sensitive radars, say federal and congressional sources with intimate knowledge of the project. Those sources say contractors underestimated the challenge of integrating off-the-shelf technology on the border. Congressional auditors are in Arizona to investigate.

Results from cooperation

Nowhere on the entire 1,950-mile Mexican frontier does hiring new agents matter more than in the Tucson Sector, which has more border crossing and drug smuggling than any of the nine sectors.

Yet it got the smallest bump in new hires, a 15 percent increase from 2006 to 2007. The average was 23 percent.

Along the entire border, arrests of undocumented immigrants have dropped 30 percent. In the Yuma area, arrests fell 70 percent. In Tucson, they were down 15 percent.

Even as Guard troops have pulled back over the past two months, the number of arrests continued to fall, by as much as 94 percent in some places, Babeu said.

The accomplishments are despite the fact that, in many areas, the Guard does not have the resources it needs.

At his base in Marana, Maj. George Harris has never had a full complement of helicopters for his mission. But that hasn't prevented tangible results.

Less than two hours into a six-hour flight last week, Harris spotted a white shoe poking out from a tree, then watched a "coyote" run.

There were a dozen undocumented immigrants huddled 27 miles from Mexico.

Harris circled above as he called in coordinates to a Border Patrol truck, which arrived in about 20 minutes.

Without eyes in the sky, the Border Patrol probably would not have detected the group.

Harris also can locate new smuggling routes. Twenty minutes after take-off, he landed at a huge new campground, littered with backpacks, water bottles and gas cans.

Harris' task force has logged 7,000 hours of missions, leading to nearly 8,800 arrests and the seizure of more than 50,000 pounds of marijuana.

It took Harris five years to seize that amount when he was flying counterdrug missions.

Arizona Daily Star

Estimated printed pages: 4

August 21, 2007
Section: NEWS
Page: A1

Official rules out debate on Border Patrol facility
BRADY MCCOMBS, ARIZONA DAILY STAR

A permanent checkpoint will be built, he says////Border Patrol Tucson Sector Chief Robert W. Gilbert delivered an emphatic message Monday to critics of a proposed permanent checkpoint on Interstate 19: It's not a question of if - but when, where and how it will be built.

Gilbert addressed a host of "misconceptions" about the checkpoint during a press conference Monday afternoon at the Tucson Sector headquarters. His declarations came a day before a community work group from the greater Tubac area - co-chaired by Gilbert and U.S. Rep. Gabrielle Giffords, D-Ariz. - is scheduled to deliver its final reports and recommendations about the proposed permanent checkpoint during a meeting in Sahuarita.

"Working with the communities was to get involvement on the best way to go forward with building this - never to ask whether we should or shouldn't build it," said Gilbert, who in March took the reins of the Southwest border's busiest sector for human and drug trafficking. "We are America's law enforcement. We are America's border security experts. That's what we do; that's what we've done since 1924. We are not going to ask permission to do our job."

The agency is working toward the construction of a state-of-the-art checkpoint on I-19 that facilitates the flow of traffic, is safe for motorists and agents, and looks like something that belongs in the area, "not a broken-down trailer park on an overpass, which is what we have today," he said. "We need a proper facility in order to properly do the job."

Many Tubac and Green Valley residents oppose the idea on the grounds that it would be ineffective and detrimental to business, and would push smuggling activity into their neighborhoods. Longtime Santa Cruz County Sheriff Tony Estrada also has questioned the need for a permanent checkpoint, arguing that it would be conceding ground to the smugglers.

Gilbert's comments surprised members of the working group. Carol Cullen, executive director of the Tubac Chamber of Commerce, questioned why the Border Patrol instructed the group to form a committee to analyze alternatives to the permanent checkpoint if it was a done deal.

Nan Walden, a member of the working group and owner of a local pecan orchard, called Gilbert's comments shocking.

"Why would he have a press conference the day before the working group comes out with the recommendations?" Walden asked. "He's already on the offensive. That's not legitimate public participation. That's the Border Patrol thumbing its nose at the community."

Gilbert said the "not in my backyard" syndrome is prevalent among the opponents. "People want a checkpoint, but not where it impacts them," Gilbert said.

It's an opinion shared by Anthony Coulson, Drug Enforcement Administration assistant special agent in charge in Tucson, who said property values are the driving force behind the opposition.

A citizens group from Southern and Central Arizona backs a new facility. On Monday at about 10 a.m., members organized a vehicle convoy and drove to the checkpoint with signs of support and U.S. flags on their vehicles, said Patti O'Berry, a Green Valley resident who is legislative chairwoman for District 30 and president of the Republican Women of Green Valley.

"We wanted our Border Patrol to know that we support them and that we support a permanent checkpoint on I-19," said O'Berry, whose son is a Border Patrol agent on the northern border. "They can put it in my backyard any day of the week."

The Border Patrol's Tucson Sector had been prohibited from opening permanent checkpoints since 1999 by a congressional mandate championed by since-retired Rep. Jim Kolbe, R-Ariz., who argued that checkpoints serve little purpose because smugglers know where they are and can go around them.

The debate about the effectiveness of the permanent facilities was one of the issues Gilbert addressed Monday. Agency statistics show illegal-entrant apprehensions have increased 52 percent and marijuana seizures 70 percent at the checkpoint since they stopped moving it in November, he said.

"In the technological world we live in, cell phones, push to talk, there is no more element of surprise," Gilbert said.

Concerning the flanking of criminal activity that Tubac and Green Valley residents fear, he said a permanent facility will make the community safer, not more dangerous.

"We'll be able to put in the proper technology to have cameras where we can monitor the flanks," Gilbert said. "We can put in the ground surveillance radars, we can put in the ground sensors, all of this to be monitored out of a proper facility. We can't do that today with the facility we have."

And about the common refrain from the opposition that the Border Patrol should focus its efforts on the border, not 31 miles north, he said more than [illegible]percent of the Tucson Sector's resources are applied to the border daily, and that the agency has built an additional three miles of fence, 17 miles of border roads and 40 miles of bollard-style vehicle barriers in the past year.

"I've heard and read many times that the Border Patrol is abandoning the border - we're giving up 30 miles to the smugglers," Gilbert said. "That is just flat not true."

Despite Gilbert's strong words, he said he's eager to hear the recommendations of the work group. Even though a permanent checkpoint is a foregone conclusion, he wants input about where it should be, how it should work and what it should look like, he said.

The agency had identified Kilometer Post 50, north of Arivaca Junction, as a location for an interim checkpoint and possibly for the permanent one. But authorities have discovered drainage issues at that site during the environmental and engineering assessments that could force the agency to move it a few miles north or south, said John Fitzpatrick, assistant chief in the Tucson Sector.

The interim facility is expected to take one or two years to complete. It could take three to five years until the agency gets the funding and permits needed for a permanent checkpoint, he said. The agency's current checkpoint is at Kilometer Post 42, north of Tubac.

/////

Did you know . . .

Congress had withheld funding for permanent inspection stations in the Border Patrol's Tucson Sector since 1999. Since 2002, it required the stations to be moved every seven or 14 days because of a rule included in appropriations for the agency by now-retired Rep. Jim Kolbe, R-Ariz. He believed the surprise factor of temporary checkpoints made them more effective.

The requirement was omitted from the fiscal 2007 Department of Homeland Security appropriations bill. Since then, the agency has been operating a non-roving checkpoint at Kilometer Post 42, north of Tubac.

The Tucson Sector is the only one of nine Border Patrol sectors along the southern border that doesn't have permanent checkpoints.

An interim checkpoint, expected to cost $1.5 million to $2 million, will be used for three to five years until the agency gets the funding and permits needed for a permanent checkpoint. A permanent checkpoint likely would cost at least $14 million.

/////

If you go . . .

What: Community work group meeting in Sahuarita

When: 4 to 6:30 p.m. today

Where: Sahuarita High School auditorium, 350 W. Sahuarita Road

The work group will present reports and recommendations about the I-19 checkpoint to U.S. Rep. Gabrielle Giffords, D-Ariz., and Border Patrol Tucson Sector Chief Robert W. Gilbert.

* Contact reporter Brady McCombs at 573-4213 or bmccombs@azstarnet.com.

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CONSULTATION AND OUTREACH

Mr. PRICE. All right. We will have a chance to revisit some of this in the question period, so thank you. Thanks to all of you. We are going to get as far as we can. We do have some votes on the House Floor. We will break and come back as quickly as we can, but hopefully we can get through a number of questions.

I want to take on directly the matter of consultation that I think all of you one way or another have referred to.

Section 564 of the fiscal 2008 omnibus appropriations bill requires the Secretary of Homeland Security to consult with key stakeholders before constructing fencing along the southwest border.

Specifically the law states that the Secretary "shall consult with the Secretary of the Interior, the Secretary of Agriculture, states, local governments, Indian tribes and property owners in the United States to minimize the impact on the environment, culture, commerce and quality of life for the communities and residents located near sites at which such fencing is to be constructed."

The Secretary plans to construct 370 miles of pedestrian fence and 300 miles of vehicle barriers this year. The Department asserts that it has undertaken "extensive outreach" to date. I want to ask the witnesses two questions, especially the mayor and the sheriff and the others if you want to chime in.

First, has DHS outreach been "extensive"? Secondly, and here, Mayor Foster, I am referring specifically to your testimony. You state that in the single instance where CBP consulted with local government that a resolution has been agreed to in fact. That is the example of Hidalgo County. Are any of you aware of any other DHS changes in the plan based on this outreach that they describe?

Mayor, I think I will start with you. In December your coalition sought a moratorium on current fence construction, and this is a coalition, as I understand it, of the towns and cities along the borders. How many of them? How many?

Mr. FOSTER. Well, it is all the elected officials and economic development entities from El Paso to Brownsville along the Texas border.

Mr. PRICE. All the way, the entire Texas border?

Mr. FOSTER. Yes, sir.

Mr. PRICE. So that is quite a coalition. You sought a moratorium on current fence construction until a comprehensive cooperative review had been made. However, DHS has declined to suspend its current schedule.

We are interested in your views on what consultation should look like and to what extent it has measured up thus far.

Mr. FOSTER. Thank you for the opportunity. In anticipation of the amendment passing, the Texas Border Coalition wrote the Secretary a letter. I believe the first letter was dated the 18th of December of last year.

Understanding that he is under timelines, we were targeting January 21 as an opportunity for the Texas Border Coalition to meet with the Secretary. We received no response.

Again we wrote the Secretary another letter I believe dated the 9th of January of this year, and the only response we have received thus far is the City of Eagle Pass got sued for a lack of right of entry. We will address that.

The City of Eagle Pass passed a resolution in 2005 against fences or walls in the city limits. Working with Border Patrol, Border Patrol made a presentation to the council, and then they advised me in December of 2006 that Washington allowed them to delete a fence facet to a project that would in essence cede our municipal golf course and a city park that abut the Rio Grande between and north of our international bridges to Mexico.

We have been working since we adopted Border Patrol's plan on January 9, 2007. Our attorneys have been in constant contact with the Corps' attorneys and working in good faith, and then here we come around the horn and they sue the City of Eagle Pass.

Prior to that we got a letter from the Corps of Engineers asking for the right of entry. I addressed that with our city attorney, and he said we are in constant communication so we felt it was a little bit underhanded for them to sue a municipality who was communicating on a regular basis with attorneys representing DHS.

Again, we were outreaching. We were writing letters on behalf of the Texas Border Coalition understanding that the Secretary is under some time constraints, trying again to facilitate a meeting to look at these different projects.

As hard as it is to believe, the country boys can come up with a decent idea every now and then. The example of that is this levee project that the Secretary looked at last Friday and apparently it works again for Homeland Security and secures the residents of Hidalgo County against flood damage.

We have a Brownsville Weir project. Laredo has another project, but we have yet been able to get DHS to sit down with us and look at these country ideas and see if they do not because security is again the priority of the Texas Border Coalition.

Mr. PRICE. Not knowing a whole lot in depth about these individual situations, but my understanding is in the Hidalgo County situation there was financing involved with the county or the local officials——

Mr. FOSTER. Yes, sir.

Mr. PRICE [continuing]. Putting up a good deal of money to facilitate this resolution, you might say.

Mr. FOSTER. In excess of $100 million.

Mr. PRICE. Excuse me?

Mr. FOSTER. In excess of $100 million. A bond had been passed by the residents of Hidalgo County.

Mr. PRICE. Well, is that the missing ingredient in these other cases?

Mr. FOSTER. No, sir. The missing ingredient has been Homeland Security to sit down and look at these projects. The missing ingredient has historically been Homeland Security.

Mr. CULBERSON. Consultation.

Mr. FOSTER. Yes, sir. Exactly. We felt again in anticipation of the amendment we began understanding the Secretary has timelines that he has to meet. We started trying to facilitate a meeting with

him beginning the 18th of December of last year trying to get that consultation to look at the projects.

Again, as the Commissioner mentioned, the Texas Border Coalition. Security is a priority, but we feel that the first step is eradicating the Carrizo cane and the salt cedar that is a hiding ground for any illicit activity that comes into our border. By the same token, if you eradicate those two plants we are losing enough water through transpiration to those two plants to supply the City of Brownsville with water for four years.

Technology is another issue. We feel that we can achieve a secure border through the implementation of modern technology. The sensors that we see now on the banks of the Rio Grande are three generations old. The Border Patrol is doing a wonderful job in the Del Rio sector with Eagle Pass. I believe that sector goes from Eagle Pass to Sanderson. Apprehensions are down 70 percent.

At the same time period, in the San Diego sector where you have physical barriers apprehensions are up seven percent, so we are doing a good job, but Texas is unique in that we know where our border is. We have the scenic and historic Rio Grande River.

The Treaty of Guadalupe Hidalgo in 1948 established the border of Texas as midstream of that natural resource, and any time we move off that midpoint we are in effect ceding land back to Mexico.

Mr. PRICE. Sheriff, the Department maintains that it has been consulting with law enforcement, including sheriffs, and chiefs of police. I wonder if you and your colleagues would agree with that?

Mr. WEST. On behalf of the Texas Border Sheriffs Coalition, we took the position that we had no position on the fence, but as far as a consultation, and I think collectively we all agreed to take this position for the simple fact that we had little to somewhat consultation.

I have had one meeting with them personally and then I have received packages in the mail, nice drawn out pictures and things of that nature, but we have not had that big of a role in regards to the fence.

Mr. PRICE. Are you saying that you have not sought that much of a role? I mean, surely the nature of the border infrastructure that we end up constructing has something to do with law enforcement.

Mr. WEST. Absolutely it does. From our perspective, we spend most of our time chasing the bad guys once they have already come in. I mean, they have already come around.

We have encountered in Hudspeth County in Fort Hancock several times where we have gotten close up to the river there and then been held back under fire fight because they are shooting at us from across the other side with the brush on the other side, so it is a problem on both sides.

As far as the approach, the last approach they had with me personally was it was going to be a hit and miss area of the fence. Keep in mind the county is kind of divided by two different terrains. We have lower valley farm areas on the west side and then we have natural barriers on the eastern part of the side. The border area is approximately 97 miles, so the last 50 miles of it is going to be natural terrain that is going to be a barrier there.

But for the consultations, in answer to your question, yes, we have talked about it, but once it was we are going to come talk to you about it but it is going to be hit and miss, then there is really no sense in talking about it if that is how you are going to do it.

Mr. PRICE. Mr. Miller? Mr. and Mrs. Walden? From the landowners' perspective, what would you say of the consultation process so far? Has it been clear what you need to do to express your views? Has the process been fair? How extensive has it been?

Mr. MILLER. I do not feel it has been fair. I think because I was a commissioner I was invited to be on a conference call about a year ago with some of the high ranking Border Patrol, Homeland Security.

They were talking about what a great thing this Boeing contract with these high tech towers they were going to put up. They used the term tag and track. It is going to enable the Border Patrol to tag and track much more effectively.

I, being the smart aleck, said I am not really in favor of tag and track. Why do you not just keep them out in the first place. Not long after that I was approached by some Border Patrolmen and asked if they could get all the legal papers signed to ingress and egress through our farmland to do some surveying for the fence.

I said well, just what if I do not want a fence? They said that is not for you to decide because you are getting one anyway.

Mr. PRICE. Ms. Walden or Mr. Walden?

Ms. NAN WALDEN. I would just have to echo that the Malpai group that submitted the letter for the record, which is a big group of ranchers around the Douglas area that have cooperated on a number of issues, they have had worries about their cattle.

They have said these vehicle barriers that are going in there, if they could just save the wire fences so that the cattle could be restrained because they will go through the vehicle barriers. They are just tearing out the fencing.

How much does that cost, Dick, to put in for a private——

Mr. RICHARD WALDEN. $10,000 a mile, we think.

Ms. NAN WALDEN. $8,000 to $10,000 a mile for a good wire fence for your cattle.

Mr. RICHARD WALDEN. Yes, sir.

Ms. NAN WALDEN. Right. And so, you know, if they could just either leave the cattle fencing in and then put the other fence where it has to go or add some kind of a layer to the vehicle barriers, but they are not considering those practical solutions.

Mr. RICHARD WALDEN. They are not having a two-way conversation.

Ms. NAN WALDEN. It is strictly top down. We are the experts, and you can put up or shut up.

Mr. PRICE. Thanks to all of you.

Mr. FOSTER. Oh, we will keep talking if you want us to.

Mr. PRICE. I know you will.

Mr. FOSTER. We are full of conversation.

Mr. PRICE. We will give you another chance. We are going to go vote, and we will be back. I think it is a series of votes. We will be back as quickly as we can.

Mr. FOSTER. All right.

Mr. PRICE. I apologize.

[Recess.]

Mr. PRICE. There is action on the House Floor that is not under our control.

Mr. Rogers.

Mr. ROGERS. Thank you, Mr. Chairman.

First let me express our appreciation to these witnesses who traveled a great distance and expense to be with us to share their points of view. We appreciate it. It is very informative. Like one of you said to me privately a moment ago, the border is unique. The Texas border is unique, I guess, as well as the others. We appreciate your information.

This is essentially about whether or not the Department is conversing properly with officials and citizenry on the border on what we do about controlling access to the country, and I do not guess there could be enough consultation, but there should be at least a minimum consultation. That is a debatable point.

Someone showed me this picture of what apparently was assigned for the Del Rio and Eagle Pass part of the border. Is that familiar?

Mr. FOSTER. Yes, sir.

Mr. ROGERS. Was this done with consultation with you or what?

Mr. FOSTER. Yes, sir. If I may, that is a decorative pin.

Border Patrol approached the City of Eagle Pass—as a date I am going to say June of 2006—with the project cleaning out 1.25 miles of cane along the banks of the river, and again reinforcing we have our municipal golf course goes up to the riverbank and contiguous to the golf course to the north is a city park. They were going to clean out the cane and then build a road where they were going to overlay on top of a cart path that paralleled the river.

There is a creek going into the river just south of our northernmost bridge. They were going to bridge that creek and continue that patrol road along the banks of the river into our city park, which is a wonderful idea.

Then about a quarter mile off the river they were going to put in 15 light towers that would illuminate our municipal golf course at night and our city park at night, and that is very aesthetically appealing. It is a park improvement project. Then they were going to put this decorative fence was one facet of that project.

In the June 2006 meeting we had a resolution against any fences or walls. Well, they came back and approached me in December of 2006 and made me aware that Washington had allowed them to delete the fence facet of that project.

Well, I could not get them on a council meeting fast enough. We had them on our agenda on January 9, 2007, and they made their presentation with the deletion of the fence facet. I perceived it as a park improvement project, but in fact it passed our council on a 3–2 vote.

After that council meeting I asked the two dissenting council members what their issues were with this project because I looked at it as a park improvement project. The two dissenting council members just said flat out we do not trust them. We do not trust them.

From that point forward our city attorneys continued to work with the attorneys for the Corps of Engineers. They wanted fee title to the property. We agreed to grant them a——

Mr. ROGERS. Well, I guess——

Mr. FOSTER. Yes, sir?

Mr. ROGERS. I guess what I am trying to find out is it sounds like you have had a lot of consultations.

Mr. FOSTER. Yes, sir, and then we get sued January 14. It is my understanding that decorative fence that was deleted on January 9, 2007, is back on in this suit from the drawings we have been able to see, but we have yet to be able to sit down with anybody and get a definitive.

This lawsuit is for access into 233 acres, inclusive of Fort Duncan Park. Our golf course and our city park are only 90 acres. We are not sure what we are doing now. We had had consultation and reached agreement and were in communication, but now due to this lawsuit that was filed January 14 the wheels are off the cart again.

Mr. ROGERS. That is the condemnation suit——

Mr. FOSTER. Yes, sir.

Mr. ROGERS [continuing]. By the Corps?

Mr. FOSTER. Yes, sir. It appears to us in talking without city attorneys, it appears that the left hand did not know what the right hand was doing because we had been in constant communication with the Corps' attorneys.

Mr. ROGERS. Well, let me ask you a general question. Answer whomever. How much of the riverbank is grown up in shrubs and trees and bushes?

Male VOICE. All of it.

PHYSICAL FENCE OBSTACLES

Mr. FOSTER. This Carrizo cane will get up to 30 feet, the salt cedar. I mean——

Mr. ROGERS. No. What percent of the bank is covered?

Mr. MILLER. Percent of the bank or percent of the river?

Mr. ROGERS. The river.

Mr. MILLER. The river? I can only speak for El Paso to Presidio. I mean, below what we call Little Box Canyon about 60, 70 miles down from El Paso past that there is no channel. It is just nothing but salt cedar.

The water that gets there does not even arrive in Presidio because it just gets sucked up by all the salt cedar. It either percolates or evaporates. I cannot speak all the way down.

Mr. ROGERS. Well, if the banks were cleared, as one of your photographs indicated——

Mr. MILLER. Yes, sir.

Mr. ROGERS [continuing]. What would that do insofar as protecting us from interlopers?

Mr. MILLER. From what?

Mr. ROGERS. From people trying to get across.

Mr. MILLER. The Border Patrol can see what is coming. It has been my experience, and I am not picking on the Border Patrol, okay, but where the river is cleaned you find Border Patrol on the border.

Mr. ROGERS. Yes. Well, are they proposing to clear that stuff out?

Mr. MILLER. Not that I know of.

Mr. WEST. Can I add something to that? If you look at the picture with the brush there on both sides of the banks of the river——

Mr. ROGERS. Yes?

Mr. WEST [continuing]. Several times, like I said earlier, we have had encounters there where we are shot upon. As a matter of fact, on Mr. Miller's farms we were taking in fire when we chased a vehicle down in there with 1,800 pounds.

That creates a problem for law enforcement not only in El Paso and Hudspeth Counties, but all the way down to Brownsville because you are going in from daylight into the dark. These guys can hide in these bushes. They can hide in this brush and pretty much do what they want to. We have no idea of how many we are up against when we go down in there.

Mr. FOSTER. If I may, sir, I think that might be the first step that we would want to take is let us peel all this cover off to see what we have to work with because once you get rid of this cane and salt cedar, that facilitates line of sight for a Border Patrol agent to the banks of the river.

We were taking one group in, one news group in to look at it, and they made the comment there could be a 500 pound elephant on fire in here and you would never see him because you get into that cane. It gets up to 30 feet high. It will be in excess of a quarter of a mile from the edge of the river.

Once any illegal entry gets into that cane or salt cedar, he is very challenging to detect. Again, as the sheriff mentioned, you do not know how many, nor does the Border Patrol.

Again, I would say that would be the first step is let us eradicate that stuff and get a real idea what the banks of the river look like.

Mr. WEST. That would be very instrumental in officer safety to get that cleaned up.

ACCESS TO PRIVATE LAND

Mr. ROGERS. A lot of landowners I am told are refusing to allow access to their land just to see what needs to be done.

Mr. FOSTER. If I may, sir?

Mr. ROGERS. Yes.

Mr. FOSTER. Again, apparently what we looked at with the Border Patrol was a park improvement project, and apparently a DHS fence project is a separate project.

When Border Patrol said Washington allowed them to delete the fence facet, and since they put that fence back on we have not had any consultation, but we feel again if you put these 15 light towers that are going to illuminate areas between our two ports of entry and north in the city park and eradicate this cane so that you can see what is coming, it would be very challenging to——

Mr. ROGERS. My question is, and perhaps the Waldens may answer this or Mr. Miller.

Some property owners apparently have refused to let the Department or officials of the Corps on their property to see what needs to be done, and that is the reason apparently for a lot of these right of entry condemnations along the border. Are you familiar with——

Ms. NAN WALDEN. I am a little bit familiar with this because I think there has been a breakdown in trust.

From the people I have talked to in Douglas, the Malpai ranching group, and I think you were alluding to it too, Mr. Mayor, is the Border Patrol or DHS says one thing and does another, and that is where then the local landowners get their backs up and do not want access because they work and work and work like we did in this working group, and then we read in the headlines that our considerations, our opinions do not matter.

We are constantly told we are the experts. We are the experts. Well, we are also the experts when we are having violence on our homelands and when our businesses are threatened and when we are afraid to send the school kids home from school by themselves, so I do not think that that is a constructive attitude.

In one case in the Buenos Aires National Wildlife Refuge near us, I know that the superintendent asked that some accommodation be made on a 60-foot area of fence that had endangered species there. You know, if they could just put up a camera there instead of fence for the pineapple cactus. I understand that is going to a lawsuit now.

You know, that could have been a win/win if they could have come up with another idea, be it a camera or some other arrangement there or a different type of a fence, but there seems to be no willingness to compromise or to listen to alternatives at all.

Then that is when people get suspicious of why should I cooperate because I am going to get sued anyway, or my rights will be trampled.

Mr. MILLER. And may I confess I was asked by the Border Patrol if they could have permission to come in to do surveying projects. I said tell me what kind of vehicles or what is this going to entail? Are you coming in in a four-wheeler, or are you coming in in an Abrams tank? You know, I do not know.

I said no. I said no, I am not just going to give you carte blanche permission to come in here with anything you want. They came in in a van with a Corps of Engineers and said can we go look? I said I will go with you.

There are some communication things here too. I would have to confess that I denied them permission when they asked for written permission, but I did not keep them out, you know. When they came in with a van instead of a tank, sure, we can go do that.

Mr. FOSTER. If I may, the City of Eagle Pass was sued for not signing off on a right of entry. We have never denied any federal entity the right to enter. We turned that over to our city attorneys, and they said we are communicating with them.

I mean, in the December 7 letter we get from the Corps we are already in communication so we are thinking we are working the same project when in actuality DHS has another project that we are not aware of.

We have never denied any federal entity access to any property in the City of Eagle Pass, yet we are being sued for right of entry.

Ms. NAN WALDEN. A lot of us big landowners work with federal agencies all the time, be it the Corps, you know, the Bureau, flood plain issues, so we are used to doing that and we are cooperative.

It benefits all of us. This is a sign that the communications have broken down.

Male VOICE. Yes, sir.

Mr. ROGERS. Mr. Chairman.

Mr. PRICE. Thank you very much. Once again, we do have votes on the Floor. I know some of you have planes to catch.

Let me just raise a couple of additional topics and ask you if you have remarks you would like to furnish for the record, we would be happy to hear from you on this. If we had more time we could explore this more fully.

I was talking earlier about the requirements that were placed in our appropriations bill in terms of community consultation. Another requirement that is in that bill is that the Secretary of DHS provide our committee as part of his expenditure plan an analysis for each segment of the border, a segment not to exceed 15 miles in length, and in that analysis to compare alternative means of achieving operational control of the border.

We have in mind costs and effectiveness and any other factors that would impinge on this and also, of course, we want to know about any unintended effects on communities.

Our idea in requiring this segment-by-segment analysis is to do justice to the diversity——

Mr. FOSTER. Yes, sir.

Mr. PRICE. To the diversity of the border that we are talking about and probably the diversity of the kind of infrastructure that is going to be required. You are all aware of the one-size-fits-all mentality.

Mr. FOSTER. Yes, sir.

Mr. PRICE. As I am understanding every one of you today, you are at odds with that. You want to see solutions chosen that are appropriate to the terrain, to the communities, to whatever kind of diversity we are talking about across the border.

So that is the point of the segment-by-segment analysis, and if you have further thoughts on that about the kind of diversity we are talking about here and how that applies to your community or your situation, we would like to know that.

PORTS OF ENTRY

And then especially the Texas Border Coalition and the Sheriffs Coalition. We need to be aware of the interaction of what we are talking about here in terms of infrastructure with the strain on our ports of entry.

I know in your statements you had some things to say about that. There is going to be increased pressure on the ports of entry. There are already plenty of pressures on those ports of entry. They are overwhelmed, some of them, with passenger and vehicle traffic, and that is going to potentially increase rather than decrease as we achieve this operational control.

We included $225 million in last year's appropriation or this year's appropriation for GSA for port of entry modernization and expansion, but CBP says they need $4 billion—$4 billion—to improve the 163 land border crossings, and so we have some shortcomings and some strains there.

How much time do we have? Not very many minutes. Maybe let us take 30 seconds from each of you—the mayor, the sheriff—if you have a quick comment on this, but I will ask you to elaborate for the record.

Mayor.

Mr. FOSTER. Your comments on the amendment are just right on target. On that CBP number, I believe that is the Government Accountability Office that came up with the need to spend $4.8 billion and hire an additional 4,000 agents on the force.

Mr. PRICE. And the congestion at these ports of entry, obviously that affects conditions in your community and other border communities.

Mr. FOSTER. It affects conditions. The border is a conduit for goods coming, but for the flow between Mexico and the U.S. The goods that go to the ports are not produced on the border. We are just the conduit. It impacts the interior states more so than it does the border, but we see the first read on that.

It is the Government Accountability Office that came up with that $4.8 billion and additional 4,000 agents to facilitate the legitimate flow of trade and tourism.

Mr. PRICE. Sheriff, if I could get your attention just a moment? What would you say about the way that conditions at ports of entry affect the crime level or other security problems that you face?

Mr. WEST. Well, you know, it is going back to a broad scheme. You cannot go in there. You have to take, I guess like you say, the cookie cutter approach and approach each area differently and with the local input go and decide what needs to be done in that local area.

One of the major effects it causes by going in there at a mass amount is the backflow of traffic. When you get that big backflow of traffic, then CBP agents tend to just wave them on through. When that happens, then you have the illicit activities that come through with that, so each area needs to be defined on what best fits each area.

Mr. PRICE. You have helped us today by giving us testimony. Even though we had a foreshortened hearing, we have benefitted from it. We will stay in touch with each of you. We invite you to submit further material.

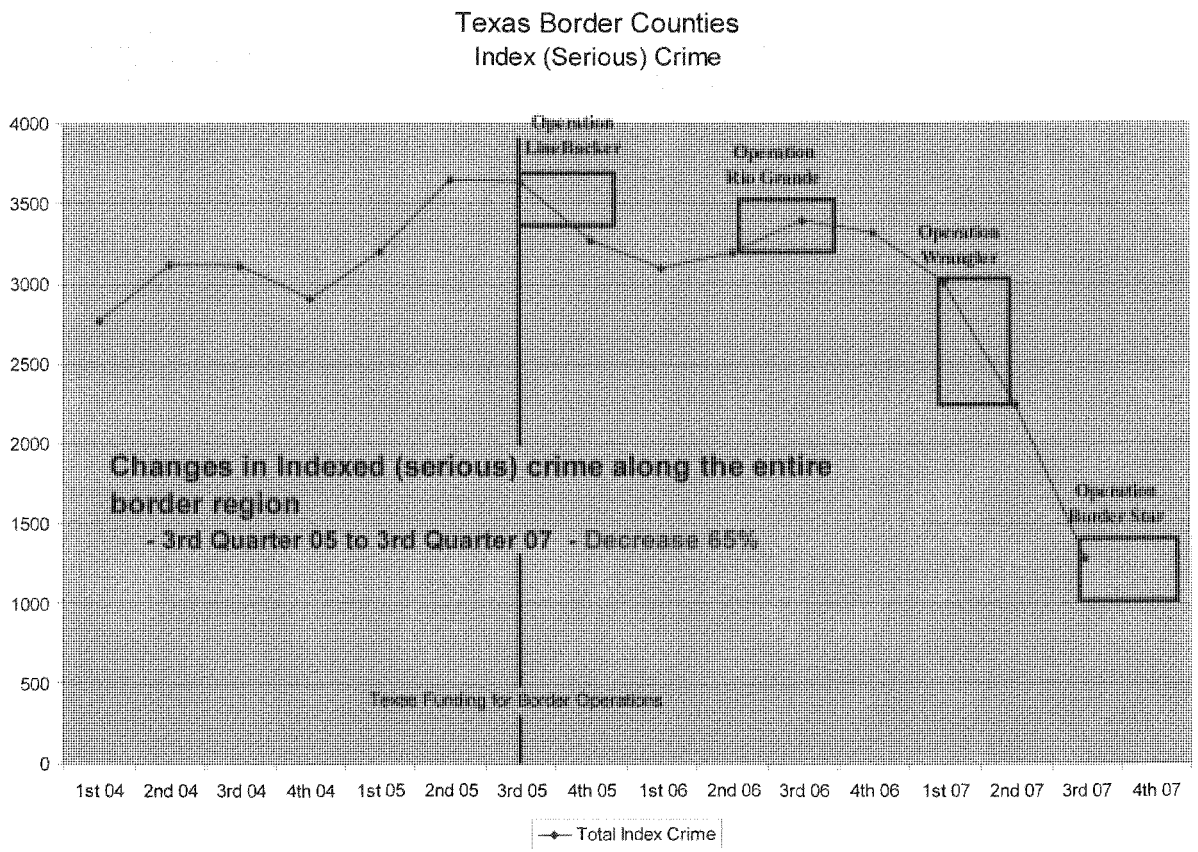
You get the idea here of the kind of questions we are asking and the kind of information we need to have as we work with the Department to have a rational approach to border infrastructure, but one that is also sensitive to the variety of community situations and needs that we have talked about here today.

We thank all of you. As for the second hearing, which we had scheduled right after this, I think in all likelihood that hearing will be postponed.

If there is a sudden reversal of the situation on the Floor in terms of the string of votes we are facing, then we will serve notice in the next 30 minutes, but otherwise we will postpone hearing from Commissioner Basham and the other witnesses in the second hearing.

We will adjourn this hearing with our thanks to all of you.

Insert from Hon. John Culberson (TX)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3500
3000
2500
2000
1500
1000
500
0
Operation LineBacker
Operation Rio Grande
Operation Wrangler
Operation Border Star
Changes in Indexed (serious) crime along the entire border region
- 3rd Quarter 05 to 3rd Quarter 07 - Decrease 65%
Texas Funding for Border Operations
1st 04
2nd 04
3rd 04
4th 04
1st 05
2nd 05
3rd 05
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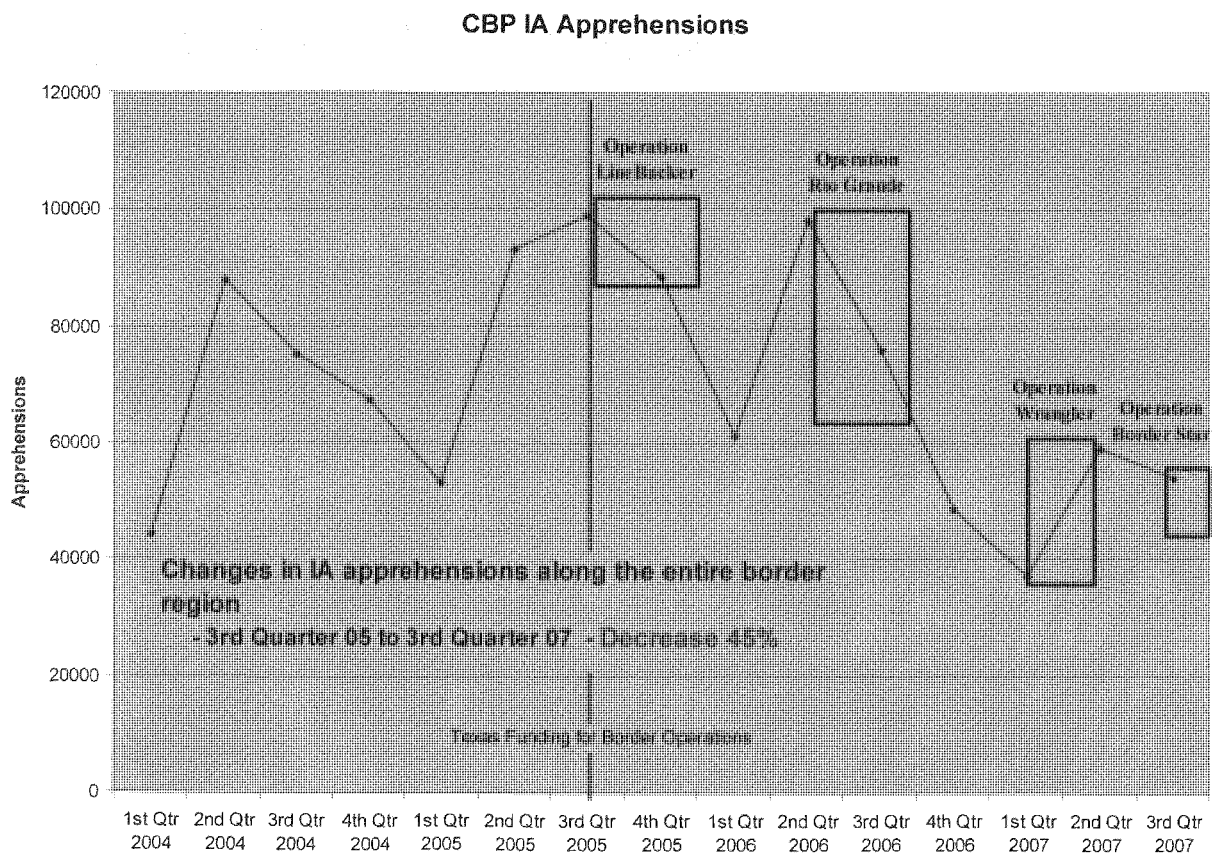
3rd 07
4th 07
Total Index Crime


CBP IA Apprehensions
Apprehensions
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80000
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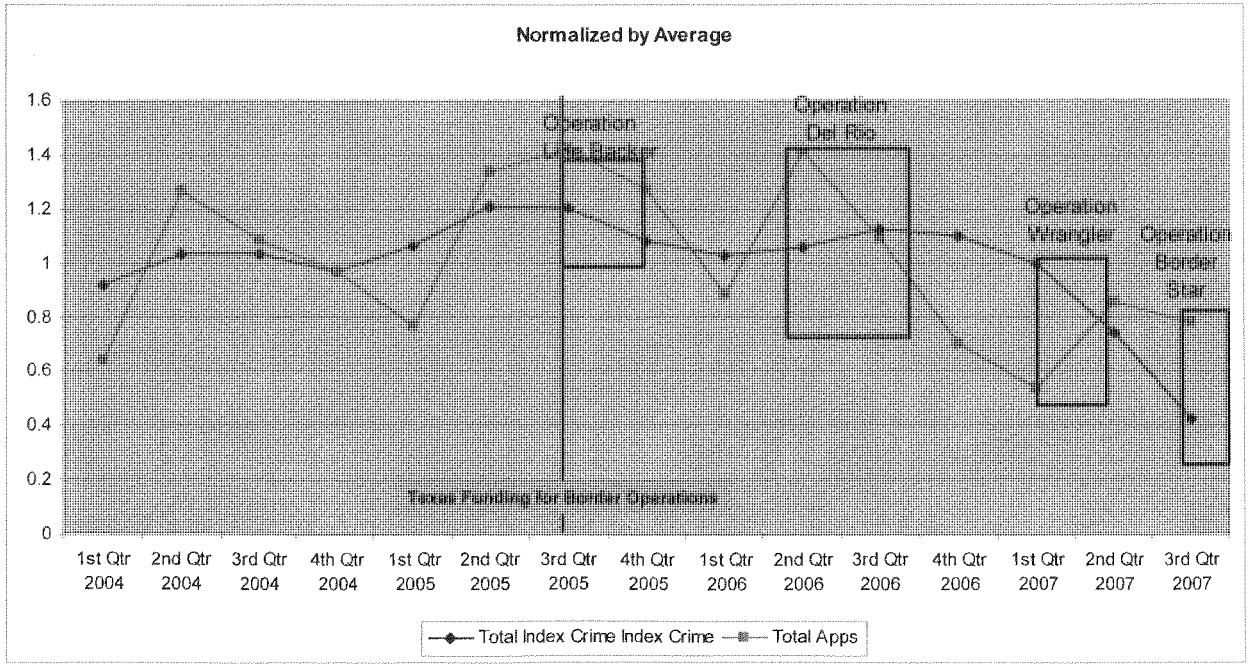
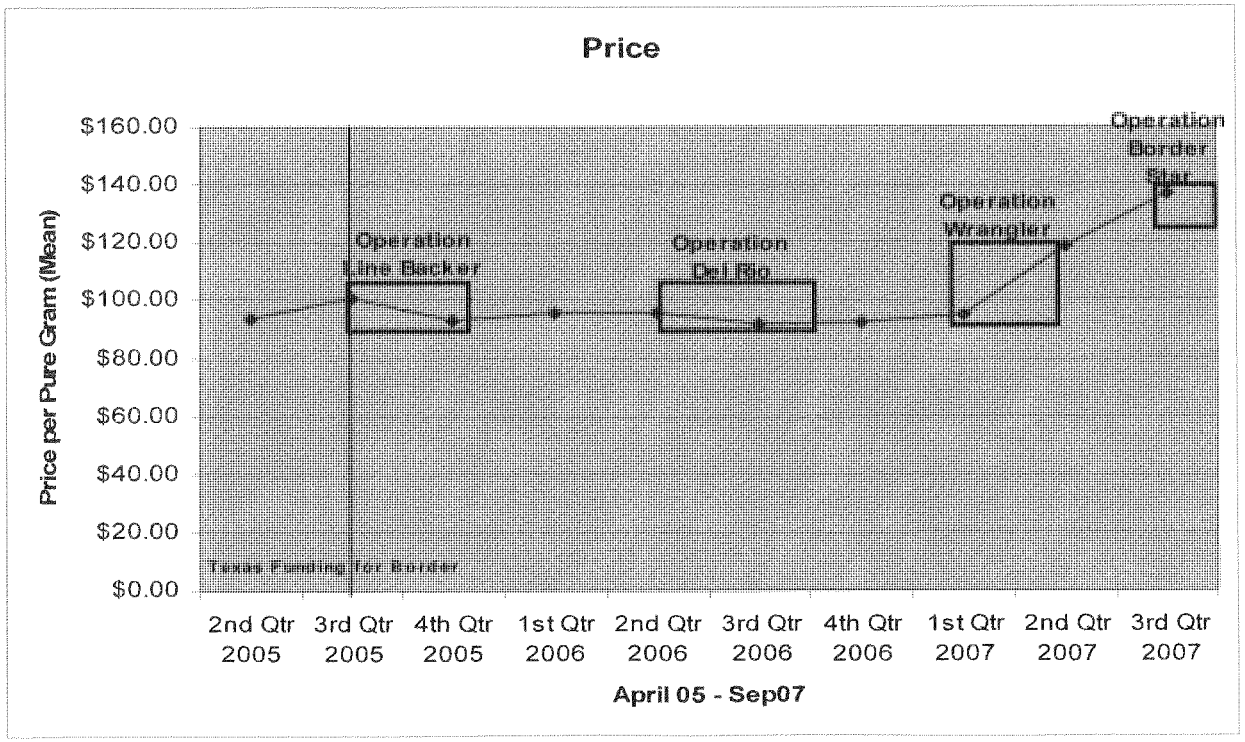
1st Qtr 2005
2nd Qtr 2005
3rd Qtr 2005
4th Qtr 2005
1st Qtr 2006
2nd Qtr 2006
3rd Qtr 2006
4th Qtr 2006
1st Qtr 2007
2nd Qtr 2007
3rd Qtr 2007
Operation Rio Grande
Operation Wrangler
Changes in IA apprehensions along the entire border region
- 3rd Quarter 05 to 3rd Quarter 07 - Decrease 45%
Texas Funding for Border Operations

Indexed Crime and IA Apprehensions



Cocaine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$0.00
Operation Line Backer
Operation Del Rio
Operation Wrangler
Operation Border Star
Texas Funding for Border
2nd Qtr 2005
3rd Qtr 2005
4th Qtr 2005
1st Qtr 2006
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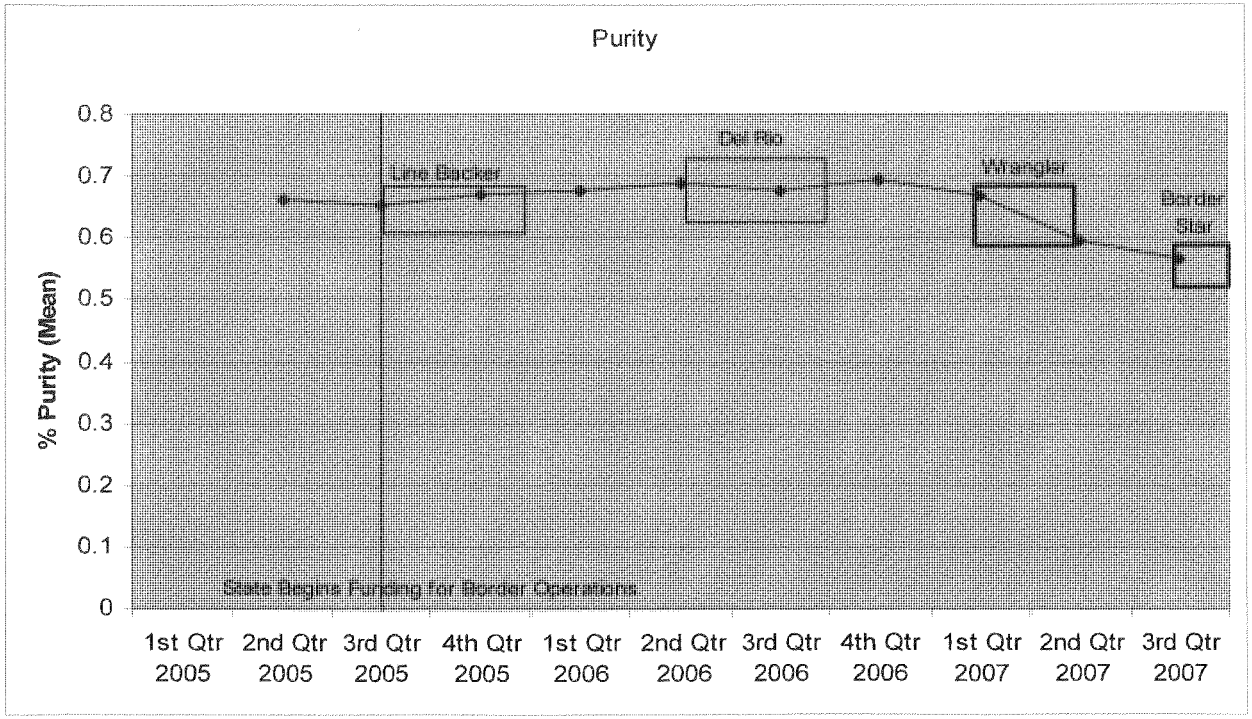
2nd Qtr 2007
3rd Qtr 2007
April 05 - Sep07

Cocaine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% Purity (Mean)
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Line Backer
Del Rio
Wrangler
Border Star
State Begins Funding for Border Operations
1st Qtr 2005
2nd Qtr 2005
3rd Qtr 2005
4th Qtr 2005
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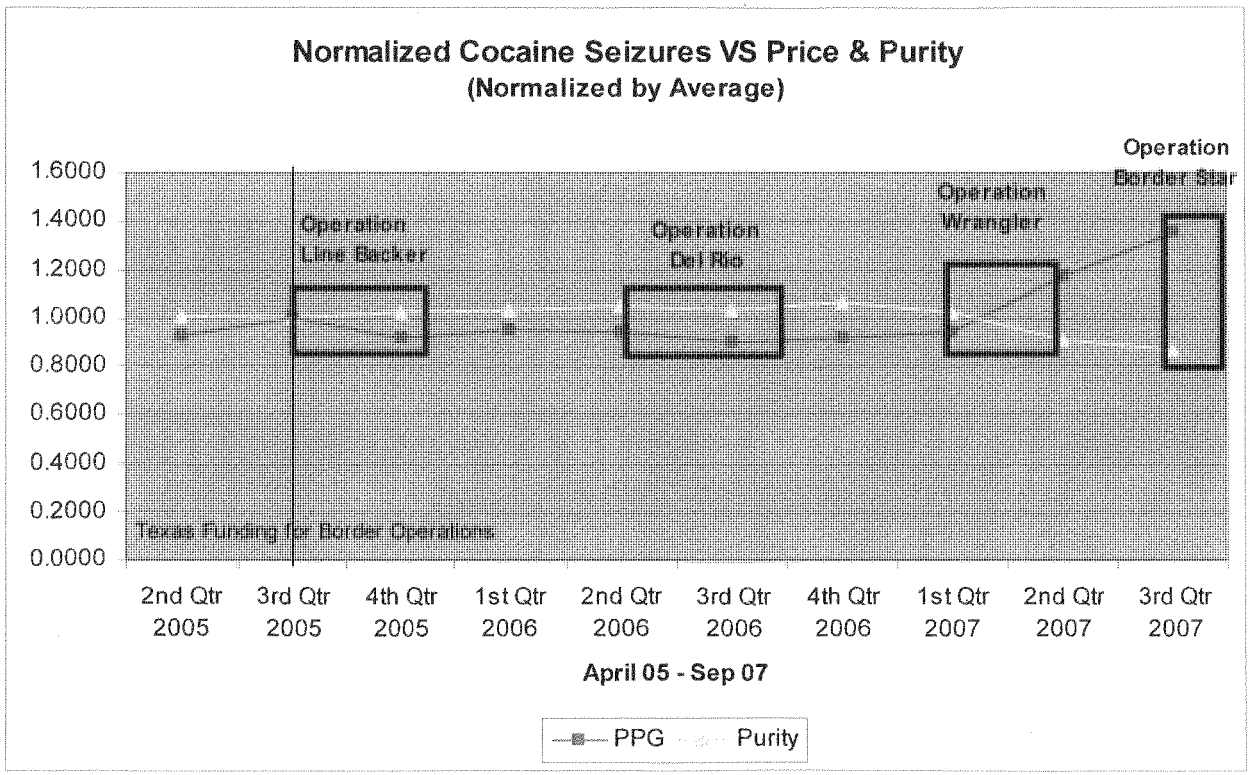
1st Qtr 2007
2nd Qtr 2007
3rd Qtr 2007

Cocaine


Normalized Cocaine Seizures VS Price & Purity
(Normalized by Average)
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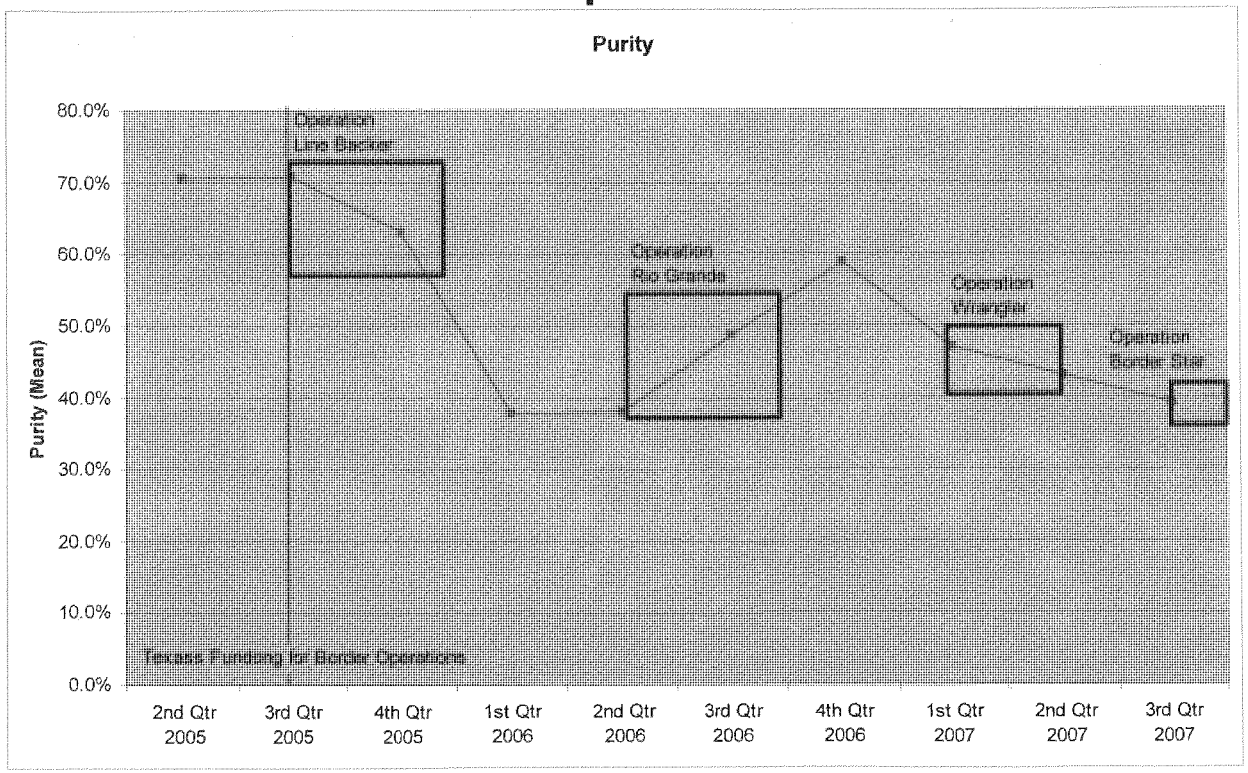
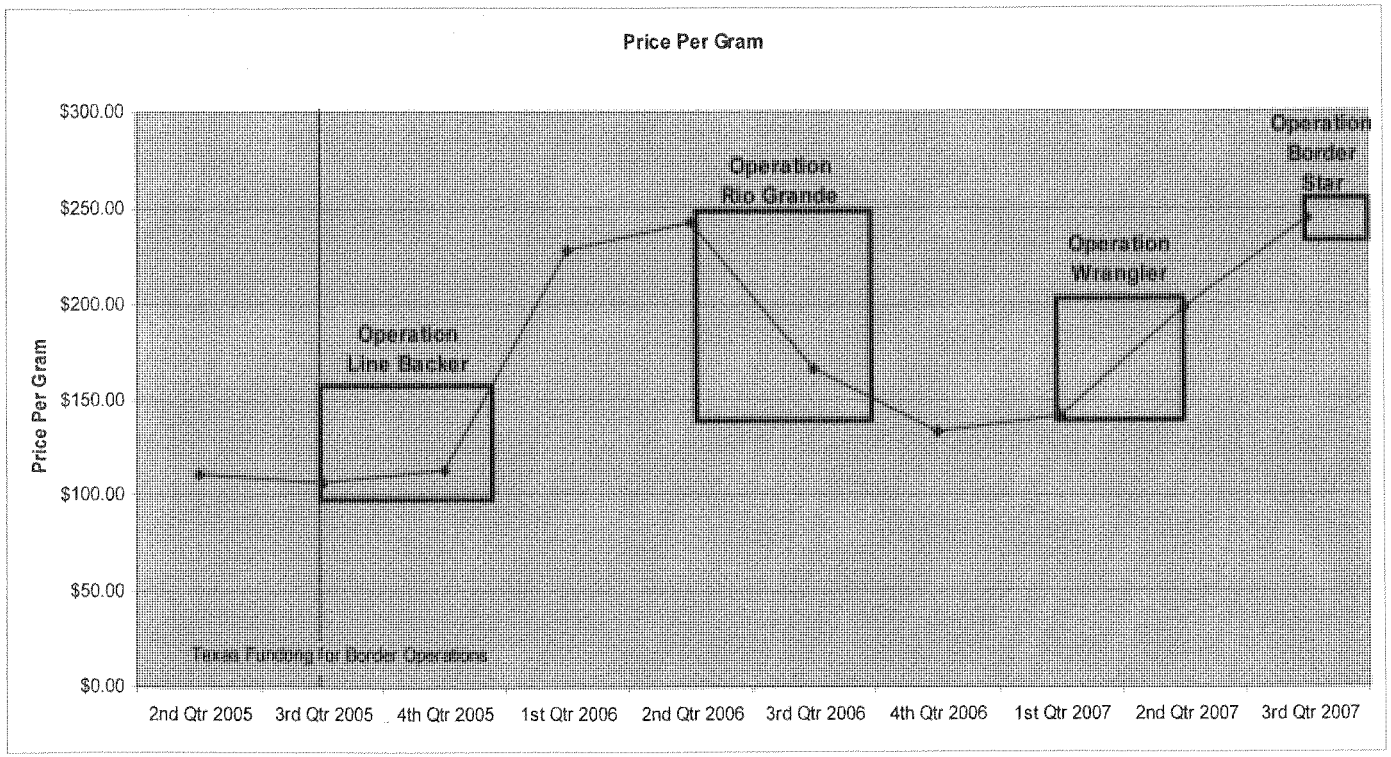
1.4000
1.2000
1.0000
0.8000
0.6000
0.4000
0.2000
0.0000
Operation Line Backer
Operation Del Rio
Operation Wrangler
Operation Border Star
Texas Funding for Border Operations
2nd Qtr 2005
3rd Qtr 2005
4th Qtr 2005
1st Qtr 2006
2nd Qtr 2006
3rd Qtr 2006
4th Qtr 2006
1st Qtr 2007
2nd Qtr 2007
3rd Qtr 2007
April 05 - Sep 07
PPG
Purity

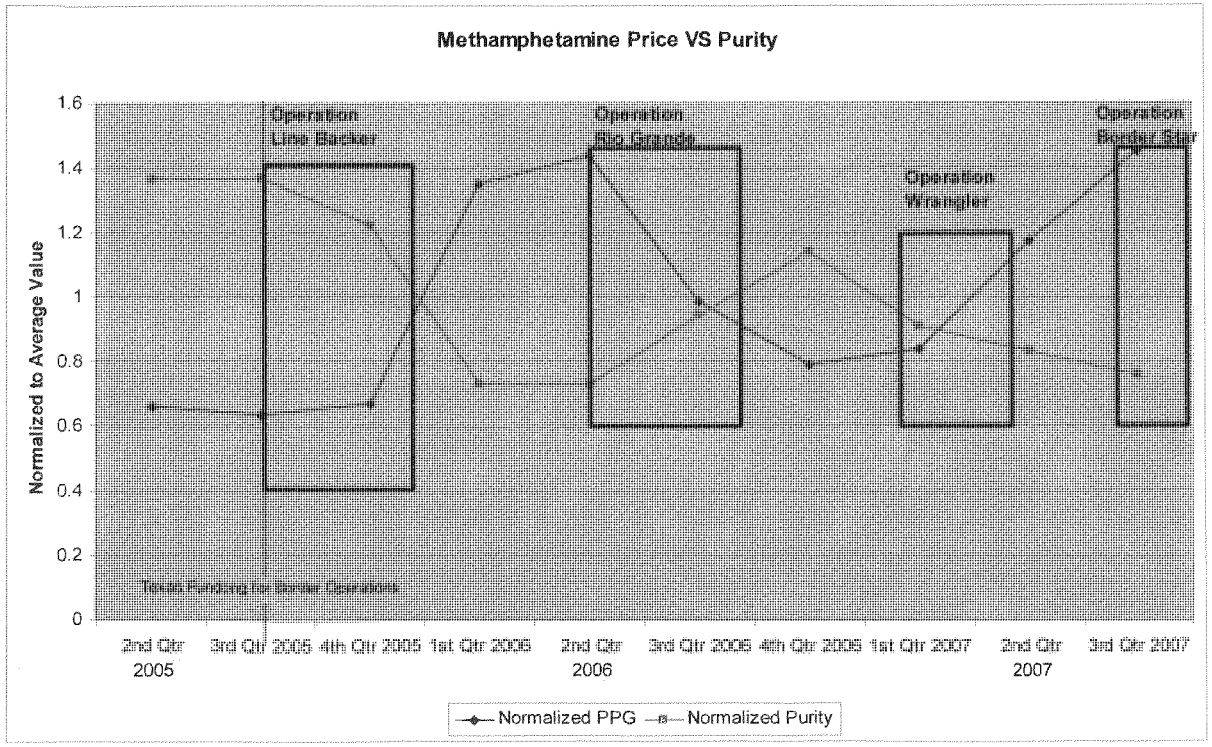
Methamphetamine



Methamphetamine



Methamphetamine



THURSDAY, APRIL 3, 2008.

U.S. SECRET SERVICE

WITNESS

MARK SULLIVAN, DIRECTOR

Mr. PRICE. The subcommittee will come to order.

Good morning, everyone.

And good morning, Director Sullivan. We thank you for appearing before the subcommittee today to discuss the 2009 budget for the Secret Service and the demanding work that you already have under way to protect the presidential candidates during the 2008 campaign.

We will be asking this morning how this protective mission, which makes major demands on Secret Service resources across multiple years, will affect your other functions, your investigations into financial and electronic crimes in particular. And we do this in the awareness that the administration has proposed new funds for other agencies to enhance cyber security, and we want to know where that leaves the Secret Service electronic crimes investigatory role.

The Secret Service's protective mission makes up nearly two-thirds of the agency's budget, or nearly $850 million in the 2009 request. Concurrent with protecting our Nation's leadership, the Secret Service must also be a vigilant guardian of our citizens' constitutionally-guaranteed freedoms of speech, assembly and petition of the Government.

The Secret Service also protects visiting foreign heads of state and coordinates a variety of Federal agencies and assets to protect large international events, such as the annual General Assembly of the United Nations and the upcoming visit of Pope Benedict XVI to our country. The partnerships upon which the Secret Service relies to man these large-scale events will be all the more important for this summer's candidate-nominating conventions, both of which have been designated as National Special Security events by the Secretary.

The Secret Service is more than just its protective operations, however. Its agents are conducting daily investigations into financial crimes, identity theft and money laundering through 116 domestic and 21 international field offices. The Secret Service has requested $318 million for its field operations, the work of which is critically important to the security of the Nation's currency and its financial infrastructure.

The 2009 budget submission introduces a different metric for reporting the amount of counterfeit currency in circulation, which, in turn, serves as a measure for the performance of Secret Service investigations. Unfortunately, the submission does not apply this

new metric to prior years, so there is no way to compare the 2007 investigatory results with what had been a negative historical trend of more and more counterfeit currency and circulation under the old reporting method. We want to know the reason for adopting this new metric, and would also ask that you complete a historical re-estimate of your investigatory data, so that we won't have to wait several years to find out if counterfeit problems are continuing to grow.

The Secret Service also has unique investigatory missions related to financial crimes committed online or through other electronic means. The agency has a network of 24 electronic crimes task forces, or ECTFs, situated across the country. These are dedicated to the prevention, investigation and prosecution of financial crimes committed electronically or by exploiting technology.

In an era of rapidly growing cyber threats, I am surprised that the ECTF budget, like the overall investigatory budget at the Secret Service, includes no funding increase for 2009 except for inflation and pay annualizations. This raises a larger issue: the role the Secret Service will play alongside other agencies in the administration's interagency cyber security initiative.

With the 2008 campaign well under way, the Secret Service has already accelerated its protective activity, given that Senator Obama was assigned a protective detail earlier than any other candidate in history, and given that the protective detail for Senator Clinton, based on her status as a former first lady, has been enhanced because of her candidacy.

With the extraordinary political activity accompanying the race to date, we will be interested to find out how you will manage the additional workload of protecting the party conventions, securing the transition to a new administration, and ensuring the security of the Capitol during the inauguration in 2009.

We are also interested in other White House-related projects undertaken by the Secret Service in recent years, such as the screening of mail sent to the White House for pathogens and other threats. The explanatory statement that accompanied the 2008 appropriations act required the Secret Service to provide the subcommittee with information about mail screening. But, to date, we have not received the information we requested. We asked for a justification of why the Secret Service, rather than the White House Office of Administration, should be responsible for processing the President's mail. I know you have been working on getting us this information, but we need to have it soon so that we can use it to inform our 2009 appropriations work.

So, Mr. Director, we look forward to hearing your perspectives on these and other issues. We will, of course, put your written testimony in the record. We will ask you to summarize your remarks in 5 minutes so that we have plenty of time for exchange.

Before we begin, let me turn to Mr. Rogers for his opening remarks.

Mr. ROGERS. Thank you, Mr. Chairman.

And welcome, Director Sullivan and your staff.

You come before us today at an interesting time in the Secret Service's history, a time when your agency is being tested in both of its missions: protection and investigations.

Every 4 years, the Secret Service endures the challenges of a presidential campaign, and today the men and women of our Nation's oldest Federal law enforcement agency are right in the thick of a protracted presidential contest, one that is proving to be as dynamic as it is challenging. In fact, just this past week, the Secret Service surpassed 400 protective days at over 1,000 events in support of the campaign—quite a pace, by anyone's estimation.

This campaign comes at a time of continuously evolving threats to not only your agency's current protectees, but also to our Nation's financial infrastructure. Our monetary systems are now intertwined with cyberspace, and this is an arena rampant with derelict and criminal behavior—activity that your agency must investigate and do all it can to eradicate.

I am interested to hear how your agency, with its impressive cyber crime forensics and intrusion-detection capabilities, is assisting other Government agencies and the private sector to determine and undermine cyber threats. And, in particular, I would like to know how Secret Service does or does not fit inside DHS's latest cybersecurity efforts that we have recently learned about.

So, once again, the Secret Service finds itself needing to adapt its resources to meet the demands of its dual mission. Once again, the Secret Service is striving to find that elusive balance between protection and investigation. But what is different today is the persistent work this subcommittee has done over the last few years to install the needed resources, staff and planning requirements to help the Secret Service weather this storm.

Considering the difficulties you all encounter in budgeting for events that are as demanding and unpredictable as a presidential campaign, I trust you are gathering firsthand data of actual expenses and impacts upon investigations from what is only the second presidential race since 9/11. It is this empirical data that I hope we can learn more about today, as we discuss your request for fiscal year 2009 and what will move your agency forward.

Director Sullivan, we are well aware of the challenges facing the Secret Service, and I believe you are well aware of our subcommittee's expectations. You have our trust and our support. And we look forward to your testimony today. Welcome.

Mr. PRICE. Thank you.

Please proceed, Director.

Mr. SULLIVAN. Good morning, Chairman Price, Congressman Rogers, distinguished members of the committee. Thank you very much for your support, and thank you very much for your comments.

It is my pleasure to appear before you to discuss our fiscal year 2009 budget request for the U.S. Secret Service. Mr. Chairman, I will offer brief remarks and ask that my full statement be made part of the record.

The President's fiscal year 2009 budget request recognizes the Secret Service's important contributions to homeland security. This budget provides the U.S. Secret Service with the resources needed to perform our dual mission of conducting criminal investigations to safeguard our Nation's leaders, as well as safeguarding our Nation's financial infrastructure.

In addition to investigating the production of counterfeit currency, identity theft, financial fraud and electronic and cyber crimes, our personnel serving in domestic and international field offices develop and implement complex security plans for the high volume and multidistrict visits of people we are charged to protect.

For the 2008 presidential campaign, we have initiated candidate protection at the earliest point in campaign history—nearly 18 months before the general election. As of March 31, 2008, we have implemented security plans at nearly 1,000 events and venues visited by our presidential candidates under our protection.

The protection workload remains very busy in other areas as well. In April alone, our personnel have prepared for scheduled protective travel to 20 countries on five different continents. Especially noteworthy this month is the visit of Pope Benedict XVI to Washington, D.C., and New York City. We will be the lead Federal law enforcement agency responsible for the security at Nationals Park as well as Yankee Stadium, as well as other venues during the Pope's visit.

Overall, the month of April, Secret Service protection operations will generate 5,300 additional personnel assignments above and beyond the number of assignments needed to sustain daily protective requirements.

As these protection efforts advance, we continue to conduct aggressive financial and electronic crimes investigations. In fact, we are presently conducting several undercover cyber crime investigations, targeting suspects operating in foreign countries. These suspects are engaged in a range of illegal activities, from the large-scale production and sale of fraudulent credit cards to the trafficking of personnel identification and account information obtained through data breaches resulting from computer hacking and network intrusion.

I am often asked how we are able to do so well in meeting our dual mission of protection and investigation. The answer is the strength of the people and our diverse and talented workforce. The men and women of the U.S. Secret Service are dedicated and mission-focused, adaptable to change, collaborative with their law enforcement partners, and resourceful in executing comprehensive security plans and conducting criminal investigations.

While technology has forever changed the way we carry out our dual mission, our core values remain the same as they have for the last 143 years. These same values will guide our organization as we prepare for tomorrow's challenges.

Mr. Chairman, this concludes my opening remarks. Thank you again for the opportunity to appear here today before you. And I am happy to answer any questions you may have.

[The information follows:]

DEPARTMENT OF HOMELAND SECURITY

U.S. SECRET SERVICE

STATEMENT FOR THE RECORD

MARK SULLIVAN
DIRECTOR

ON THE

FY 2009 PRESIDENT'S BUDGET

BEFORE THE

COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON HOMELAND SECURITY

U.S. HOUSE OF REPRESENTATIVES

April 3, 2008

INTRODUCTION

Good morning Chairman Price, Congressman Rogers, and distinguished Members of the Committee. On behalf of the men and women of the Secret Service, it is an honor to testify before you today on the President's FY 2009 budget request.

The Secret Service has an important dual protective-investigative mission: safeguarding the nation's critical financial infrastructure, including the integrity of the nation's currency; and protecting the nation's leaders, visiting heads of state and government, and designated National Special Security Events (NSSEs). These core responsibilities support the Department of Homeland Security's (DHS) goals of protecting our nation from dangerous people and protecting our critical infrastructure.

This is my second appearance before the Committee and it comes at an important time in the history of the Secret Service. I would like to thank you and your staff for your continued support and effort to provide the Secret Service with the resources needed to fulfill our dual mission responsibilities. I look forward to our continued partnership as the agency performs its important homeland security functions.

During my appearance before the Committee last year we discussed the unpredictable nature of the Secret Service's protective mission, particularly during a presidential campaign. I would not have been able to tell you at this time last year that the Secret Service would have initiated candidate protection at the earliest point in campaign history, or that, as of February 29, 2008, the candidates would have attended approximately 900 events and venues secured by the Secret Service.

With regard to protection of the President and Vice President, I would not have been able tell you at this time last year that the President would be traveling to six Middle Eastern countries in January 2008, four African countries one month later, or that the Vice President would visit eight countries in the Middle East in March.

As I testify before you today, I wish to provide a partial snapshot of the agency's level of protection activity just in April, above and beyond the workload related to the presidential campaign. Secret Service personnel are preparing to implement plans for protectee travel on five continents to twenty different countries. In the United States, the Service is currently executing its plan for eight visiting foreign heads of state attending the World Leaders Forum in Miami, and planning for the upcoming North Americas Leaders Summit in New Orleans and the International Monetary Fund World Bank meetings in Washington, D.C. Especially noteworthy this month is the first visit of Pope Benedict XVI (as pontiff) to the United States. Included in his six day itinerary to Washington, D.C. and New York City are masses at Nationals Park and Yankee Stadium. The Secret Service will be the lead federal law enforcement agency responsible for security at these and other venues. This, of course, is in addition to the protective workload associated with our "permanent" statutory protectees.

In August and September of this year, the presidential candidates, their party leaders and representatives, delegates, and media will attend the national party conventions in Denver, Colorado and St. Paul, Minnesota. As designated NSSEs, the Secret Service is the lead federal law enforcement agency responsible for the planning, coordination, and implementation of security operations at these events.

The work and planning associated with establishing safe environments for the events and protective visits just mentioned is staggering. While these protective efforts advance, the Secret Service is currently conducting several undercover cyber investigations based in Eastern Europe, targeting suspects engaged in various illegal activities including the manufacture, purchase, sale, and exploitation of various financial instruments and personnel identification information. One such investigation involves hacking that has resulted in large scale data breaches and the associated trafficking and sale of hundreds of thousands of stolen credit card account numbers.

I am often asked how it is that we are able to succeed at what we are charged to do. The answer lies in our people. The strength of the Secret Service has been, and always will be, its diverse and talented workforce. Our men and women are dedicated and mission-focused, adaptable to change, collaborative with their law enforcement partners and other stakeholders, efficient with their time, resourceful in executing comprehensive security plans, and diligent in conducting criminal investigations. Equipped with the best resources and training, our workforce consistently strives to identify threats and prevent attacks that could be directed against protectees, large and small event venues, and the nation's critical financial infrastructure.

With all of these challenges as a backdrop, I would like to outline the President's FY 2009 budget request for the Secret Service and its impact on the agency's core mission areas.

OVERVIEW - FY 2009 BUDGET REQUEST

The Secret Service has always adapted to emerging threats, which include the use of weapons of mass destruction, cyber attacks, conventional weapons and improvised explosive devices, chemical and biological agents, and suicide style attacks; all of which must be taken into account for planning purposes. While the FY 2009 budget is in many respects a continuation of efforts from the past two fiscal years, this budget recognizes that in order to be successful in its protective mission, the Secret Service must continue to adapt to the threats posed by the potential use of these tactics that could be directed at our protectees while at the White House Complex and other facilities in and outside of the National Capital Region.

This budget provides funding for the following initiatives: the 2008 Presidential Campaign; specialized equipment for the new White House mail screening facility that was requested but not approved last year due to scheduling delays; utilities and maintenance contracts for the new Joint Operations Center (JOC); additional staffing for

the President George W. Bush Post-Presidency Detail; and funds for protective countermeasures.

The FY 2009 budget also allows the Secret Service to continue to vigorously pursue criminals who engage in counterfeiting and financial and electronic crimes. The Agency will maximize the use of the agency's resources, particularly during the presidential campaign and post-election activities, and continue to investigate cases that have a significant impact on our communities and on those that pose the greatest risk to our nation's critical financial infrastructure.

The globalization of our economy, combined with foreign threats directed toward our nation's financial institutions, highlight the importance of our international field offices. That is why the Secret Service will continue to expand its partnerships with its international law enforcement counterparts to detect, investigate, and prevent counterfeiting and financial and electronic crimes. The investigative work performed by the Secret Service's international field office personnel also enhance the agency's protective mission by establishing solid partnerships with host countries prior to protective visits.

For FY 2009, after non-recurring $27.9 million for the 2008 Presidential Campaign, roughly $26 million remains in the Secret Service's base budget to cover the final month of candidate protection, protection of the President-elect and Vice President-elect, and security for all Inaugural-related events. As the campaign and post-election activity subside, the Secret Service will shift 130 FTE from their temporary protection assignments back to investigations. Additional adjustments to the Secret Service's base budget include non-recurring costs for the relocation of the JOC, third-year funding for special agents hired in FY 2007 for the President George W. Bush Post-Presidency Detail, and various pay and non-pay adjustments to ensure that the agency is not faced with the base budget shortfalls of years past.

Salaries and Expenses

The Secret Service's FY 2009 budget for Salaries and Expenses totals $1.4 billion and 6,732 FTE, an increase of $28.9 million and 32 FTE over the FY 2008 enacted level. Overall programmatic increases in the FY 2009 budget include: $17 million for protective countermeasures; $14.5 million for specialized equipment for the new White House mail screening facility; $6 million for rental payments to the General Services Administration (GSA) for the new White House mail screening facility; $2 million for utilities and support services for the new JOC; $4.5 million for additional staffing of the President George W. Bush Post-Presidency Detail; and $4.7 million for needed staffing for the Airspace Security Branch and the Hazardous Agent Mitigation – Medical Emergency Response (HAMMER) teams.

Protective Countermeasures

The enhancement and deployment of technologies and portable countermeasures is critical to the Secret Service's protective responsibilities. These countermeasures ensure that Secret Service personnel have the equipment they need to combat threats directed toward protectees at the White House Complex or when traveling throughout the United States and overseas.

The FY 2009 budget provides an additional $17 million to establish a replacement cycle for the Secret Service's inventory of primary armored limousines, maintain various electronic countermeasure equipment, begin to replace the locks and access control systems for the White House Complex, maintain portable air security surveillance systems, and enhance perimeter surveillance and detection systems around the White House. These classified programs are critical to the Secret Service's protective mission. In the case of the primary armored limousines, these special-purpose vehicles have a limited life-cycle due to the effects of frequent usage and wear-and-tear from shipment around the world on military aircraft to support mission requirements.

White House Mail Facility Equipment and Rent

Specialized equipment for the new White House mail screening facility is required to ensure a seamless transition from the current site. The new White House mail screening facility will include environmental screening and examination equipment including specialized chemical, biological, and radiological alarms and sensors, laboratory testing and substance analysis screening systems, X-ray and explosive detection systems, and security alarms and camera systems required to ensure perimeter security.

The FY 2009 budget provides an additional $20.5 million for White House mail screening operations. While $10.4 million of this amount was requested last year, Congress did not approve the funds due to scheduling delays beyond the Secret Service's control. The FY 2009 request is needed to purchase equipment to operate the new White House mail facility and to pay rent to GSA. Although GSA is constructing the building, the Secret Service is responsible for the build-out of the structure, including security enhancements and the installation of specialized equipment.

Joint Operations Center (JOC)

The structural hardening and infrastructure modernization of the Eisenhower Executive Office Building (EEOB) requires the relocation of the Secret Service's JOC and all supporting systems. The Consolidated Appropriations Act of 2008 provided $32.796 million, the full amount requested, for the relocation of the JOC. Of that amount, $4 million remains in the base budget while $28.796 million is non-recurred.

The FY 2009 budget provides an additional $2 million for the new JOC to cover utilities, out-year support services of proprietary systems, and the establishment of an IT equipment replacement cycle. These funds will support the critical protective

communications that enable the JOC staff to convey routine and emergency information to Uniformed Division officers, special agents, and technical staff working at the White House Complex as they conduct day-to-day security operations to ensure a safe environment for the thousands who work on the complex.

President George W. Bush Post-Presidency Detail

The FY 2007 Homeland Security Appropriations bill provided the Secret Service with funding for to staff the President George W. Bush Post-Presidency Detail. These personnel have been hired and trained, or are in the process of being trained, and will be used to backfill the more experienced special agents who will staff and support the new protective detail.

The FY 2009 budget provides $4.5 million to meet the full staffing requirements for the President George W. Bush Post-Presidency Detail. These additional resources will ensure that the Secret Service can effectively provide the appropriate level of protection for President Bush when he leaves office.

Airspace Security Branch and Hazardous Agent Mitigation – Medical Emergency Response (HAMMER)

The Secret Service's Airspace Security Branch and HAMMER teams have become important vulnerability mitigation components for the agency. The FY 2009 budget provides $4.7 million for 27 new positions to enhance protection for Secret Service protectees. These new positions are broken down as follows: 12 detection systems specialists (DSSs) will be hired to staff the National Capital Region Coordination Center (NCRCC) and 15 special agents will be hired to perform HAMMER duties.

DSSs are skilled individuals who possess extensive knowledge and experience in the interpretation of radar and other air surveillance data, aviation communication procedures, airborne intercept procedures, and general aviation/airspace knowledge. These specialists monitor and evaluate complex aeronautical information from multiple sources and relay time-sensitive information regarding potential airborne threats to the appropriate users so that critical decisions can be made regarding the safety of Secret Service protectees. In addition to their duties at the NCRCC, the DSSs will also travel as needed to conduct air security planning in connection with protective missions outside the Washington area.

The primary function of HAMMER is to provide immediate emergency life saving interventions, including decontamination procedures, for Secret Service protectees during incidents involving chemical, biological, radiological, and industrial hazardous materials. HAMMER personnel are also trained in emergency medical techniques and are certified emergency medical technicians. HAMMER teams are responsible for ensuring that the most technically-equipped and trained personnel are available whenever and wherever needed.

Acquisition, Construction, Improvements, and Related Expenses

The FY 2009 budget for the Acquisition, Construction, Improvements, and Related Expenses account totals $3.725 million, the same as the FY 2008 enacted level, to maintain the James J. Rowley Training Center (JJRTC) located in Beltsville, Maryland. The JJRTC provides scenario-based protection and criminal investigation training, integrating all Secret Service operational programs to meet the specific requirements of the agency's dual mission.

The President's FY 2009 budget does not include programmatic changes or new initiatives for this account. Funding for instructors and training is included in the Salaries and Expenses account.

PROTECTING THE NATION'S CRITICAL FINANCIAL INFRASTRUCTURE

During the Civil War, it was estimated that as much as one-third of the nation's currency was counterfeit. In response to this problem, the Secret Service was established as an investigative agency in 1865 to protect the integrity of the nation's currency. Since then, the agency's investigative mission has expanded and evolved. Today, the Secret Service has the statutory mandate to protect the nation's critical financial infrastructure from crimes and attacks that are driven by advances in technology and are transnational in scope.

Currently, the Secret Service maintains statutory authority to investigate criminal violations relating to the counterfeiting of obligations and securities of the United States (18 U.S.C. §§ 470 - 474); financial crimes such as access device fraud (18 U.S.C. § 1029), financial institution fraud (18 U.S.C. § 1344), and identity theft (18 U.S.C. § 1028); cyber crime such as network intrusions, malware, and online organized crime (18 U.S.C. § 1030); and computer-based attacks on the nation's financial, banking, and telecommunications infrastructure (18 U.S.C. § 1030).

The Secret Service continues to invest heavily in the training and development of its workforce to give our people the knowledge and skills they need to carry out the agency's increasingly complex and technology-driven financial and electronic crime investigations. To further accomplish this mission, the Secret Service operates 116 domestic offices and 21 foreign offices in 16 countries, and works closely with federal, state, and local law enforcement entities, as well as international law enforcement counterparts to maximize the agency's investigative and protective efforts.

Counterfeiting

Last year, the Secret Service arrested more than 2,200 suspects for counterfeiting offenses and helped to remove over $147 million in counterfeit U.S. currency from circulation. The agency continues to adapt to the trends in counterfeiting, which have been influenced in recent years by computer-based technologies. The widespread use of

personal computers and advancements in digital printing technology has provided more individuals the opportunity to manufacture a passable counterfeit note with relative ease. Approximately 58 percent of the counterfeit currency passed domestically in FY 2007 was produced using digital printing means, compared with less than 1 percent in FY 1995.

The Secret Service's approach to protecting U.S. currency includes working jointly with domestic and international law enforcement partners, and conducting aggressive investigations that identify the source of the illicit production of counterfeit in order to minimize its collective economic impact. During FY 2007, Secret Service special agents assigned to the agency's Bogota, Colombia Resident Office (RO), in coordination with Colombian Vetted Anti-Counterfeiting Forces (VACF), successfully conducted fourteen counterfeit plant suppressions and seized over $23.4 million in counterfeit U.S. currency. Since their formation in 2001, the Colombian VACF operations, in concert with the Bogota RO, have seized approximately $207 million in counterfeit U.S. currency, arrested over 530 suspects, and suppressed over 70 counterfeit printing plants. These actions have resulted in a 75 percent reduction in the amount of Colombian-produced counterfeit U.S. currency shipped to and passed within the United States.

The Secret Service also continues its ongoing "Supernote" investigation, which has national security implications for the United States. This superior quality counterfeit Federal Reserve Note was first detected in 1989. The "Supernote" is of such high quality that it often goes undetected until it reaches the Federal Reserve Bank. Though collectively referred to as the "Supernote," it is actually a family of different versions of $100 and $50 denomination counterfeit notes. These sophisticated counterfeits range from older series $100 notes that bear the smaller portrait, to counterfeits of more recently redesigned "big head" notes, which include the latest version of the 2003 series note. Since 1989, the "Supernote" investigation has spanned more than 130 countries and resulted in over 170 arrests.

Financial Fraud and Electronic Crimes

Electronic technology has become more accessible and irreversibly linked to financial transactions. As a result, e-commerce and online banking continue to expand rapidly in the United States and abroad. Electronic payment systems, such as credit and debit cards, are replacing traditional paper instruments such as cash and checks. Paying at the gas pump and swiping a credit or debit card at the grocery store are now part of mainstream, contemporary culture.

As a result of technology's progressive influence on electronic financial transactions, the Secret Service's mission of protecting the nation's critical financial infrastructure has evolved to include investigating fraudulent transactions perpetrated electronically through the use of sophisticated computer technology. Cyber criminals have become more adept at stealing victims' personal information through the use of phishing emails, account takeovers, malicious software, hacking attacks, and network intrusions resulting in data breaches.

While the Secret Service has already developed a particular expertise in the investigation of identity theft, false identification fraud, credit and debit card fraud, and check and bank fraud, the agency has adapted and taken a lead role in the investigation of online bank account and investment portfolio takeovers, cyber crime, malware, and computer network intrusions. In FY 2007, the Secret Service arrested more than 4,300 suspects for financial and electronic crimes violations. These suspects were responsible for approximately $690 million in actual fraud loss to individuals and financial institutions, with potential fraud losses estimated by the Service to be $4.35 billion.

In addition to the increasing complexity of financial and electronic crimes, the Secret Service must contend with the fact that these types of crimes transcend national borders more fluidly than ever before. By working closely with other federal, state, and local law enforcement representatives, as well as international law enforcement agencies, the Secret Service is able to establish comprehensive networks of information and resource sharing, and technical expertise that bridges jurisdictional boundaries. This partnership approach to law enforcement is vital to the Secret Service's criminal investigative mission.

To help foster these partnerships with state and local law enforcement counterparts, and to advance information-sharing capabilities in a rapidly evolving security environment, the Secret Service instituted the Electronic Crime State and Local Program (ECSLP) in 2003, which is designed to train state and local police officers as computer forensic specialists and network intrusion responders. More than 150 state and local law enforcement officers have completed the ECSLP training program, many of whom are members of Secret Service Electronic Crimes Task Forces (ECTFs).

In order to maximize the success of the ECSLP initiative, the Department of Homeland Security, in collaboration with the Secret Service, developed a National Computer Forensics Institute (NCFI). The NCFI, funded within the National Protection and Programs Directorate, is a cyber crimes training facility designed to provide state and local law enforcement officers, prosecutors, and judges with training, equipment, and expertise in computer forensics and digital evidence analysis. In FY 2008, the NCFI plans to train approximately 265 state and local law enforcement personnel, prosecutors, and judges.

Financial Crimes / Electronic Crimes Task Forces (ECTFs)

Over the years, the Secret Service has established a national network of 24 ECTFs and 29 Financial Crimes Task Forces in major metropolitan areas across the United States. These task forces leverage the combined resources of our federal, state, and local law enforcement partners, as well as technical experts from academia and private industry, in an organized effort to combat threats and effectively investigate crimes directed at our critical infrastructure. Collaboration between law enforcement and the private sector is critical to the Secret Service's preventative approach to financial and electronic crimes. The Secret Service also builds partnerships with academia to ensure that the agency's workforce is on the cutting edge of technology by leveraging the research and

development capabilities of teaching institutions.

To provide our special agents with the advanced skills needed to identify and address cyber vulnerabilities, the Secret Service established the Electronic Crimes Special Agent Program (ECSAP) in 1987. Agents trained through ECSAP are computer specialists, qualified to conduct network intrusion investigations and forensic examinations of various types of electronic evidence, including computers, personal data assistants (PDAs), telecommunications devices, electronic organizers, and other electronic media. As of the end of FY 2007, the Secret Service had approximately 770 ECSAP-trained agents assigned to more than 85 offices worldwide.

Recognizing the value of this program, the Secret Service expects to have over 1,000 ECSAP-trained agents by the end of FY 2008. Further, the Secret Service will have a key role in the implementation of the Administration's cybersecurity initiatives, as outlined in the recent Presidential directive addressing the Administration's cybersecurity policy.

PROTECTING THE NATION'S LEADERS

Our nation's leaders, including the President, Vice President and presidential candidates, and the facilities we protect, such as the White House Complex, represent America's democratic ideals and institutions. As a result, the Secret Service believes that its protectees and protected facilities are targets of high interest for terrorists and other adversaries. There is also a low degree of predictability of the future geographic locations or exact venues for protective visits, especially Presidential candidate travel; therefore, to a great extent, projecting personnel and equipment needs is difficult.

The personnel, advance work, and resources required to create safe, secure environments is substantial. The "engine" that enables the protective details to conduct their operations efficiently with little lead time is our domestic and internationally-based investigative field office staffing. These personnel provide invaluable assistance to the protective details through their consistent professional relationships with local, state, and other federal law enforcement partners in their respective districts. This liaison function is essential for proper coordination of protective operations because these types of visits often involve multiple districts. In addition, the field agents provide the bulk of the logistical support that turns an operational "plan on paper" into a functional "plan on the ground."

To further illustrate the enormous amount of planning associated with the implementation of our protective mission, I would like to discuss some of the ongoing and forward-looking Secret Service protective operations associated with the 2008 Presidential Campaign.

2008 Presidential Campaign

The 2008 Presidential Campaign is the first in more than 50 years where no incumbent President or Vice President is running for office. The 2008 campaign also marks the earliest the Secret Service has assumed protection for any presidential candidate. On May 3, 2007, at the direction of Secretary Chertoff, after his consultations with the Presidential Advisory Committee described in statute, the Secret Service initiated protection of Senator Barack Obama.

As of February 29, 2008, the Secret Service has developed and implemented security plans for presidential candidates at nearly 900 separate events. For Senator Obama, the agency provided coverage for 303 protection days and 444 protective visits. For Senator Clinton, the agency provided coverage for 267 protections days and 418 protective visits. Please keep in mind that the Secret Service was already providing protection to Senator Clinton as a former First Lady; however, the start of campaign coverage required operational and staffing adjustments to her protective detail.

I am proud of the dedication, commitment, adaptability, and work ethic of our special agents, Uniformed Division officers, and administrative, professional, and technical personnel. These men and women enable the Secret Service to efficiently plan, coordinate, and execute security plans around the country to meet the operational and logistical demands of a presidential campaign.

National Party Conventions

The Secret Service is mandated to lead the planning, coordination, and implementation of operational security plans at designated NSSEs. The Republican National Convention, which will be held in St. Paul, Minnesota, was designated an NSSE by Secretary Chertoff on March 5, 2007. The Democratic National Convention, which will be held in Denver, Colorado, was designated an NSSE by Secretary Chertoff on April 23, 2007.

The successful completion of operational security activities at these sites relies on the Secret Service's ability to communicate, cooperate, and coordinate with state and local law enforcement to secure the venues and prevent event-targeted violence. The Secret Service will also assign specially-trained personnel to identify and mitigate cyber security risks at the Democratic and Republican National Conventions. Leveraging Secret Service assets with the agency's established partnerships in the intelligence community will help to ensure early and accurate warnings of site-specific threats.

In Denver and St. Paul, executive steering committees have been established by the Secret Service. In Denver, the committee consists of the Secret Service, the Federal Bureau of Investigations (FBI), the Federal Emergency Management Agency (FEMA), the United States Attorney's Office, the Colorado Department of Public Safety, the Denver Office of Emergency Preparedness, the Colorado State Patrol, the Denver Health Medical Center, and Pepsi Center management. In St. Paul, the committee consists of the Secret Service, the FBI, FEMA, the

United States Attorney's Office, the St. Paul Police Department, the St. Paul Fire Department, the Hennepin County Sheriff's Office, the Minneapolis Police Department, the Minnesota Department of Public Safety, the Minnesota State Patrol, the Ramsey County Sheriff's Office, and Xcel Center management.

The Secret Service has designated senior special agents to serve as event security coordinators for both the Democratic and Republican National Conventions. These special agents continue to work with their FBI and FEMA counterparts, as well as with state and local law enforcement officials to develop comprehensive security plans for these events. Senior members of my staff and I have also briefed the Chiefs of Police from Denver and St. Paul regarding the Secret Service's role as the lead federal agency for NSSEs.

Presidential Debates

While the presidential debates are still months away, the Secret Service has been working closely with the Commission on Presidential Debates (CPD) since April 2007 to conduct preliminary walkthroughs of potential debate sites. Shortly after the CPD selected the debate sites in November 2007, the Secret Service began in-depth coordination with the FBI and state and local law enforcement agencies. The CPD recently held a day long planning session at Secret Service headquarters in which the CPD staff, host site committees, FBI, and Secret Service debate site coordinators (and district supervisors) furthered the security planning process.

Secret Service personnel from the field offices and at headquarters have conducted protective surveys addressing technical and physical security requirements for each of the debate sites. As we speak, Secret Service personnel are working with our federal, state, and local counterparts to develop comprehensive security plans for protectees attending the debates.

CONCLUSION

In closing, I would like to express my appreciation for the support that Congress has shown the Secret Service over the years. What began 143 years ago as a small group of agents responsible for combating the crime of counterfeiting currency has grown into a diverse, internationally respected, federal law enforcement agency charged with a unique, dual mission of protecting the nation's critical financial infrastructure and protecting the nation's highest leaders, visiting heads of state and government, and designated NSSEs.

The Secret Service, in concert with its established partners – public and private, domestic and international, law enforcement and civilian – will continue to play a critical role in preventing, detecting, investigating and mitigating the effects of increasingly complex financial and electronic crimes. The Secret Service will continue to rely on its most valuable asset, its specially-trained, dedicated personnel in the field, to investigate these crimes, develop strong cases for prosecution, and bring offenders to justice.

These same specially-trained personnel will continue to ensure the safety of our nation's leadership, visiting heads of state and government, and designated NSSEs, all of which have become more challenging with the evolution of non-conventional weapons and tactics. The Secret Service has met this challenge, and will continue to meet it by being innovative and adaptable.

Thank you for the opportunity to be here today. I look forward to working with the Committee as you consider the President's FY 2009 budget request.

Mr. PRICE. Thank you, Director.

I will lead off with a question, not surprisingly about the campaign, the presidential campaign, and your work there.

We know from the $85.3 million appropriated in 2008 for candidate protection that this is going to be the costliest campaign in the Secret Service's history. Your budget for 2009 shows the budget going down to $41 million, but you still have substantial obligations the last month of the campaign: protection of the President-Elect and Vice President-Elect and the inauguration, and then the cost of the post-presidential security detail for President Bush, which will start after the inauguration.

I wonder what you can tell us about the campaign challenges to date. How does it compare to the 2004 race, for example? Are there special challenges associated with St. Paul and Denver? We certainly know there were with Boston and New York City in 2004. How do the challenges compare as regards to the convention cities?

And, of course, your parent department is now 4 years older. It was a new department in 2004. What difference has the maturing of DHS made in terms of the support you can expect from your sister agencies?

Mr. SULLIVAN. Thank you, Chairman.

When I was here last year, one of the things we talked about was the unpredictability of the campaign. And I remember we were trying to determine how many campaign days we thought that there would be, and we were talking about when we thought there would be the high point of the campaign and the multiple candidates that we assumed we would be protecting.

Little did I know then that we would be initiating protection in May of 2007 on Senator Barack Obama. You know, just to give a comparison, in the campaign going back to 2004, we initiated protection of Senator Kerry, I believe it was, in February of 2004. So initiating protection last May a full 18 months before the election did present a challenge. Not only that, coupled with the fact that an existing protectee that we are already protecting, Senator Clinton, was a candidate as well, in effect we had two candidates going, again, a full year and a half prior to the election.

I would have to say that I believe we picked up that protection without missing a beat. You know, we began planning for this campaign back on January 21, 2005, and we were up and running, and I feel that we really did a nice job with that.

However, it did come with challenges. As you mentioned earlier, we have provided protection at over a thousand venues, as of this date. We have gone through over 400 campaign days. And the tempo that we are seeing in this campaign is unlike anything we have ever seen before. The crowds of people we are seeing are larger—a lot of the crowds we are seeing now, quite frankly, are the type of crowds you see in October of the election year, a month before the election, when those crowds are really getting big. We have been seeing those throughout. As a matter of fact, going back to January, we have put 550,000 people through magnetometers or metal detectors that we have screened. So there are some big crowds out there. But our workforce has been up to it.

As far as St. Paul and Denver, as you know, the convention in St. Paul is August 25th through 28th of this year, and that is followed up a week later, September 1st through September 4th, in Denver.

Both campaigns, I believe, are going very, very well. Convention planning is going very, very well. These have both been designated as national special security events. We have assigned senior leaders of our organization to coordinate each campaign.

Each campaign coordination is performed using an executive steering committee. Each campaign has an executive steering committee. On that executive steering committee are the three main members from the Federal Government to coordinate these events; we have FEMA, the FBI and the Secret Service with senior leadership representation on there. In addition to that leadership, we also have the leadership of State and local law enforcement for each jurisdiction we are involved with. So there is a senior leadership presence on both of those executive steering committees.

In addition to the executive steering committees, each convention has 17 working groups or subcommittees that have their own particular area of expertise that they are working on, as far as the planning goes. Examples would be air security, credentialing, crisis management, consequence management, intelligence-type issues, counterterrorism, chemical and biological issues. All of those areas are being addressed by these particular working groups.

So I feel very, very comfortable that we are well on our way to putting together a good security plan for both of these conventions. I have met with both the chief of police for Denver as well as for St. Paul, and we have a very, very good working relationship with them. But as with everything we do, it all comes down to partnership, and I feel very confident about the partnership that everybody has with each other for these two events.

We have also been planning for the—there are going to be four debates coming up in September and October. There will be three presidential debates, as well as one vice presidential debate. These are very unique, in that this is the one time during the campaign that we have both of the candidates at one venue together.

So this also does take an extraordinarily large amount of coordination and planning and cooperation and partnership. And, again, I feel that is going very, very well. We have met, going back over a year ago, with the head of the Commission on Presidential Debates. We went with them to look at the venues. We have had many meetings with them. We hosted a meeting back at our headquarters building last week that was attended by all of our law enforcement partners as well as members of the Commission on the Presidential Debates. And, again, I feel very comfortable. Although these are not designated as national special security events, they still are big events, but I feel that the appropriate attention has been given to each of those events.

And in parallel to all of this, we continue to plan for the presidential inauguration, which will be a national special security event. And we are doing that with all of our partners, as well State, local, our Federal partners up here at the Capitol. And, again, I feel very comfortable with the progress we are making with that.

So you are correct that it has been a very, very busy year with the campaign, but I feel very comfortable with where we are.

On top of all of that, we continue to see a very high volume of foreign travel by our permanent protectees. Again, as I had mentioned last year, 3 years ago when you added up all of the foreign stops we had by all of our protectees, it came to about maybe 140, 150 foreign stops in a year. This year, as well as last year, we hit about 350 foreign venues, and we are on track to do that same thing this year. The President has, I believe, foreign stops in 30 countries for this year. The Vice President just came back from an 8-day trip to the Middle East, to include Iraq and Afghanistan. The President, today, is on a foreign trip. So that volume of travel continues to stay the same or go up, as well.

DHS SUPPORT AND COOPERATION

As far as DHS and 4 years later, what I am seeing is a high level of support and cooperation. Again, when we looked at this campaign, we realized it was going to be very labor-intensive on our organization. I spoke to both Immigration and Customs Enforcement as well as with TSA regarding support from their organizations to help us through the campaign. So far we have not had to rely on the support of ICE. However, we have used screeners from TSA to help with all of the screening that we have done during the campaign. They work side by side with our uniform division officers.

So far in this campaign, we have used, at all of our venues, about a thousand TSA screeners. This has not only been a very good partnership from an operational point of view, but also from a business perspective it has really been very advantageous, in that we have not had to travel people, lodge people, pay per diem for people, but we are using those TSA screeners at those local locations where they are able to come in and work for that 4 or 5 hours for that particular visit and perform their duty and then they are finished up. And, quite frankly, it has really, I think, created an era of collaboration between our uniform division officers and TSA as well, and it has been, I think, a very good learning experience for both.

Mr. PRICE. Thank you, sir.

Mr. Rogers.

COSTS OF PROTECTIVE DAYS

Mr. ROGERS. Briefly on the presidential campaign, you have what you call a protective day, right?

Mr. SULLIVAN. Yes, sir.

Mr. ROGERS. And that means that is what it takes to protect one protectee for 1 day?

Mr. SULLIVAN. Yes, sir.

Mr. ROGERS. Do you have an estimate of that cost per day?

Mr. SULLIVAN. Yes, sir. Last year, when I appeared before you, we estimated that it would be about $44,000 per day. So far for this year, when we look at the numbers, we believe we are somewhere between $37,000 and $38,000 per day. However, again, as that tempo—and I do believe that the tempo will pick up, I assume that we are going to be pretty much on target. Right now we are at about $37,000, $38,000 a day, sir.

Mr. ROGERS. That is per protectee?
Mr. SULLIVAN. Yes, sir.

DETERMINING WHEN CANDIDATES RECEIVE PROTECTION

Mr. ROGERS. How many protectees do you have now?
Mr. SULLIVAN. Candidate protectees?
Mr. ROGERS. Yes.
Mr. SULLIVAN. Two, Senator Obama and Senator Clinton.
Mr. ROGERS. But not Senator McCain?
Mr. SULLIVAN. No, sir.
Mr. ROGERS. Why is that?
Mr. SULLIVAN. Sir, he has not requested protection.
Mr. ROGERS. How do you go about mechanically deciding who gets protected and who doesn't?
Mr. SULLIVAN. The decision to provide protection is made by Secretary Chertoff. He is aided in that decision by a five-member advisory committee. The advisory committee is made up of the Speaker of the House, the Minority Leader of the House, the Leader of the Senate, as well as the Minority Leader of the Senate. In addition to those four people, there is a fifth at-large person who is on the committee. This year, that fifth at-large person is the Sergeant at Arms for the House. Last time around, it was the Sergeant at Arms for the Senate.
There are guidelines that each candidate has to comply with in order to be eligible for that protection. They have to have, you know, raised so much money. They have to be at a certain point in the polls. They have to belong to a major political—recognized political party.
Having said all that, if they do fit all of those guidelines and if they do request protection, that request will go to the Secretary. The Secretary, based on the advice he receives from the committee, will make a determination whether or not protection is warranted or not.

2008 CAMPAIGN PROTECTIVE DAYS

Mr. ROGERS. Now, last year, you, I think accurately, predicted that there would be an increase in the number of protective days because of what looked like a big campaign, a lot of candidates and so on. And you estimated a need, at that time, of 739 protective days—protection days, I guess you call them—as opposed to the 454 days for the 2004 presidential campaign. A substantial increase, almost double.
Mr. SULLIVAN. Yes, sir.
Mr. ROGERS. Has that panned out to be true?
Mr. SULLIVAN. It has, sir. Going back to—not including the days going from May until October, but going from October to now, we are right at about 440 days, I believe, of protection. So, although we thought these days would come in a different fashion, the way it has played out, we are pretty much on track for what we predicted. When you look at how many days we have left going through October of 2008, I believe our prediction will be pretty much on target.
Mr. ROGERS. Well, I think you said you have provided protection at over a thousand events so far in the campaign, correct?

Mr. SULLIVAN. Yes, sir.

SECRET SERVICE INVESTIGATIONS

Mr. ROGERS. Let me switch briefly and quickly to the other half of what you do, and that is investigate criminal activity in the financial world.

I am concerned, as we discussed last year, that with this heavy work that you are doing in protecting people, especially in the presidential campaign, that we will not get the equal treatment that should be given to investigating crimes, financial crimes.

Can you help me alleviate that worry?

Mr. SULLIVAN. Yes, sir. That was a—as with you—and, again, I do appreciate your support on that Congressman Rogers—that was a concern we had, as well. And we believe we had a very aggressive and a very strong momentum going on into the campaign, and we didn't want to lose that. And I would say I don't believe we have lost that momentum.

You know, as you know, I believe you were referring to our return on investigation, where we take a look at qualitatively and quantitatively, you know, how are we performing. And last year, for the first time, we did take a look at that. We came up with the result of 50 percent protection and 50 percent investigation. And we never want to go below that minimum.

But I can tell you, during this campaign, we continue to work some very, very high-quality investigations. I was just briefed on a cyber investigation that we are doing right now. It is an undercover cyber investigation, where we have identified and arrested an individual who was responsible for hacking into computer systems and getting over $1.5 million—1.5 million accounts from various individuals.

I continue to see this type of investigation where our agents are not only identifying individuals who are responsible for millions of dollars of fraud, but they are also conducting investigations in a timely manner where they are preventing additional millions of dollars' worth of fraud.

So I do believe that we are able to maintain that investigative initiative that is so important to our mission.

Mr. ROGERS. Well, I certainly hope and trust that you will keep your eye on that ball continuously. Because the Secret Service is the Nation's premiere investigators of financial crimes. And in this day now of cyber security and the worry about being hit and attacked in cyberspace, especially with our financial system now reliant upon that type of communications, as well as everything else, is terribly important.

So can you assure us that nothing is being sacrificed in the investigations arena in order to finance this heavy load of protection that you are having during the presidential campaign?

Mr. SULLIVAN. Congressman, there is no denying that we are taking assets away from investigations to, you know, do our protection. However, I do believe we have a pretty good strategy that we can continue to maintain that momentum.

You know, one of the things, I believe, that has become a great asset for us are our electronic crime task forces that we have throughout the country. We have 24 of these task forces out there.

And I think that combined strength of other State, local and Federal law enforcement to run these task forces, as well as the academia partners we have, as well as our financial and banking partners that are involved with these task forces, just will not allow that drop to take place.

I really do feel that the strength of our investigative, in particular our cyber investigations right now, the strength of that, are these electronic crime task forces out there. And it is my desire, my hope that we can open more of these electronic crime task forces out there, because I think that it is a great force multiplier. I think it is a great example of partnership. And I think that the proven success that we have been able to show just makes them an advantage that we need to continue to maintain.

Mr. ROGERS. Well, at the direction of this subcommittee last year, we were encouraging you, and you have instituted, improved planning and performance metrics for mitigating and tracking the impacts upon investigations. And you made it a priority to ensure long-term investigative efforts are not derailed during the campaign. That was at our discussion last year.

Mr. SULLIVAN. Yes, sir.

Mr. ROGERS. And the committee helped you and you followed through on setting up those metrics to let everyone know physically whether or not investigations were being impacted by protection.

Are those metrics available? And are they demonstrative of the fact that we are not hurting investigations?

Mr. SULLIVAN. Sir, there are responsible, as far as I know, for 2007. I looked at those for 2007. We have not completed those yet for 2008. But when I do look at them for 2007, we are in the "outstanding" category for every one of those four metrics that we use, as far as the impact on the community, as far as the number of prosecutions that we have, as far as the assessment by the U.S. Attorney's Office, as far as the assessment by the financial institutions. All of those metrics have been well met. And we are continuing to keep an eye on those.

And if you haven't seen those metrics, I would be more than happy to provide those to you, sir.

Mr. ROGERS. Well, perhaps you can, maybe not necessarily for the record, but for the committee's review.

Mr. SULLIVAN. Yes, sir. I really do appreciate your support on that initiative. It is important to us.

Mr. PRICE. Thank you.

SENATOR MCCAIN'S PROTECTION STATUS

Mr. Rodriguez.

Mr. RODRIGUEZ. Thank you very much.

I am actually surprised to hear that Senator McCain is—not that he hasn't asked, but that we are not protecting. Is there certain levels or faces of protection—any of that, in effect?

Mr. SULLIVAN. There are not, sir.

Mr. RODRIGUEZ. We don't have an automatic preliminary level because of the fact that he is the candidate of the Republican Party, as a presidential candidate, that we protect him at a certain level even though it is not being asked for?

Mr. SULLIVAN. Sir, statutorily he is not required to take protection.

Now, we have been in contact with his staff, and there have been conversations with his staff to make sure that they are aware of what the guidelines are.

So there have been those conversations. But as far as an actual request, there has not been one yet.

Mr. RODRIGUEZ. So we don't go in advance and secure some of the sites where he might be at or anything like that? You don't have to respond. I mean, if you can't respond, let me know. But I would presume that we would have some kind of initial phases that might not have anything to do but securing the place where they might participating in, or those kind of things that might not interfere with him but yet making sure that, you know, there is some protection going on.

Mr. SULLIVAN. Congressman, we have no involvement, at this point.

CONVENTION VENUES

Mr. RODRIGUEZ. Okay. Let me ask you, based on the resources that you have now, do we do any preliminary phases, for example, for the presidential conventions on both parties to securing and checking those facilities way in advance and making sure that we are on top of the program way before and we are not jeopardizing any of that?

Mr. SULLIVAN. That is a good question, Congressman. Positively, we do. We have looked at every venue. Our people are looking at every venue, every site that is going to be involved in this particular convention. As I mentioned before, there are these 17 subcommittees, and each one of them look at these venues from their perspective. But this will be a very detailed and very in-depth plan.

Mr. RODRIGUEZ. And we shouldn't be worried about any of that being as a result of not having the resources that you need in order to make that happen—occurring?

Mr. SULLIVAN. I do appreciate your concern at this point. I have not been told that there is any issue as far as us needing any resources. But believe me, sir, if there are any needs like that, I will make sure that I make the committee aware of that.

USSS DIVERSITY

Mr. RODRIGUEZ. Let me ask you, in terms of just the diversity of the Secret Service, can you make any comments as it deals with your diversity, as it deals with minorities and women? Do you know what those numbers are or the figures are?

Mr. SULLIVAN. Sir, I do not have the numbers off the top of my head. But I——

Mr. RODRIGUEZ. Could you give me that, you know, later on? And also in terms of the multilingual or linguistic capabilities of the department?

Mr. SULLIVAN. Sir, I would be more than happy to come up and give you a full briefing on that. But I will say that the outreach, the recruitment and the retention of a diverse workforce is extremely important to me and is a priority, and it is a priority with

our organization. But I look forward to coming up and providing that information to you.

Mr. PRICE. We would actually appreciate that information for the record, as well.

Mr. SULLIVAN. Yes, sir.

[The information follows:]

U.S. Secret Service
Workforce Distribution
Permanent and Temporary Employees
Fiscal Year 2008 (as of April 12, 2008)

					Race/Ethnicity															
											Non-Hispanic or Latino									
		Total Employees			Hispanic or Latino		White		Black or African American		Asian		Native Hawaiian or Other Pacific Islander		American Indian or Alaska Native		Two or More/Other Races	
Employment Tenure		All	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Special Agent																				
Number	#	3,399	3,014	385	153	23	2,507	306	242	37	92	15	1	0	17	4	2	0
Percent	%	100	88.67	11.33	4.50	0.68	73.76	9.00	7.12	1.09	2.71	0.44	0.03	0.00	0.50	0.12	0.06	0.00
Uniformed Division																				
Number	#	1,317	1,171	146	64	6	907	94	175	42	19	3	0	0	6	1	0	0
Percent	%	100	88.91	11.09	4.86	0.46	68.87	7.14	13.29	3.19	1.44	0.23	0.00	0.00	0.46	0.08	0.00	0.00
Administrative/Professional/Technical Support																				
Number	#	1,921	798	1,123	37	98	532	566	184	395	43	59	0	0	2	5	0	0
Percent	%	100	41.54	58.46	1.93	5.10	27.69	29.46	9.58	20.56	2.24	3.07	0.00	0.00	0.10	0.26	0.00	0.00
Total Employees																				
Total	#	6,637	4,983	1,654	254	127	3,946	966	601	474	154	77	1	0	25	10	2	0
Percent	%	100	75.08	24.92	3.83	1.91	59.45	14.55	9.06	7.14	2.32	1.16	0.02	0.00	0.38	0.15	0.03	0.00

The racial category of Other consists of individuals who reported their Race and National Origin on OPM Standard Form 181 (Race and National Origin Identification) using one of the categories designated for use only in Puerto Rico.

United States Secret Service, Office of Equal Opportunity, April 2008
Data Source: USDA, National Finance Center, USSS Personnel Data - Pay Period 7 (April 12, 2008), Report Run on April 22, 2008

Mr. RODRIGUEZ. And I think probably the fact that we have the first woman ever as a presidential candidate and the first African American ever as a possible presidential candidate also and I think that—I don't know if that has helped in improving on that, if any.

Let me also ask you on cybersecurity issues, are you basically engaged just domestically or internationally? Or where is the distinction there that is made?

Mr. SULLIVAN. Both domestic and internationally. You know, cyber crime is a borderless crime, and we see hundreds of thousands of account numbers that are here in the U.S. one minute and they are transferred electronically to a foreign country the next minute.

We have 21 field offices around the world, and they are all being very, very proactive with their foreign counterparts. And I think we have some great examples of that partnership.

CYBER SECURITY

Mr. RODRIGUEZ. And where is the distinction that is made—Mr. Chairman, if I can ask—where is the distinction that is made between your role, the FBI, Homeland Security and CIA and all of the others, as it deals with cyber?

Mr. SULLIVAN. You know, as this whole cyber issue has exploded, there are many, many people that have jurisdiction and authority to combat it, to investigate it and to be involved in it. And we have our role, which is as it relates to cyber crime and financial crimes, and that is pretty much a niche that we have been able to develop for ourselves.

We work with all of our partners, whether it be the FBI, whether it be State and local law enforcement, or whether it be the Department of Homeland Security. I think the important thing is that we are all talking to each other and we are all coordinating it with each other.

The one thing I found is that there is plenty of work out there for everybody, but the main thing is that we are coordinating it together. And as I said before, I believe that that coordination, from my point of view, is going very, very well.

Mr. RODRIGUEZ. Thank you very much. And thank you for the work that you do in protecting our people.

Mr. ROGERS. Thank you, Mr. Rodriguez. We will have some further questions about the very important issued you raised about coordination in the area of cyber crime.

Mr. Carter.

Mr. CARTER. Thank you, Mr. Chairman.

Director Sullivan, welcome.

Mr. SULLIVAN. Good morning, Congressman.

Mr. CARTER. I am glad to have you here, and I appreciate the great work you do. It must be nice to be the director of an agency that most people perceive as being very effective and doing their job well.

Mr. SULLIVAN. Thank you, sir.

Mr. CARTER. I think that is something you should be proud of.

Mr. SULLIVAN. Thank you.

SECRET SERVICE RETIREMENT ISSUES

Mr. CARTER. And that brings up an issue that I learned about just yesterday, that I want to make sure that we figure out how to fix this, and maybe you have some ideas.

I understand there is somewhat of a human capital at the Secret Service because there are about 175 senior agents and officers who were hired between 1984 and 1986 that face the fact that they might have to retire early or leave the Secret Service due to some kind of glitch in a retirement transfer between, as I understand it, having at one time been considered part of the Federal Government, then switched over to the D.C. police—I think these are your uniformed people—and then back to Secret Service, and they have some kind of retirement glitch.

Are you aware of that? And, if so, what steps can we help you to resolve that problem so we won't have to see qualified, experienced agents have to retire because of a glitch in the retirement system? Are you aware of what that problem is?

Mr. SULLIVAN. I will try to answer that as best I can. And I might not be entirely correct here, but I can get you a full briefing on that later. But I will attempt to try to give you an answer on that, Mr. Congressman.

You know, as you know, back in 1984, beginning in 1984, a new retirement system was implemented for Federal employees, and we went from the civil service retirement system to FERS. For a period of time, when they weren't really sure how that plan, as I understand it, was going to be implemented, there was a bit of a limbo, I guess, as far as, you know, how that plan was going to work.

We have a group of uniform division officers and special agents and other employees who came on, as well, that were non-law enforcement people—and this goes through the whole Government. This is not just an issue with our organization, but an issue that was Governmentwide.

I believe it wasn't until maybe mid–1986, I believe, that they realized that it was a—that a solution was found where FERS would start. But for that 2.5-year period, again, as I say, people were up in the air exactly what plan they were going to be in.

Not to complicate things any more than that, Secret Service was in a—anybody hired by our organization prior to 1983 was in another separate 20-year retirement system, and that system also went away after 1984. It is the contention, I believe, of these agents and officers that you are referring to that, because there was no plan, they feel that they should be allowed to get back into this 20-year retirement plan.

And let me just say, as the Director—and I am extremely proud to be the Director of this organization, as you pointed out, Congressman—and let me just say, as the Director, that I do want the best and what is fair for all of our employees.

When this matter was brought to the former Director, asking him for relief, it was the opinion of our general counsel that this was not an issue for the Director to make a determination on. As a matter of fact, a determination had already been made, I believe by OPM and OMB, that all of these people, Governmentwide, not

just in our organization, but anyone who came on subsequent to 1984 would be under this FERS retirement plan.

The recommendation was made that if they were looking for some type of a relief or decision, that they would have to do that by legislation, which, in fact, is what I believe they are doing right now.

As far as these agents or officers being forced to leave because of that retirement system, that, as far as I know, is not the case. I mean, like any other employee, they are entitled to—you know, I believe the retirement is 25 years at any age or 20 years at 50, and that would apply to these particular individuals et al., as well.

I believe what they may be referring to is, from a retention point of view, they believe if they were allowed to be in the plan going back prior to 1984, that that would be a retention vehicle and that that would encourage them to stay longer because of that retirement plan.

Mr. CARTER. And I am just speculating, okay. I don't know the facts, and that is why I appreciate that. Are you seeing any early retirement or leaving of the service of people who fall in that category?

Mr. SULLIVAN. I have not. For special agent, our attrition rate, Congressman, is about 4.5 percent, I believe, at this point. Uniform division is upwards of about 9.5 percent.

But as far as based upon that issue, I—and, again, I would have to check; I am just talking off the top of my head here—but I am not aware of one. But, again, I would be happy to look into that.

I hope I did give you an accurate picture of what is going on, but I am sure somebody here will correct me. And I will get the right information to you.

Mr. PRICE. Again, if there is further information that you wish to furnish, we will be happy to put it in the hearing record.

Ms. Kilpatrick.

Ms. KILPATRICK. Thank you, Mr. Chairman. Please excuse my tardiness. Trying to cover more than one meeting at 10 o'clock.

Thank you, sir, for coming.

Mr. SULLIVAN. Nice to see you.

Ms. KILPATRICK. I will read the testimony. I went over it a bit last night, just to see how the agency is doing. As Director, how long have you been there, sir, as Director?

Mr. SULLIVAN. Two years now.

Ms. KILPATRICK. And everything you thought it would be?

Mr. SULLIVAN. And more.

Ms. KILPATRICK. And more is a good answer, good answer.

Mr. SULLIVAN. It is going great. Thank you.

Ms. KILPATRICK. Thank you.

SECRET SERVICE PROTECTIVE MISSION

I want to talk a little bit about the protection, and I know you protect current Presidents, past Presidents and their families, minor children, I understand. That seems to be within your budget restraints, and I don't see a big budget ask for that, so I am assuming that you are handling that fine?

Mr. SULLIVAN. Yes, ma'am.

Ms. KILPATRICK. And this campaign season that we are now in, $110 million in this budget year to handle that, does it meet all of your requirements for this campaign year? It is bigger than it has ever been and different, for sure. Is it meeting the demands of the agency?

Mr. SULLIVAN. Congresswoman, it is. So far we are doing pretty well, and I believe we are right on track for the estimate that we had provided last year.

Ms. KILPATRICK. Okay. And as you cover the campaigning season, I think it says something in the law about major candidates. Do you also look at or have information on—and you don't have to share it in open committee; I am asking more just to know.

When candidates, as we as Members of Congress get from time to time, threatening or other kinds of e-mails and mail, do you have that kind of problem with the current campaign season that we are in, with the people who are running?

Mr. SULLIVAN. With the number of threats going up?

Ms. KILPATRICK. Yes.

Mr. SULLIVAN. During a campaign, with all of our protectives, we pay an awful lot of attention to the threats out there. You know, I get briefed daily on the threats that we are seeing. During a campaign, we do, as the campaign continues to go on. The more information we begin to see, some of it is threatening and some of it isn't threatening.

Ms. KILPATRICK. And some of it is nice, I hope, as well, right?

Mr. SULLIVAN. Some of it is nice. But if there is any type of threat, the one thing—we are very, very aggressive on that, and we will go out and do a complete and comprehensive investigation on that particular threat.

Ms. KILPATRICK. And you feel your agency has the resources to handle this campaign season, unlike any other, in a manner that is required of your agency?

Mr. SULLIVAN. Congresswoman, I do. And, again, the cooperation we are getting from all of our State, local and Federal partners out there has been terrific. I feel very comfortable with between internally what we have and what we are doing, and with our external partners as well. I feel we are getting everything we need.

With all the travel we have done, it really has been a big demand on State and local law enforcement. And they have just been terrific in giving us that needed support. And we couldn't do our job without them.

Ms. KILPATRICK. I think the partnership is very important.

Mr. SULLIVAN. It is.

Mr. KILPATRICK. It has to be effective and very well done.

Mr. SULLIVAN. Yes, ma'am.

CONVENTIONS

Ms. KILPATRICK. And then finally for me, as we move to conventions, both conventions, one in August and one in September, does the same line handle that expense for you, or is there another something in that budget where that is identified?

Mr. SULLIVAN. That was all put into the budget for both of those conventions.

Ms. KILPATRICK. As we plan for those, and you are fine in that regard?

Mr. SULLIVAN. Yes, ma'am.

Ms. KILPATRICK. Thank you very much.

And thank you, Mr. Chairman.

Mr. PRICE. Thank you.

VICE PRESIDENTIAL PROTECTION AFTER LEAVING OFFICE

Mr. Director, while we are on this protection budget, I want to ask you about a rather puzzling provision in your 2009 request that perhaps you can clarify.

The budget proposes a provision allowing the Secret Service to protect the Vice President for up to 6 months after he leaves office. Now, in the past, this protection has been afforded to former Vice Presidents, but it has been done either by Executive Order or by a joint resolution of the Congress.

So why is this provision included in the Homeland Security budget since the Appropriations Committee really has no standing to change the Secret Service's statutory authorities? Why doesn't your budget include funding to pay for this proposal?

Does the President intend to designate protection to Mr. Cheney after he leaves office? Have you or your legislative affairs staff spoken about this proposal with the Judiciary Committee, which would have jurisdiction over this kind of legislative change?

Mr. SULLIVAN. Yes, sir. I would agree with you. As you know, Chairman, over the last 40 years, the departing Vice President has been afforded protection by our agency. Going back to the last two Vice Presidents, we have provided protection going into July of that year that they departed, a total of about 180 days.

As I have said before, we do not make the determination who—and as I mentioned to the Congressman earlier, we do not make a determination who does get protection. We do provide it. However, we believe that it is a pretty safe bet, with the threat environment that we face today, that Vice President Cheney will be afforded Secret Service protection upon his departure in January of 2009.

Mr. PRICE. Excuse me, but if it is a safe bet, why is there no specific budget provision? Is your assumption that you just absorb the cost out of other funds available?

Mr. SULLIVAN. We do plan on eating that out of our other funds available. We figure it is going to be about $4 million to—that is what we paid last time, about $4 million. We felt, by having this included in the appropriations budget, this would be a transparent way of bringing this issue out.

We have also, as you asked about, sir, we have talked to Judiciary. We have made them aware of this particular provision. And we are currently working with them, as well, on the issue.

Mr. PRICE. All right. And there are traditionally two paths by which this has been done; one of which is the Congressional joint resolution, and the other of which is the presidential designation. You have no information that that will or will not be forthcoming from the President?

Mr. SULLIVAN. I do not. No, sir.

CENTER FOR INFORMATION SECURITY

Mr. PRICE. Let me turn to a matter that is reminiscent of our hearing last year. I am sure you remember our conversation last year about the new training facility, the Secret Service and the National Protection and Programs Directorate jointly established in Alabama without prior Congressional notification or approval. I said at the time, and I think Mr. Rogers did as well, that it is inappropriate for the executive branch to make new decisions about spending money without Congressional involvement. So I have to ask you, and I have told you and your staff that this question would be forthcoming—I have to ask you why our committee staff only recently found out that last August, well after the 2008 budget hearing, the Secret Service established yet another center, this one a research center at the University of Tulsa for specialized analysis of cellular telephone technology, without first seeking Congressional approval? Funding for this research center was awarded without any announced competition and without public notice.

And I want to be scrupulously fair about this. I understand that there are some differences. This isn't identical to the Alabama issue since the program is being funded through the Asset Forfeiture Fund, and the Treasury Department did send a letter last year to the Financial Services Appropriations Subcommittee about it. However, I do believe the fundamental situation is the same. This is a new program in your agency whose purpose and need were not reviewed by this subcommittee or by any other committee up here. The budget has never been presented to us until last month. So, there is the potential for this program to need appropriated funding in the future, particularly if the Asset Forfeiture Fund produces less revenue than expected.

So I just have to ask what processes you can and will put in place to make sure this doesn't happen yet again. This subcommittee needs your assurance that we are not going to be uncovering another situation like this in the future, that we are simply going to have the kind of notification that we need and the ability to review with you the kind of budgetary needs, the process for competing these proposals, you know, all the kind of process safeguards that we count on in these cases.

What can you say about this, and what assurances can you give?

Mr. SULLIVAN. Thank you, sir.

Sir, I was under the impression that there was a distinction and that this was done in a transparent fashion. The center you are talking about is the Center for Information Security, which is at the University of Tulsa, and they are known for their technical specialized expertise as it pertains to the use of cellular telephones. And as you know, sir, cellular telephones are used for the same purpose as computers are as far as being able to conduct different types of financial and electronic crime, and it is our opinion that this Center for Information Security is the leading program providing academic research, and that is what this relationship is all about. It is about research. And that is where this asset forfeiture money went was towards this research.

Again, there is a rigorous approval process for us to use these asset forfeiture funds. It requires that we write a detailed expla-

nation to asset forfeiture with an explanation and a justification for why we are looking to use those funds. That written request will then go to Treasury Department, where they will review it for either approval or disapproval. In this particular case it was approved, and as I understand it, Treasury then submitted that to their congressional oversight for their approval.

From our point of view, we are under the belief that we did comply throughout the entire process with Treasury and with Congress as far as getting the proper approval for this, as well as in other years with asset forfeiture funding, and last year I believe we got about $24 million in asset forfeiture funding. We provide this committee with a breakdown of all of our asset forfeiture funding.

So again, sir, I do believe that, from our point of view, we did try to be very transparent here and make all the people aware that we were told we needed to make aware of this. If there is more that we need to do to work on this process, I want to work on it with the committee to make sure that we can make that happen.

Mr. PRICE. I think we are going to have to do that, frankly. This may have been transparent in some quarters. It wasn't transparent here. It wasn't transparent with us. And this is, after all, a Homeland Security agency.

As I said, we understand there are some differences with the Alabama case in terms of where this money comes from. And the issue, by the way, is not the virtues of the University of Tulsa program. We understand that this is probably a fine program, but that would be all the more reason why it could withstand a competitive process.

So there are multiple questions, I would say, here of good process involved. One is how you award these kinds of contracts, and the one that concerns us at this moment is the kind of awareness this committee has of your activities. And as I said, this has future, if not present, implications possibly for our appropriations bill and so forth. So we are going to need to address this, I think, in a more systematic way than we did last year. I don't think an informal understanding is going to work. We are going to have some agreed-upon ground rules for dealing with these situations.

Mr. ROGERS. Will the Chairman yield?

Mr. PRICE. I certainly will.

Mr. ROGERS. I want to echo the Chairman. We went through this last year, and we had a blowup. It was not pleasant. It left a bad taste certainly in our mouths about the Alabama matter. And I thought from that point on you would be extremely cautious about doing this type of thing essentially again and without some consultation with those of us who have to figure out where the money comes from. And I know these are asset forfeiture funds, but I thought the uprising that occurred last year with the Alabama matter would have sensitized you more than apparently it has.

Mr. PRICE. I thank the gentleman and invite him to continue. It is his turn to ask questions.

Mr. SULLIVAN. Sir, just to that point I will say that we do look forward to working with the committee on that to make sure that if it is not transparent enough now, I do want to make sure that it is transparent. And I do appreciate your support, and I want to make sure that we do get this information to you in the right way.

Mr. PRICE. We appreciate that. I assure you it is not transparent now. And we do need to work on this.

Mr. Rogers.

NATIONAL CYBER SECURITY CENTER

Mr. ROGERS. Let me get back to cyber security. The President just announced a new special cyber security czar, I guess you would call it, a national cyber security center. Tell us what you know about that and how you will be working with them, that new office, as well as the regular Department of Homeland Security cyber security agency.

Mr. SULLIVAN. Yes, sir. As I understand it, the Department has brought in an individual who is going to be the Director of the National Cyber Security Center. As I have been briefed, I have not met with that individual yet, and we do have a meeting coming up here, I believe. He is currently putting together his concept of operations. And that is pretty much all I know about that position right now.

As far as our relationship with the Department as it pertains to cyber, I have a very good relationship with Under Secretary Robert Jamison, who runs the NPPD, as you know, and he deals with the cyber issues within the Department.

I believe that the Department does recognize the talent and the attributes that our program brings to the table, and we are working with them to provide them with people to go over and work within their initiatives. As a matter of fact, we have several of our senior managers who are going over to work for Mr. Jamison right now to help him with these particular issues. We have a strength as it pertains to network intrusion and forensic research, and those particular things are going to be utilized by the Department.

Mr. ROGERS. Well, the DHS already has a National Cyber Security Division within their National Protection and Programs Directorate that you have referred to Jamison being the Director of that.

Mr. SULLIVAN. Yes, sir.

Mr. ROGERS. Do you understand what this new office of the President has created, the National Cyber Security Center, how that differs from what we already have within the Department?

Mr. SULLIVAN. I think this new center, sir, is a more holistic approach as far as the coordination goes governmentwide. We have again so many people with jurisdiction and authority when it comes to cyber. We have DOJ, DHS, the DNI, DOD all working cyber. I believe this particular person is going to be responsible to make sure that all of those efforts are coordinated in a very unified way.

The Department is more involved with the internal issues going on within the Department as well as taking a look, I believe, as it pertains to the dot-gov challenges that we currently have, and I believe that is what is being worked on by the National Cyber Security Division as opposed to the National Cyber Security Center.

Mr. ROGERS. Well, you know, I hope we don't get lost in the acronyms and agencies here, because it is a clear mission that needs to be prosecuted. The Secret Service is the lead Federal investigative agency for financial crime, including financial institution fraud and false ID documents. And given the fact that most modern fi-

nancial systems these days, the banking world, are now entirely electronic in nature, and you have been and are the chief lead investigative agent of the government for these types of crimes, it seems to me that Secret Service should be right in the center of things in this respect. Do you think you are?

CYBER SECURITY

Mr. SULLIVAN. Sir, I believe we are. And I think that is recognized, and although, you know, it is a classified document, but in HSPD 23 I believe that we are recognized as far as our efforts and as far as our ability as it pertains to cyber. I believe within the Department it is recognized what we bring to the table as far as cyber is concerned.

I really do think the big effort here, and I know there are a lot of acronyms out there, but I do believe it all is directed towards making sure there is one coordinated effort as it pertains to cyber, whether it has to do with financial crimes or attacks on our infrastructure, network intrusion into government systems. I believe that this new center they are putting together, I believe that that is the goal here.

Mr. ROGERS. Is the financial cyber system vulnerable?

Mr. SULLIVAN. I think right now every system is vulnerable. Again, when I look at these people that are conducting these attacks, we have some people here that are just very talented. They are very aggressive, and they are very technology savvy. We just had a particular investigation where we arrested an individual who was involved in cyber crime, and he had an encryption system on his computer which was as complicated as we had ever seen before.

So I believe that we are up against some pretty smart albeit criminal thinkers out there, and I think that is why these partnerships are so important with academia and the business community in that we are looking at these trends, we are identifying these trends, we are identifying the method of attack, and we are doing everything that we can do to notify people and make sure that they are able to protect themselves from that attack.

Mr. ROGERS. What can you tell us in this open atmosphere, open session, what can you tell us about the number of cyber attacks and where they come from and who they are?

Mr. SULLIVAN. Sir, I think that is something I prefer to do in a closed session.

Mr. ROGERS. What about the number?

Mr. SULLIVAN. Sir, I do not have—it is hundreds of thousands, but I don't have the exact number.

Mr. ROGERS. Hundreds of thousands per year?

Mr. SULLIVAN. I would say—probably say in the millions per year.

Mr. ROGERS. Thank you, Mr. Chairman.

Mr. PRICE. If I could just echo that request, I think whatever you can furnish in a nonclassified fashion that would be a useful number for the record just to give some specificity to the answer you just gave Mr. Rogers.

Mr. SULLIVAN. Mr. Chairman, I would have to go back and get the numbers.

Mr. PRICE. You can furnish that for the record.

[The information follows:]

This document seeks to quantify criminal cyber trends observed by the U.S. Secret Service and does not include information from other agencies in the Department of Homeland Security. The number of cyber attacks continues to rise as more criminals become adept at using computers as an instrument to commit fraud. Cyber attacks vary in method and scope. Common examples include phishing attacks, pharming attacks, botnets, distributed denial of service attacks, and network intrusions. The magnitude of this crime is difficult to quantify because victims often fail to report cyber attacks to law enforcement or other government agencies. Additionally, victims are often unaware that their computers have been compromised and infected with malicious software including viruses, Trojans, worms, spyware, and keyloggers.

For example, a private sector company that specializes in detecting internet security threats recently reported that as of the end of 2007, over 1.1 million new malicious code threats were identified. This statistic confirms that nearly two-thirds of all malicious code threats currently detected were created during 2007.[1]

The following examples further illustrate the number of cyber attacks and resultant victims:

- Phishing is a malicious activity that is commonly carried out over the Web. A phishing Web site is a site that is designed to mimic the legitimate Web site of an organization, often an online bank or e-commerce retailer, in order to fool a user into disclosing personal information such as banking credentials, account information, and associated passwords. Currently, cyber criminals distribute millions of phishing e-mails daily in an attempt to obtain personal or financial information from victims by directing them to various phishing Web sites. A recent report stated that in 2007, over 120,000 phishing Web site hosts were detected, 66% of which were located in the United States. Additionally, 80% of the detected phishing Web sites targeted the financial services sector.[2]

- Cyber criminals continue to target financial institutions and businesses with denial of service attacks and network intrusions. A single corporate network intrusion can result in the compromise of millions of credit card account numbers.

- Online criminals have successfully infected hundreds of thousands of personal and business computers with botnets, which can subsequently be used to launch additional cyber attacks at rates which continue to multiply until disrupted. A recent report indicated that from July 1 – December 31, 2007, approximately 62,000 computers per day were being infected with botnets resulting in a total of over 5 million bot-infected computers in that same reporting period.[3]

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[1] Symantec Corporation. Internet Security Threat Report: Trends for July—December 07. Volume XIII, April 2008, p. 9. http://eval.symantec.com/mktginfo/enterprise/white_papers/b-whitepaper_exec_summary_internet_security_threat_report_xiii_04-2008.en-us.pdf
[2] Ibid, p. 6
[3] Ibid, p. 18

Mr. PRICE. Let me just underscore the line of questioning that Mr. Rogers was undertaking. I fully appreciate the priority that the administration is attempting to give this area, but I do think there is a fair amount of confusion about the division of labor, and that confusion is really reflected rather than resolved in the budget request we have.

The ICE budget includes funds for new cyber investigations. There is no increase in your budget for the Electronic Crimes Task Forces apart from inflation.

And then there is the question of the lines of authority. The FBI's cyber investigations Web site describes its role as, quote, "to lead the national effort to investigate and prosecute cyber crime." So, I think the questions are very well taken, and I think any—we are going to be needing clarification on this as we write the budget, to say the least.

Mr. SULLIVAN. Yes, sir. And I would just emphasize that our role as it pertains to cyber is the investigation of cyber financial crimes. That is our role that we perform.

Mr. PRICE. Thank you.

Mr. Rodriguez.

Mr. RODRIGUEZ. Thank you, Mr. Chairman.

I want to continue to follow up on that same issue. It might work out okay now as you establish it, but, Mr. Chairman and Minority Leader, I think as another administration comes into play, you basically well might just have another bureaucracy there that might not be talking to DOD, that might not be talking to the FBI and NSA and all the others, and we have created another situation where I know nothing was more frustrating for me right prior to 9/11 than to find out that back home there was mainly a little fighting competition between some of the agencies down there. If it was not the FBI and the Border Patrol and the other drug agency fighting each other, then we might have a situation created here where they are not going to be talking to each other unless maybe legislatively, you know, we require some of them to dialogue with each other, because from one administration to another they just might not do that.

Mr. ROGERS. Will the gentleman yield?

Mr. RODRIGUEZ. Yes, sir.

Mr. ROGERS. We are all a little concerned about the same thing here, I think, and that is if you have two masters, you really have no master. If two people are in charge, no one is in charge. And that is what I think our concern is. You know, Secret Service historically has been our financial investigative experts, and now in the cyberspace days they still are. But they are not the experts in DOD or military cyberspace intrusions, nor are they in other crimes that may occur in cyberspace. So obviously there is a larger picture here, and the new office, as I gather, will be sort of the coordinating cyberspace intrusion office for the whole government, and Secret Service will still be within DHS the financial crimes cyberspace investigators. Have I said that more or less accurately?

Mr. SULLIVAN. I agree with you, Congressman. I do think there has been a recognition that there are a lot of people, a lot of organizations out there, a lot of departments out there, a lot of agencies out there that do have authority and jurisdiction as pertains to

cyber. And I think this is an effort to make sure all of those efforts are coordinated, and that everyone is talking to each other. But again, from my point of view, I think that there is some very, very good partnership and cooperation going on right now.

Mr. ROGERS. Thank you.

Mr. RODRIGUEZ. Thank you.

I have the same concerns as to when does it become one that deals with money or one that deals with drugs or one that deals with national security issue, you know, and that dialogue is occurring between the agencies. And I would just be concerned in terms of, you know, it might be okay now, but as other administrations come in, you know, what does that do to that situation in terms of that require dialogue, unless you mandate it, you not have the initial dialogue that is needed and that is required.

I know that from my perspective I have spent 8 years on the Armed Services Committee, and there was very little dialogue in terms of us receiving anything. I shouldn't say anything; most of the time there were not. I read it in the newspaper before I got it in terms of secret meetings. And so I would presume that the concerns that I would have would be between the dialogue between the two people, whether it be just on a superficial level or to the direct cases that are out there. And I know DOD has been involved with this issue since the 1950s in terms of defending our country, and so I think it is something we need to continue to get on. Thank you.

Mr. SULLIVAN. Again, from a law enforcement perspective, I think when you look at cyber, cyber is just a different type of tool than was used 50 years ago to rob a bank. Fifty years ago when you rob a bank, you would use a gun. Twenty years ago when you robbed a bank, you used a pen. And today when you rob a bank, you use a keyboard. And I think that is what you are seeing with a lot of different violations that all of us are out there, whether it is ICE or the FBI, a lot of the violations we have now that were done are traditional crimes, but they are being done now in a more nontraditional way using cyber. And from what I see from the law enforcement perspective is that we are just reacting to that evolving methodology of performing that crime.

Mr. RODRIGUEZ. If I may, and the same thing applies for defense or——

Mr. SULLIVAN. Yes, sir.

Mr. RODRIGUEZ [continuing]. Or on the offensive the first thing we do, if we are going to do anything, is through cyberspace, and the first thing we will receive or hopefully catch on if something is going to occur in our country is through cyberspace.

Mr. SULLIVAN. Yes, sir.

Mr. PRICE. Thank you.

Mr. Carter.

Mr. CARTER. Thank you, Mr. Chairman, and this is a good line of questioning, and I also have a lot of concerns in this area.

INVESTIGATIVE AND PROTECTIVE WORK LOAD BALANCE

Back to a question a long time ago that I don't think I got an answer. Do you have an idea what the percentage is between the

protection division and the investigation division of number of percentage? Eighty-twenty? Sixty-forty?

Mr. SULLIVAN. It is about 50–50 right now.

Mr. CARTER. Fifty-fifty, that is good.

IDENTITY THEFT AND VULNERABILITIES OF TECHNOLOGY

I think that everybody is aware that the number one fastest rising crime in America today is identify theft, and that has been for several years now. Today I went to an antiterrorism joint bipartisan meeting this morning, and we were told that the rise of the cell phone, the rise of the Internet is the fastest single thing going wrong in every center of terrorist activity in the world; that in just Iraq alone they went from zero cell phones to basically 100 percent cell phones for every person between the age of 15 and 40, which is pretty amazing. And in Iran the cell phone spread was 800 percent in the last 2 years. And all these young people are very talented on these phones. They are much more talented than we are.

The question that the man asked was, have you read the instruction manual on your BlackBerry? How many of you have read the whole thing? Nobody raised their hand. He said, well, then, you wouldn't know that with bluetooth capability there is a lot of things more that you can do with it than just walk around with the little funny thing on your ear. And these kids know that is available. And the Internet cafe is the most popular place in the world outside the United States.

So the cyber attack is massive. It is potential. And I agree with my colleagues. It looks to me, at least from the financial aspect, that is where a great deal of this is going to come from, especially at the small petty crime that ultimately becomes a great major crime factor. We need to know if you need extra resources because someone—the whole concept of government is somebody has to be in charge, and that is what we have been trying to cut through. That is what Homeland Security, as I got into it, as I understood it, was all about. Somebody has to be in charge.

I personally would like to say if there are more resources you need to be the agency in charge, then I would like to know them before we are catching up. I would like to be ahead of the game rather than catching up, because I personally think this is a very dangerous area for every American citizen. So, do you need anything else? And if so, put it in there.

Mr. SULLIVAN. Thank you very much.

You know, sir, as far as our cyber initiative goes right now, we are depending on asset forfeiture funding for our cyber initiative, and we are—you know, our ability to either grow our cyber program, grow our, you know, Electronic Crime Task Forces out there is all dependent on what we get from asset forfeiture. So your support truly is appreciated, and I do thank you for that.

And you know, as far as being in charge, as I mentioned before, I just really do think there are so many of us out there working cyber, and I think the important thing is that we just all coordinate our efforts with each other, and I do believe that that is underway right now, and I do believe that is occurring.

Mr. CARTER. Thank you.

Mr. PRICE. Thank you.

Mr. Sullivan, I am going to have some additional questions, but I think I will reserve them for the record.

Mr. PRICE. I want to yield to Mr. Rogers, though, because he does have a final question.

COMMUNICATION INTEROPERABILITY

Mr. ROGERS. I will be brief, but I am somewhat concerned. My understanding is that your Secret Service radios are currently incompatible with the radio system utilized by the White House Communications Agency and State Department's Diplomatic Security Service. Is that correct?

Mr. SULLIVAN. Sir, our radios, we still are able to communicate with our White House communication counterparts; however, over the last several years, the White House Communication Agency has been able to put in, I would guesstimate, about $250 million into their communication infrastructure. We have not been able to do that. They have been able to do go from a digital to a Web-based radio system where we are still on digital. I do believe that as they continue to receive additional funding at that level, and we do not get funding at that level, I do believe that there is a gap—there is a gap, and that gap is going to continue to become wider.

Mr. ROGERS. So it is interoperability we are talking about, right?

Mr. SULLIVAN. Yes, sir.

Mr. ROGERS. And at the moment, as I understand it, you are on digital; the White House and the diplomatic service are on Web-based, right?

Mr. SULLIVAN. Right now, sir, we are making it work. But again, my fear is that they can—as they continue to progress and we stay flat, we will not—that ability for us to be able to communicate with them is going to become more and more challenging. It is challenging now, but it will become even more challenging.

Mr. ROGERS. Is there a request in the budget for—any requests in the budget for this?

Mr. SULLIVAN. Not in this budget, no, sir.

Mr. ROGERS. So you don't think it is that important?

Mr. SULLIVAN. Sir, I understand that there are priorities, and this was a topic that we had talked about. However, this particular initiative was not able to get into this particular budget.

Mr. ROGERS. What would it cost?

Mr. SULLIVAN. Right now we have a 5-year program. I believe the first year of this program is about $54 million we would need for that first year. I would have to get you the rest of the figures for that, sir, but I believe we are talking somewhere in the neighborhood of $200 million. But again, I can get you the exact figures on that, but I do believe the first year it is $54 million.

Mr. ROGERS. But you are saying you are making it work. How are you making it work?

Mr. SULLIVAN. Sir, working with our IT people, working with our operational people, we are getting some help from WHCA as well, we are able to continue to communicate at this point. However, I do believe with the continued advancement of WHCA, we are not going to be able to patch it together the way we are right now.

Mr. PRICE. Thank you.

I say to the Ranking Member I think we have heard a unique formulation that a proposal was not able to get into the budget. What do you suppose that means? I think we get the picture.

Mr. ROGERS. As they say, a vision without funding is a hallucination. So I think we have just heard about a hallucination.

Mr. PRICE. I think on the contrary you have identified a very real need, and it clearly has budget implications, and we need to look at it, and we will count on your cooperation in doing so.

CLOSING REMARKS

Mr. SULLIVAN. Thank you, Mr. Chairman.

Mr. PRICE. And let me again thank you for your testimony and for your good work in what I know in a very demanding year. We have many occasions out in our districts and at foreign points. For example, when this subcommittee went to the Middle East in January, we received a debriefing the day after the President was in Jerusalem and Ramallah about the extraordinary effort—I don't know if it is matched in Secret Service history—the extraordinary effort to afford protection in those sensitive places on that sensitive mission. As I understand it, the City of Jerusalem was basically brought to a halt for one day and the City of Ramallah for another.

Mr. SULLIVAN. It was a very challenging trip.

Mr. PRICE. We understand that, and we also understand the intricate cooperation that is required in this case with our friends and allies as well as the partners you have in our government. So your mission and its importance are impressed on us in many ways. So we appreciate your testimony here today. We understand that we have some work to do on the budget, and we look forward to working with you.

Thank you, and with that the subcommittee is adjourned.

Questions for the Record Submitted by Chairman Price to the United States Secret Service (USSS)

Management

Please list all USSS political employees who received bonuses in 2007. Include the position, office, and bonus amount.

ANSWER: The Secret Service does not have any employees who are political appointees under Schedule C.

Please list all USSS SES bonuses provided in 2007 by position, office, and bonus amount.

ANSWER: This information is provided below.

Please list by office and pay grade level the number of USSS non-SES employees who received a bonus or quality step increase (qsi) in 2007, the total bonus/qsi expenditures for the particular office and pay grade, and the total number of employees in the office and pay grade.

ANSWER: This information is provided below.

Please provide a table showing how much of the 2009 budget will be used for bonuses for USSS political employees, USSS SES employees, and USSS non-SES employees.

Budgeted FY 2009 Bonuses	
Political Appointees	**Amount**
Senior Executive Service Employees	$ 686,000
Non-Senior Executive Service Employees	$5,784,000
Total	**$6,470,000**

Please provide for the record a table that shows all funds expended by USSS political employees for travel in 2007. Include name of individual traveling, purpose of travel, location(s) visited, and total cost.

ANSWER: The Secret Service does not have any employees who are political appointees under Schedule C, and therefore expended no funds on travel for such employees in 2007.

Please list the number, by office and pay grade level, of all USSS employees hired non-competitively in fiscal years 2002, 2003, 2004, 2005, 2006, and 2007.

List of Bonuses for All USSS SES Employees in Calendar 2007

#	Code	Post of Duty at the End of Calendar 2007	Title	Pay Plan	Series	Total of All Cash Awards for Calendar 2007
1	ADM	Office of Administration	Assistant Director	ES	1811	$47,795.24
2	DIR	Office of the Director	Director	ES	1811	$44,649.00
3	DEP	Office of the Deputy Director	Deputy Director	ES	1811	$35,939.06
4	INS	Office of Inspection	Assistant Director	ES	1811	$34,813.26
5	HNL	Honolulu Field Office	Special Agent in Charge	ES	1811	$33,805.24
6	DAL	Dallas Field Office	Special Agent in Charge	ES	1811	$33,797.44
7	LEG	Office of the Chief Counsel	Chief Counsel	ES	0905	$28,733.49
8	OPO	Office of Protective Operations	Assistant Director	ES	1811	$27,850.24
9	OPR	Office of Protective Research	Assistant Director	ES	1811	$27,786.24
10	INV	Office of Investigations	Assistant Director	ES	1811	$27,539.24
11	HRT	Office of Human Resources and Training	Assistant Director	ES	1811	$26,031.24
12	GPA	Office of Government Liaison & Public Affairs	Assistant Director	ES	1811	$25,806.24
13	OPO	Office of Protective Operations	Deputy Assistant Director	ES	1811	$20,850.06
14	ADM	Office of Administration	Deputy Assistant Director	ES	1811	$20,795.06
15	INV	Office of Investigations	Deputy Assistant Director	ES	1811	$20,782.35
16	PPD	Presidential Protective Division	Special Agent in Charge	ES	1811	$20,557.06
17	INV	Office of Investigations	Deputy Assistant Director	ES	1811	$20,388.06
18	VPD	Vice Presidential Protective Division	Special Agent in Charge	ES	1811	$20,328.06
19	OPO	Office of Protective Operations	Deputy Assistant Director	ES	1811	$20,132.06
20	PPD	Presidential Protective Division	Deputy Special Agent in Charge	ES	1811	$19,649.06
21	INV	Office of Investigations	Deputy Assistant Director	ES	1811	$19,154.06
22	DPD	Dignitary Protective Division	Special Agent in Charge	ES	1811	$19,131.61
23	OPR	Office of Protective Research	Deputy Assistant Director	ES	1811	$18,371.06
24	PHL	Philadelphia Field Office	Special Agent in Charge	ES	1811	$16,852.06
25	ATL	Atlanta Field Office	Special Agent in Charge	ES	1811	$16,212.24
26	OPR	Office of Protective Research	Deputy Assistant Director	ES	1811	$15,698.06
27	TSD	Technical Security Division	Special Agent in Charge	ES	1811	$14,926.66
28	HRT	Office of Human Resources and Training	Deputy Assistant Director	ES	1811	$14,511.06
29	INT	Intelligence Division	Deputy Assistant Director	ES	1811	$14,086.06
30	GPA	Office of Government Liaison & Public Affairs	Deputy Assistant Director	ES	0905	$13,679.06
31	CHI	Chicago Field Office	Special Agent in Charge	ES	1811	$13,313.24
32	LEG	Office of the Chief Counsel	Deputy Chief Counsel	ES	0905	$13,131.24
33	ADM	Office of Administration	Chief Financial Officer	ES	0505	$13,018.24
34	ROM	Rome Field Office	Special Agent in Charge	ES	1811	$12,288.44
35	NYC	New York Field Office	Special Agent in Charge	ES	1811	$10,813.67
36	HRT	Office of Human Resources and Training	Deputy Assistant Director	ES	1811	$9,084.56
37	CID	Criminal Investigative Division	Special Agent in Charge	ES	1811	$6,988.12
38	VPD	Vice Presidential Protective Division	Deputy Special Agent in Charge	ES	1811	$6,988.12
39	RTC	James J Rowley Training Center	Special Agent in Charge	ES	1811	$6,289.31
40	HOU	Houston Field Office	Special Agent in Charge	ES	1811	$3,524.22
41	OPO	Retired	Deputy Assistant Director	ES	1811	$3,494.06
42	WFO	Retired	Special Agent in Charge	ES	1811	$3,494.06
43	LAX	Los Angeles Field Office	Special Agent in Charge	ES	1811	$2,795.24
44	INS	Retired	Assistant Director	ES	1811	$2,795.24
45	OPR	Office of Protective Research	Chief Information Officer	ES	0301	$2,096.44

Total of Cash Awards and Bonuses for GL, GM, and GS Employees in Calendar 2007 by AD Office and Grade

Code	Office or Division	Total of Cash Awards & Recruitment / Retention / Relocation Bonuses for Calendar Year 2007	# of GL, GM & GS Employees at End of Calendar 2007	Total of Cash Awards & Recruitment / Retention / Relocation Bonuses for Employees in Calendar 2007 by Grade:														
				GS-01	GS-02	GS-03	GS-04	GL-05 & GS-05	GS-06	GL-07 & GS-07	GL-08 & GS-08	GL-09 & GS-09	GL-10 & GS-10	GS-11	GS-12	GM-13 & GS-13	GM-14 & GS-14	GM-15 & GS-15
DIR / DEP	Offices of the DIR & DEP	$22,489	10	$0	$0	$0	$0	$0	$3,060	$0	$0	$0	$0	$0	$3,826	$3,060	$7,651	$4,892
LEG	Office of the Chief Counsel	$88,862	19	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$2,295	$5,563	$18,449	$4,591	$57,964
AD-ADM	All ADM Offices	$312,174	212	$0	$0	$230	$612	$1,913	$3,290	$6,580	$0	$17,373	$0	$18,672	$34,258	$68,266	$81,093	$79,889
AD-GPA	All GPA Offices	$143,380	61	$0	$0	$0	$77	$765	$0	$1,530	$0	$4,208	$0	$8,340	$7,176	$29,352	$55,594	$36,338
AD-HRT	All HRT Offices	$349,478	373	$0	$0	$0	$1,082	$1,722	$2,334	$4,132	$4,950	$10,435	$0	$13,471	$31,803	$93,938	$102,428	$63,995
AD-INS	All INS Offices	$91,461	30	$0	$0	$0	$0	$0	$3,834	$0	$0	$3,673	$0	$0	$1,118	$3,520	$35,539	$43,977
AD-INV	All INV Offices	$2,197,937	3,117	$0	$230	$2,233	$8,565	$6,852	$12,162	$52,644	$103,070	$97,519	$47,303	$141,097	$101,702	$863,698	$437,454	$323,410
AD-OPO	All OPO Offices	$1,208,732	991	$0	$0	$0	$1,377	$4,552	$2,487	$5,241	$13,879	$42,978	$10,225	$55,935	$43,720	$317,128	$167,564	$109,076
AD-OPR	All OPR Offices	$446,563	523	$0	$153	$230	$909	$0	$1,148	$3,060	$2,153	$13,619	$0	$15,331	$18,001	$217,258	$104,326	$70,377

Number of USSS GL, GM, and GS Employees Who Received a Bonus in Calendar Year 2007 by AD Office and Grade

Code	Office or Division	# of Employees Who Received a Bonus in Calendar 2007 by Grade:														
		GS-01	GS-02	GS-03	GS-04	GL-05 & GS-05	GS-06	GL-07 & GS-07	GL-08 & GS-08	GL-09 & GS-09	GL-10 & GS-10	GS-11	GS-12	GM-13 & GS-13	GM-14 & GS-14	GM-15 & GS-15
DIR / DEP	Offices of the DIR & DEP	0 of 0	0 of 1	0 of 0	0 of 0	0 of 0	1 of 1	0 of 0	0 of 0	0 of 0	0 of 0	0 of 0	1 of 1	3 of 3	2 of 2	1 of 2
LEG	Office of the Chief Counsel	0 of 0	0 of 0	0 of 0	0 of 0	0 of 0	0 of 0	0 of 0	0 of 0	0 of 0	0 of 0	1 of 1	2 of 2	5 of 5	2 of 2	9 of 9
AD-ADM	All ADM Offices	0 of 0	0 of 0	1 of 2	1 of 1	3 of 5	5 of 7	7 of 7	0 of 0	21 of 22	0 of 0	22 of 24	36 of 40	43 of 48	34 of 39	16 of 17
AD-GPA	All GPA Offices	0 of 0	0 of 0	0 of 0	1 of 2	1 of 2	0 of 0	1 of 1	0 of 0	3 of 3	0 of 0	3 of 3	5 of 6	14 of 14	24 of 24	6 of 6
AD-HRT	All HRT Offices	0 of 0	0 of 2	0 of 2	4 of 7	4 of 12	5 of 9	7 of 9	14 of 16	12 of 15	0 of 0	17 of 24	51 of 74	97 of 125	52 of 58	18 of 20
AD-INS	All INS Offices	0 of 0	0 of 0	0 of 0	0 of 0	0 of 0	1 of 1	0 of 0	0 of 0	2 of 2	0 of 0	0 of 0	1 of 1	1 of 1	11 of 13	11 of 12
AD-INV	All INV Offices	0 of 0	1 of 18	7 of 17	27 of 61	16 of 35	16 of 22	54 of 159	116 of 148	100 of 339	45 of 49	135 of 297	149 of 223	991 of 1,393	241 of 275	72 of 81
AD-OPO	All OPO Offices	0 of 1	0 of 1	0 of 0	3 of 4	4 of 5	3 of 5	6 of 10	24 of 36	74 of 90	22 of 22	56 of 59	29 of 30	348 of 610	79 of 82	35 of 36
AD-OPR	All OPR Offices	0 of 0	1 of 3	1 of 2	3 of 5	0 of 1	1 of 3	4 of 8	2 of 2	12 of 28	0 of 0	21 of 35	18 of 30	191 of 290	75 of 89	23 of 27

Total of Cash Awards and Bonuses for UD and WG Employees in Calendar 2007 by AD Office and Rank/Grade

Code	Office or Division	Total of Cash Awards & Recruitment / Retention / Relocation Bonuses for Calendar Year 2007	# of LE & WG Employees at End of Calendar 2007	Total of Cash Awards & Recruitment / Retention / Relocation Bonuses for Employees in Calendar 2007 by Rank/Grade:											
				LE-01	LE-04	LE-05	LE-07	LE-08	LE-09	LE-10	LE-11	WG-6	WG-8	WG-12	WG-14
AD-OPO	All OPO Offices	$432,570	1,295	$190,509	$85,279	$50,630	$47,355	$31,683	$10,676	$0	$13,277	$383	$612	$1,630	$536
AD-HRT	All HRT Offices	$19,209	65	$8,085	$9,517	$1,607	$0	$0	$0	$0	$0	$0	$0	$0	$0

Number of USSS LE WG Employees Who Received a Bonus in Calendar Year 2007 by AD Office and Rank/Grade

Code	Office or Division	# of Employees Who Received a Bonus in Calendar 2007 by Rank/Grade:											
		LE-01	LE-04	LE-05	LE-07	LE-08	LE-09	LE-10	LE-11	WG-6	WG-8	WG-12	WG-14
OPO	All OPO Offices	273 of 1043	92 of 148	47 of 56	21 of 22	12 of 13	4 of 4	0 of 1	1 of 1	1 of 2	1 of 1	3 of 3	1 of 1
HRT	All HRT Offices	13 of 47	12 of 17	1 of 1	0 of 0	0 of 0	0 of 0	0 of 0	0 of 0	0 of 0	0 of 0	0 of 0	0 of 0

Quality Step Increases (QSIs) Awarded to USSS Employees in Calendar Year 2007

Code	Effective Date	Pay Plan	Series	Grade	Step	Official Position Title	2007 Cost
ADM	8/5/2007	GS	0560	12	5	Budget Analyst	$770.54
ADM	8/5/2007	GS	0560	14	3	Budget Analyst	$1,082.42
ADM	9/16/2007	GS	0560	12	2	Budget Analyst	$513.69
CLT	4/15/2007	GS	0301	11	7	Supervisory Administrative Specialist	$1,221.23
CLT	4/15/2007	GS	0341	12	6	Administrative Officer	$1,464.23
FMD	9/16/2007	GS	0501	12	3	Supv Financial Management Spec	$513.69
FMD	9/16/2007	GS	0501	09	6	Financial Management Specialist	$336.23
FMD	9/16/2007	GS	0501	14	7	Supervisory Financial Management Spec	$721.62
FMD	9/16/2007	GS	0510	14	5	Supervisory Accountant	$721.62
GRN	4/15/2007	GS	0301	09	3	Resident Administrative Manager	$1,008.69
GRR	5/27/2007	GS	0301	10	8	Resident Administrative Manager	$925.96
HRT	7/8/2007	GS	1530	14	5	Statistician	$1,443.23
IRM	5/13/2007	GS	2210	12	2	Information Technology Specialist	$1,369.85
ISD	3/18/2007	GS	1801	13	3	Criminal Research Specialist	$2,036.15
ISD	3/18/2007	GS	1801	13	3	Criminal Research Specialist	$2,036.15
OPR	4/1/2007	GS	0303	09	3	Vehicle Support Technician	$1,064.73
OPR	4/1/2007	GS	0301	09	9	Staff Specialist	$1,065.46
OPR	4/15/2007	GS	0301	14	10	Staff Projects Advisor	$2,164.85
OPR	4/29/2007	GS	0501	14	5	Budget and Finance Specialist	$2,044.58
PER	7/22/2007	GS	0201	11	8	Human Resources Specialist	$785.65
PER	9/2/2007	GS	0301	11	7	Staff Specialist	$499.96
PER	9/2/2007	GS	0201	13	5	Human Resources Specialist	$712.65
PER	9/2/2007	GS	0201	13	6	Human Resources Specialist	$712.65
RAL	4/15/2007	GS	0301	10	8	Resident Administrative Manager	$1,146.46
RAL	5/13/2007	GS	1802	08	6	Senior Investigative Assistant (OA)	$838.15
SAT	1/7/2007	GS	1802	07	2	Investigative Assistant (OA)	$1,100.31
SAT	3/18/2007	GS	1802	08	8	Senior Investigative Assistant (OA)	$1,015.38
SOU	1/7/2007	GS	1801	09	8	Resident Agency Administrator	$1,344.92
TSD	8/5/2007	GS	0080	12	2	Physical Security Specialist	$770.54
TSD	8/5/2007	GS	0855	14	8	Electronic Engineer	$1,082.42
UND	6/10/2007	GS	0301	13	7	Staff Assistant	$1,425.31
UND	8/5/2007	GS	2010	12	8	Supv Inventory Management Spec	$770.54
WNC	4/29/2007	GS	0301	09	9	Resident Administrative Manager	$953.31
						Total	**$35,663.19**

ANSWER: The Secret Service does not have any employees who are political appointees under Schedule C, which are considered non-competitive hires.

The Secret Service has been given limited Direct-Hire Authority (DHA) for the hiring of information technology specialists. DHA expedites hiring by eliminating competitive rating and ranking, veterans' preference, and "rule of three" procedures, so after public notice is given, any qualified applicant can be hired without regard to 5 U.S.C. 3309-3318, 5 CFR part 211, or 5 CFR part 337, subpart A. However, the Secret Service has not used DHA to fill a vacancy during the years 2002-2007.

The Secret Service is an excepted service agency, which means that we have been given the authority to use our own hiring system, with unique evaluation criteria, for use in filling special agent, Uniformed Division officer, and certain other vacancies. These positions are filled through a competitive process, but one that is different than the standard competitive civil service procedures. All vacancies not filled under our excepted service authorities are filled through standard competitive civil service procedures.

Contracts

Please provide for the record a list of sole source contracts executed by USSS in 2007. Organize by contractor, purpose, dollar award, full performance value, contract start date, contract end date, and reason for sole-source.

ANSWER: Please see the following table.

FISCAL YEAR 2007 SOLE SOURCE CONTRACT AWARDS*						
Vendor	**Services /Supplies**	**Obligated Amount**	**Total Contract Value With Options or Option Years**	**Contract Start Date**	**Contract End Date**	**Justification for Other Than Full and Open Competition**
CMI Management Inc.	Custodial /Janitorial Services	$323,211.60	$323,211.60	10/1/2006	5/31/2007	Authority: 41 U.S.C. 253 (c)(1) - Only one responsible source and no other supplies or services will satisfy agency requirement. This contract was established to provide coverage until a new 8(a) awardee was named. CMI was the incumbent contractor, who had recently graduated from the 8(a) Program.
White Wolf Survival Inc.	Specialized Training /Curriculum Development	$330,240.00	$330,240.00	12/3/2006	9/30/2007	Authority: 41 U.S.C. 253 (c)(1) - Only one responsible source and no other supplies or services will satisfy agency requirement.
Guidance Software, Inc.	One Year Site License for Software Suite	$340,000.00	$340,000.00	2/24/2007	2/23/2008	Authority: 41 U.S.C. 253 (c)(1) - Only one responsible source and no other supplies or services will satisfy agency requirement.
University of Tulsa	Research Support Services	$150,000.00	$150,000.00	5/22/2007	4/30/2008	Authority: 41 U.S.C. 253 (c)(1) - Only one responsible source and no other supplies or services will satisfy agency requirement.
Cogent Systems Inc.	Maintenance of Livescan Booking Stations	$230,378.40	1,762,648.93	1/1/2007	12/31/2011	Authority: 41 U.S.C. 253 (c)(1) - Only one responsible source and no other supplies or services will satisfy agency requirement.

Emergency Vehicle Installations Inc.	Installation of police lights, sirens, radios	$184,818.96	$184,818.96	6/10/2007	8/31/2007	Authority: 41 U.S.C. 253 (c)(2) - Unusual and compelling urgency.
Jerry's Ford Inc.	Vehicles	$152,150.98	$152,150.98	7/24/2007	8/1/2007	Authority: 41 U.S.C. 253 (c)(1) - Only one responsible source and no other supplies or services will satisfy agency requirement.
University of Tulsa	Lease of Facilities /Improvements for Site	$615,000.00	$1,015,000.00	9/17/2007	8/1/2011	Authority: 41 U.S.C. 253 (c)(1) - Only one responsible source and no other supplies or services will satisfy agency requirement.
Advantage Web Solutions	Encryption Device Software	$241,850.00	$241,850.00	9/11/2007	11/1/2007	Authority: 41 U.S.C. 253(c)(5): Authorized or required by statute [8(a) Program].
Olin Corp.-Winchester Division	Cartridges	$200,680.00	$200,680.00	9/12/2007	9/30/2007	Authority: 41 U.S.C. 253 (c)(1) - Only one responsible source and no other supplies or services will satisfy agency requirement.
Unilux Ltd.	Forensic Equipment	$110,450.00	$110,450.00	9/21/2007	2/1/2008	Authority: 41 U.S.C. 253 (c)(1) - Only one responsible source and no other supplies or services will satisfy agency requirement.
MCA Construction Inc.	Security System Installations	$1,744,000	$1,744,000	9/28/2007	4/28/2008	Authority: 41 U.S.C. 253(c)(5): Authorized or required by statute [8(a) Program].

*Listing does not include contracts which are classified or law enforcement sensitive.

Please provide for the record a list of all contracts over $1 million in total value executed by USSS in 2007. Organize by contractor, purpose, dollar award, full performance value, contract start date, contract end date, and contract type (e.g., firmed fixed price, etc.).

ANSWER: Please see the following table.

FISCAL YEAR 2007 CONTRACT AWARDS EXCEEDING $1 MILLION IN TOTAL VALUE						
Vendor	**Services/Supplies**	**Obligated Amount**	**Total Contract Value With Options or Option Years**	**Contract Start Date**	**Contract End Date**	**Contract Type**
MCA Construction Inc.	Security System Installations	$1,744,000	$1,744,000	9/28/2007	4/28/2008	Fixed Price
Paradigm Solutions Corp.	Computer Facilities Management Services - Hardware and Software Support	$2,828,595	$2,828,595	10/1/2007	1/30/2008	Fixed Price

*Listing does not include contracts which are classified or law enforcement sensitive.

Please provide for the record a list of all USSS contracts, grants and other transactions where work is performed outside of the United States. Organize by contractor, purpose, dollar award, full performance value, contract start date, and contract end date.

ANSWER: Please see the following table.

USSS Contracts, Grants and Other Transactions Where Work Is Performed Outside the U.S. in 2007							
Vendor	**Services/Supplies**	**Obligated Amount**	**Total Contract Value With Options or Option Years**	**OT Start Date**	**OT End Date**	**Contract Type**	**Performed Outside U.S.?**
Innovmetric Software Inc.	Software Licenses	$8,174	$8,174	10/1/2007	9/30/2008	Fixed Price	Place of Performance: Canada
Marsh Canada Ltd.	Canadian Liability Insurance For USSS Vehicles within Canadian Jurisdiction	$4,000	$4,000	11/1/2007	11/30/2008	Fixed Price	Performance in Canada

*Listing does not include transactions which are classified or law enforcement sensitive.

Provide for the record a chart that shows, by recipient, any payments made to educational institutions as of April 1, 2008, from funds appropriated to USSS in 2006, 2007 and 2008. Identify funds by year of appropriation. Include date on which payments were made and brief description of purpose for payment.

ANSWER: Please see the following table.

PAYMENTS TO EDUCATIONAL INSTITUTIONS

EDUCATIONAL INSTITUTION	AMOUNT	PAYMENT DATE	FY	PURPOSE
AMERICAN UNIVERSITY	$5,972.67	August 21, 2006	2006	Antenna Site Rental
AMERICAN UNIVERSITY	$542.97	September 21, 2006	2006	Antenna Site Rental
AMERICAN UNIVERSITY	$699.59	April 24, 2007	2007	Antenna Site Rental
AMERICAN UNIVERSITY	$141.44	August 8, 2007	2007	Antenna Site Rental
AMERICAN UNIVERSITY	$699.59	March 16, 2007	2007	Antenna Site Rental
AMERICAN UNIVERSITY	$699.59	July 5, 2007	2007	Antenna Site Rental
AMERICAN UNIVERSITY	$699.59	June 19, 2007	2007	Antenna Site Rental
AMERICAN UNIVERSITY	$699.59	June 8, 2007	2007	Antenna Site Rental
AMERICAN UNIVERSITY	$2,171.88	March 16, 2007	2007	Antenna Site Rental
AMERICAN UNIVERSITY	$267.66	October 9, 2007	2007	Antenna Site Rental
AMERICAN UNIVERSITY	$699.59	March 19, 2007	2007	Antenna Site Rental
AMERICAN UNIVERSITY	$576.17	March 4, 2008	2008	Antenna Site Rental
AMERICAN UNIVERSITY	$576.17	January 21, 2008	2008	Antenna Site Rental
AMERICAN UNIVERSITY	$576.17	March 24, 2008	2008	Antenna Site Rental
AMERICAN UNIVERSITY	$1,728.51	January 3, 2008	2008	Antenna Site Rental
ANNE ARUNDEL COMMUNITY COLLEGE	$100.00	April 3, 2007	2007	Rental Of Space less than 90 days
ANOKA RAMSEY COMMUNITY COLLEGE	$75.00	November 22, 2006	2007	Miscellaneous Contractual Services
ARAMARK-UNIV. OF SOUTH ALABAMA	$154.50	October 4, 2006	2006	Other Supplies
ARGOSY UNIVERSITY	$1,605.00	November 16, 2006	2006	Tuition
BARUCH COLLEGE	$50.00	April 28, 2006	2006	Miscellaneous Contractual Services
BARUCH COLLEGE	$50.00	December 1, 2006	2007	Rental Of Space less than 90 days
BARUCH COLLEGE	$150.00	May 8, 2007	2007	Rental Of Space less than 90 days
BAYLOR UNIVERSITY	$275.00	September 6, 2007	2007	Rental Of Space less than 90 days
BAYLOR UNIVERSITY	$275.00	February 11, 2008	2008	Rental Of Space less than 90 days
BOISE STATE UNIVERSITY	$150.00	February 5, 2007	2007	Rental Of Space less than 90 days
BOWIE STATE UNIVERSITY	$1,010.00	May 8, 2007	2007	Conference Fees

BROWARD COMMUNITY COLLEGE	$100.00	September 7, 2006	2006	Advertising, Publication Of Notices, Radio And Television Time
CALIFORNIA STATE UNIV. SACRAMENTO	$245.00	February 20, 2007	2007	Rental Of Space less than 90 days
CALIFORNIA STATE UNIVERSITY	$185.00	March 19, 2008	2008	Rental Of Space less than 90 days
CAREER SERVICES-BERKELEY COLLEGE	$150.00	June 1, 2006	2006	Rental Of Space less than 90 days
CARNEGIE MELLON UNIVERSITY CYLAB	$2,000.00	November 21, 2005	2006	Tuition
CARNEGIE MELLON UNIVERSITY CYLAB	$2,000.00	April 24, 2007	2007	Tuition
CARNEGIE MELLON UNIVERSITY CYLAB	$2,000.00	April 25, 2007	2007	Tuition
CARROLL COMMUNITY COLLEGE	$50.00	April 18, 2007	2007	Rental Of Space less than 90 days
CENTRAL MISSOURI STATE UNIVERSITY	$2,227.80	December 12, 2007	2008	Antenna Site Rental
CENTRAL MISSOURI STATE UNIVERSITY	$2,100.00	November 9, 2006	2006	Antenna Site Rental
CENTRAL MISSOURI STATE UNIVERSITY	$2,163.00	January 10, 2007	2007	Antenna Site Rental
CENTRAL TEXAS COLLEGE	$80.00	May 8, 2007	2007	Rental Of Space less than 90 days
CENTRAL TEXAS COLLEGE	$100.00	February 26, 2008	2008	Rental Of Space less than 90 days
CHARLESTON SOUTHERN UNIVERSITY	$75.00	February 21, 2006	2006	Rental Of Space less than 90 days
CHARLESTON SOUTHERN UNIVERSITY	$100.00	July 7, 2006	2006	Rental Of Space less than 90 days
CHATTAHOOCHEE TECHNICAL COLLEGE	$800.00	March 27, 2008	2008	Rental Of Space less than 90 days
CHICAGO STATE UNIVERSITY	$150.00	April 18, 2007	2007	Rental Of Space less than 90 days
CITY COLLEGE	$200.00	January 10, 2007	2007	Rental Of Space less than 90 days
CLEVELAND STATE UNIVERSITY	$150.00	March 9, 2007	2007	Rental Of Space less than 90 days
COLLEGE OF DUPAGE	$200.00	November 17, 2006	2007	Rental Of Space less than 90 days
COLLEGE OF DUPAGE	$200.00	September 5, 2007	2007	Rental Of Space less than 90 days
COLORADO LECC	$45.00	August 7, 2006	2006	Conference Fees
COLUMBIA UNIVERSITY	$150.00	April 4, 2007	2007	Rental Of Space less than 90 days
CPCC	$93.75	August 24, 2006	2006	Tuition
CPCC	$206.50	August 24, 2006	2006	Tuition
CPCC	$100.00	March 14, 2007	2007	Tuition
CUYAHOGA COMMUNITY COLLEGE	$300.00	March 4, 2008	2008	Rental Of Space less than 90 days
CUYAHOGA COMMUNITY COLLEGE	$125.00	March 26, 2007	2007	Rental Of Space less than 90 days
DEPAUL UNIVERSITY	$85.00	February 20, 2007	2007	Rental Of Space less than 90 days
DEVRY UNIVERSITY	$1,500.00	November 2, 2007	2007	Tuition
DEVRY UNIVERSITY	$1,500.00	November 2, 2007	2007	Tuition
DEVRY UNIVERSITY	$1,500.00	November 2, 2007	2007	Tuition
DEVRY UNIVERSITY	$1,500.00	November 2, 2007	2007	Tuition
DEVRY UNIVERSITY	$1,500.00	November 2, 2007	2007	Tuition
DEVRY UNIVERSITY	$1,500.00	November 2, 2007	2007	Tuition
DEVRY UNIVERSITY	$1,500.00	November 2, 2007	2007	Tuition
DEVRY UNIVERSITY	$1,500.00	November 2, 2007	2007	Tuition
DEVRY UNIVERSITY	$1,500.00	November 2, 2007	2007	Tuition
DEVRY UNIVERSITY	$1,500.00	March 28, 2008	2007	Tuition
DREXEL UNIVERSITY	$400.00	May 16, 2007	2007	Rental Of Space less than 90 days

EASTERN ILLINOIS UNIV.	$45.00	February 16, 2007	2007	Rental Of Space less than 90 days
EKU COLLEGE OF JUSTICE AND SAFETY	$25.00	May 2, 2006	2006	Rental Of Space less than 90 days
EKU COLLEGE OF JUSTICE AND SAFETY	$25.00	April 25, 2007	2007	Rental Of Space less than 90 days
EKU COLLEGE OF JUSTICE AND SAFETY	$25.00	March 13, 2008	2008	Rental Of Space less than 90 days
EMORY UNIV. DEPT EMERGENCY MED.	$490.00	August 25, 2006	2006	Tuition
EMORY UNIV. DEPT EMERGENCY MED.	$490.00	August 25, 2006	2006	Tuition
EXCELSIOR COLLEGE	$12.00	November 21, 2005	2006	Applicant Investigations
EXCELSIOR COLLEGE	$24.00	February 1, 2006	2006	Miscellaneous Contractual Services
EXCELSIOR COLLEGE	$12.00	March 16, 2006	2006	Miscellaneous Contractual Services
EXCELSIOR COLLEGE	$5.00	July 19, 2006	2006	Miscellaneous Contractual Services
EXCELSIOR COLLEGE	$12.00	January 24, 2008	2008	Miscellaneous Contractual Services
EXCELSIOR COLLEGE	$918.00	May 4, 2006	2006	Tuition
FLORIDA GULF COAST UNIVERSITY	$100.00	February 8, 2007	2007	Rental Of Space less than 90 days
FORDHAM UNIVERSITY	$100.00	February 5, 2007	2007	Rental Of Space less than 90 days
FOX VALLEY TECHNICAL COLLEGE	$425.00	July 28, 2006	2006	Conference Fees
FOX VALLEY TECHNICAL COLLEGE	$425.00	July 28, 2006	2006	Conference Fees
FOX VALLEY TECHNICAL COLLEGE	$75.00	April 13, 2006	2006	Rental Of Space less than 90 days
FRESNO CITY COLLEGE	$75.00	May 4, 2007	2007	Rental Of Space less than 90 days
GEORGE MASON UNIVERSITY	$225.00	June 1, 2007	2007	Rental Of Space less than 90 days
GEORGE MASON UNIVERSITY	$1,320.60	February 12, 2007	2007	Commercial Printing & Binding
GEORGE MASON UNIVERSITY	$275.00	February 9, 2007	2007	Rental Of Space less than 90 days
GEORGE WASHINGTON UNIVERSITY	$3,456.90	January 3, 2006	2006	Training, Contracted In House
GEORGE WASHINGTON UNIVERSITY	$3,577.89	May 18, 2007	2007	Miscellaneous Contractual Services
GEORGE WASHINGTON UNIVERSITY	$3,577.89	May 18, 2007	2007	Miscellaneous Contractual Services
GEORGE WASHINGTON UNIVERSITY	$3,577.89	May 18, 2007	2007	Miscellaneous Contractual Services
GEORGE WASHINGTON UNIVERSITY	$3,577.89	May 18, 2007	2007	Miscellaneous Contractual Services
GEORGE WASHINGTON UNIVERSITY	$3,577.89	May 18, 2007	2007	Miscellaneous Contractual Services
GEORGE WASHINGTON UNIVERSITY	$3,577.89	August 21, 2007	2007	Miscellaneous Contractual Services
GEORGE WASHINGTON UNIVERSITY	$3,577.89	August 21, 2007	2007	Miscellaneous Contractual Services
GEORGE WASHINGTON UNIVERSITY	$3,577.89	August 21, 2007	2007	Miscellaneous Contractual Services
GEORGE WASHINGTON UNIVERSITY	$3,577.89	August 21, 2007	2007	Miscellaneous Contractual Services
GEORGE WASHINGTON UNIVERSITY	$3,577.89	February 26, 2008	2007	Miscellaneous Contractual Services
GEORGE WASHINGTON UNIVERSITY	$3,577.89	February 26, 2008	2007	Miscellaneous Contractual Services
GEORGE WASHINGTON UNIVERSITY	$3,577.89	February 26, 2008	2007	Miscellaneous Contractual Services
GEORGE WASHINGTON UNIVERSITY	$3,577.89	February 26, 2008	2007	Miscellaneous Contractual Services

GEORGE WASHINGTON UNIVERSITY	$3,703.12	January 3, 2008	2008	Training, Contracted In House
GEORGE WASHINGTON UNIVERSITY	$3,703.12	January 3, 2008	2008	Training, Contracted In House
GEORGE WASHINGTON UNIVERSITY	$3,703.12	January 3, 2008	2008	Training, Contracted In House
GEORGE WASHINGTON UNIVERSITY	$3,703.12	January 3, 2008	2008	Training, Contracted In House
GEORGE WASHINGTON UNIVERSITY	$3,703.12	January 3, 2008	2008	Training, Contracted In House
GEORGE WASHINGTON UNIVERSITY	$3,703.12	January 3, 2008	2008	Training, Contracted In House
GEORGE WASHINGTON UNIVERSITY	$160.00	March 19, 2007	2007	Health Services, Other
GEORGE WASHINGTON UNIVERSITY	$112.00	January 23, 2007	2007	Health Services, Other
GEORGE WASHINGTON UNIVERSITY	$2,554.00	October 10, 2007	2007	Training, Contracted In House
GEORGE WASHINGTON UNIVERSITY	$233.00	March 26, 2007	2007	Health Services, Other
GEORGE WASHINGTON UNIVERSITY	$3,456.90	February 24, 2006	2006	Training, Contracted In House
GEORGE WASHINGTON UNIVERSITY	$3,456.90	February 24, 2006	2006	Training, Contracted In House
GEORGE WASHINGTON UNIVERSITY	$3,456.90	March 3, 2006	2006	Training, Contracted In House
GEORGE WASHINGTON UNIVERSITY	$3,456.90	March 3, 2006	2006	Training, Contracted In House
GEORGE WASHINGTON UNIVERSITY	$3,456.90	May 15, 2006	2006	Training, Contracted In House
GEORGE WASHINGTON UNIVERSITY	$3,456.90	June 16, 2006	2006	Training, Contracted In House
GEORGE WASHINGTON UNIVERSITY	$3,456.90	July 13, 2006	2006	Training, Contracted In House
GEORGE WASHINGTON UNIVERSITY	$3,456.90	October 27, 2006	2006	Training, Contracted In House
GEORGE WASHINGTON UNIVERSITY	$3,456.90	September 1, 2006	2006	Training, Contracted In House
GEORGE WASHINGTON UNIVERSITY	$3,456.90	October 5, 2006	2006	Training, Contracted In House
GEORGE WASHINGTON UNIVERSITY	$3,456.90	October 13, 2006	2006	Training, Contracted In House
GEORGE WASHINGTON UNIVERSITY	$3,456.90	October 26, 2006	2006	Training, Contracted In House
GEORGE WASHINGTON UNIVERSITY	$3,577.89	January 30, 2007	2007	Miscellaneous Contractual Services
GEORGE WASHINGTON UNIVERSITY	$3,577.89	January 30, 2007	2007	Miscellaneous Contractual Services
GEORGE WASHINGTON UNIVERSITY	$3,577.89	January 30, 2007	2007	Miscellaneous Contractual Services
GEORGE WASHINGTON UNIVERSITY	$3,456.90	January 3, 2006	2006	Training, Contracted In House
GEORGE WASHINGTON UNIVERSITY	$3,456.90	January 3, 2006	2006	Training, Contracted In House
GEORGE WASHINGTON UNIVERSITY	$3,456.90	January 3, 2006	2006	Training, Contracted In House
GEORGE WASHINGTON UNIVERSITY	$3,456.90	January 3, 2006	2006	Training, Contracted In House
GEORGE WASHINGTON UNIVERSITY	$2,772.00	March 15, 2006	2006	Tuition

GEORGE WASHINGTON UNIVERSITY	$3,150.00	October 18, 2006	2006	Tuition
GEORGE WASHINGTON UNIVERSITY	$3,000.00	January 17, 2008	2008	Tuition
GEORGE WASHINGTON UNIVERSITY	$15,732.00	February 28, 2008	2008	Hotel Costs, Domestic
GEORGE WASHINGTON UNIVERSITY	$15,732.00	February 28, 2008	2008	Hotel Costs, Domestic
GEORGE WASHINGTON UNIVERSITY	$15,732.00	February 28, 2008	2008	Hotel Costs, Domestic
GEORGE WASHINGTON UNIVERSITY	$15,732.00	February 28, 2008	2008	Hotel Costs, Domestic
GEORGE WASHINGTON UNIVERSITY	$15,732.00	February 28, 2008	2008	Hotel Costs, Domestic
GEORGE WASHINGTON UNIVERSITY	$12,420.00	February 28, 2008	2008	Hotel Costs, Domestic
GEORGE WASHINGTON UNIVERSITY	$12,420.00	February 28, 2008	2008	Hotel Costs, Domestic
GEORGE WASHINGTON UNIVERSITY	$12,420.00	February 28, 2008	2008	Hotel Costs, Domestic
GEORGE WASHINGTON UNIVERSITY	$3,213.00	December 12, 2006	2006	Tuition
GEORGE WASHINGTON UNIVERSITY	$2,909.24	January 17, 2007	2007	Tuition
GEORGETOWN UNIVERSITY	$150.00	May 4, 2007	2007	Rental Of Space less than 90 days
GEORGETOWN UNIVERSITY	$110.00	August 28, 2006	2006	Subscriptions & Directories
GEORGETOWN UNIVERSITY	$130.00	July 27, 2007	2007	Subscriptions & Directories
GEORGIA STATE UNIVERSITY	$480.44	February 1, 2006	2006	Rental Of Other Communications Equipment less than 90 days
GRACELAND COLLEGE CENTER	$199.00	August 27, 2007	2007	Tuition
GRACELAND COLLEGE CENTER	$25.95	August 20, 2007	2007	Tuition
GRACELAND COLLEGE CENTER	$199.00	February 7, 2006	2006	Tuition
GRACELAND COLLEGE CENTER	$149.00	March 6, 2006	2006	Tuition
GRACELAND COLLEGE CENTER	$149.00	April 18, 2006	2006	Tuition
GRACELAND COLLEGE CENTER	$149.00	May 12, 2006	2006	Tuition
GRACELAND COLLEGE CENTER	$399.00	April 6, 2006	2006	Tuition
GRACELAND COLLEGE CENTER	$179.00	April 14, 2006	2006	Tuition
GRACELAND COLLEGE CENTER	$199.00	June 1, 2006	2006	Tuition
GRACELAND COLLEGE CENTER	$199.00	June 16, 2006	2006	Tuition
GRACELAND COLLEGE CENTER	$199.00	May 23, 2006	2006	Tuition
GRACELAND COLLEGE CENTER	$199.00	October 4, 2006	2006	Tuition
GRACELAND COLLEGE CENTER	$139.00	July 10, 2006	2006	Tuition
GRACELAND COLLEGE CENTER	$139.00	September 15, 2006	2006	Tuition
GRACELAND COLLEGE CENTER	$139.00	September 15, 2006	2006	Tuition

GRACELAND COLLEGE CENTER	$349.00	September 18, 2006	2006	Tuition
GRACELAND COLLEGE CENTER	$349.00	September 15, 2006	2006	Tuition
GRACELAND COLLEGE CENTER	$349.00	September 15, 2006	2006	Tuition
GRACELAND COLLEGE CENTER	$269.00	September 15, 2006	2006	Tuition
GRACELAND COLLEGE CENTER	$189.00	September 18, 2006	2006	Tuition
GRACELAND COLLEGE CENTER	$139.00	September 15, 2006	2006	Tuition
GRACELAND COLLEGE CENTER	$139.00	September 18, 2006	2006	Tuition
GRACELAND COLLEGE CENTER	$149.00	August 30, 2006	2006	Tuition
GRACELAND COLLEGE CENTER	$149.00	August 30, 2006	2006	Tuition
GRACELAND COLLEGE CENTER	$199.00	August 30, 2006	2006	Tuition
GRACELAND COLLEGE CENTER	$199.00	August 30, 2006	2006	Tuition
GRACELAND COLLEGE CENTER	$149.00	August 30, 2006	2006	Tuition
GRACELAND COLLEGE CENTER	$199.00	August 30, 2006	2006	Tuition
GRACELAND COLLEGE CENTER	$139.00	October 13, 2006	2006	Tuition
GRACELAND COLLEGE CENTER	$139.00	September 18, 2006	2006	Tuition
GRACELAND COLLEGE CENTER	$189.00	September 18, 2006	2006	Tuition
GRACELAND COLLEGE CENTER	$189.00	September 15, 2006	2006	Tuition
GRACELAND COLLEGE CENTER	$299.00	September 1, 2006	2006	Tuition
GRACELAND COLLEGE CENTER	$349.00	September 15, 2006	2006	Tuition
GRACELAND COLLEGE CENTER	$349.00	September 15, 2006	2006	Tuition
GRACELAND COLLEGE CENTER	$349.00	September 15, 2006	2006	Tuition
GRACELAND COLLEGE CENTER	$199.00	October 5, 2006	2006	Tuition
GRACELAND COLLEGE CENTER	$189.00	October 5, 2006	2006	Tuition
GRACELAND COLLEGE CENTER	$199.00	December 8, 2006	2007	Tuition
GRACELAND COLLEGE CENTER	$74.00	January 16, 2007	2007	Tuition
GRACELAND COLLEGE CENTER	$149.00	February 21, 2007	2007	Tuition
GRACELAND COLLEGE CENTER	$299.00	May 22, 2007	2007	Tuition
GRACELAND COLLEGE CENTER	$299.00	December 8, 2006	2007	Tuition
GRACELAND COLLEGE CENTER	$499.00	March 14, 2007	2007	Tuition
GRACELAND COLLEGE CENTER	$199.00	March 14, 2007	2007	Tuition

GRACELAND COLLEGE CENTER	$149.00	February 21, 2007	2007	Tuition
GRACELAND COLLEGE CENTER	$199.00	March 14, 2007	2007	Tuition
GRACELAND COLLEGE CENTER	$199.00	July 18, 2007	2007	Tuition
GRACELAND COLLEGE CENTER	$149.00	May 18, 2007	2007	Tuition
GRACELAND COLLEGE CENTER	$189.00	April 27, 2007	2007	Tuition
GRACELAND COLLEGE CENTER	$299.00	June 27, 2007	2007	Tuition
GRACELAND COLLEGE CENTER	$299.00	July 3, 2007	2007	Tuition
GRACELAND COLLEGE CENTER	$149.00	June 19, 2007	2007	Tuition
GRACELAND COLLEGE CENTER	$149.00	June 19, 2007	2007	Tuition
GRACELAND COLLEGE CENTER	$199.00	July 20, 2007	2007	Tuition
GRACELAND COLLEGE CENTER	$374.00	November 2, 2007	2008	Tuition
GRACELAND COLLEGE CENTER	$374.00	November 2, 2007	2008	Tuition
GRACELAND COLLEGE CENTER	$199.00	August 27, 2007	2007	Tuition
GRACELAND COLLEGE CENTER	$149.00	October 16, 2007	2007	Tuition
GRACELAND COLLEGE CENTER	$199.00	September 21, 2007	2007	Tuition
GRACELAND COLLEGE CENTER	$399.00	September 25, 2007	2007	Tuition
GRACELAND COLLEGE CENTER	$199.00	December 21, 2007	2007	Tuition
GRACELAND COLLEGE CENTER	$149.00	January 25, 2008	2008	Tuition
GRACELAND COLLEGE CENTER	$149.00	January 23, 2008	2008	Tuition
GRACELAND COLLEGE CENTER	$349.00	September 18, 2006	2006	Tuition
GRACELAND COLLEGE CENTER	$499.00	December 8, 2006	2007	Tuition
GRACELAND COLLEGE CENTER	$36.45	January 3, 2008	2008	Subscriptions & Directories
GRACELAND COLLEGE CENTER	$36.45	January 3, 2008	2008	Subscriptions & Directories
GRACELAND COLLEGE CENTER	$199.00	September 21, 2007	2007	Tuition
GRACELAND COLLEGE CENTER	$199.00	September 21, 2007	2007	Tuition
GRACELAND COLLEGE CENTER	$199.00	September 21, 2007	2007	Tuition
HOFSTRA UNIVERSITY	$80.00	April 20, 2007	2007	Rental Of Space less than 90 days
HOWARD COMMUNITY COLLEGE	$300.00	October 30, 2006	2007	Rental Of Space less than 90 days
HOWARD UNIVERSITY	$450.00	March 14, 2007	2007	Rental Of Space less than 90 days
HOWARD UNIVERSITY	$900.00	December 4, 2007	2007	Rental Of Space less than 90 days
INDIANA UNIVERSITY OF PENNSYLVANIA	$30.00	May 4, 2007	2007	Rental Of Space less than 90 days

JACKSON STATE UNIVERSITY	$325.00	October 16, 2007	2007	Rental Of Space less than 90 days
JOHN CARROLL UNIVERSITY	$50.00	February 12, 2008	2008	Rental Of Space less than 90 days
JOHN CARROLL UNIVERSITY	$50.00	March 21, 2007	2007	Rental Of Space less than 90 days
JOHNS HOPKINS UNIVERSITY	$74,000.00	March 5, 2008	2008	Training, Contracted In House
JOHNS HOPKINS UNIVERSITY	$74,000.00	March 5, 2008	2008	Training, Contracted In House
JOHNS HOPKINS UNIVERSITY	$7,160.00	April 24, 2007	2007	Training, Contracted In House
JOHNS HOPKINS UNIVERSITY	$82,400.00	May 12, 2006	2006	Training, Contracted In House
JOHNS HOPKINS UNIVERSITY	$82,400.00	May 12, 2006	2006	Training, Contracted In House
JOHNS HOPKINS UNIVERSITY	$20,000.00	July 13, 2007	2007	Training, Contracted In House
JOHNS HOPKINS UNIVERSITY	$82,400.00	August 8, 2006	2006	Training, Contracted In House
JOHNS HOPKINS UNIVERSITY	$82,400.00	August 8, 2006	2006	Training, Contracted In House
JOHNS HOPKINS UNIVERSITY	$2,758.50	September 10, 2007	2007	Health Services, Other
JOHNS HOPKINS UNIVERSITY	$96,820.00	August 22, 2007	2007	Health Services, Other
JOHNS HOPKINS UNIVERSITY	$6,800.00	November 16, 2007	2007	Health Services, Other
JOHNS HOPKINS UNIVERSITY	$19,000.00	September 12, 2006	2006	Training, Contracted In House
JOHNS HOPKINS UNIVERSITY	$94,000.00	September 12, 2006	2006	Health Services, Other
JOHNS HOPKINS UNIVERSITY	$2,598.14	December 7, 2006	2006	Tuition
JOHNS HOPKINS UNIVERSITY	$7,160.00	October 10, 2007	2007	Training, Contracted In House
JOHNS HOPKINS UNIVERSITY	$3,252.37	January 5, 2007	2006	Health Services, Other
JOHNS HOPKINS UNIVERSITY	$7,650.00	January 5, 2007	2006	Health Services, Other
JOHNS HOPKINS UNIVERSITY	$21,000.00	November 29, 2007	2008	Training, Contracted In House
JOHNS HOPKINS UNIVERSITY	$124.30	January 10, 2007	2007	Health Services, Other
JOHNS HOPKINS UNIVERSITY	$20,000.00	January 4, 2007	2007	Training, Contracted In House
JOHNS HOPKINS UNIVERSITY	$74,000.00	November 21, 2007	2007	Training, Contracted In House
JOHNS HOPKINS UNIVERSITY	$74,000.00	November 21, 2007	2007	Training, Contracted In House
JOHNS HOPKINS UNIVERSITY	$5,100.00	January 10, 2007	2007	Health Services, Other
JOHNS HOPKINS UNIVERSITY	$6,800.00	January 10, 2007	2007	Health Services, Other
JOHNS HOPKINS UNIVERSITY	$11,900.00	February 15, 2008	2007	Health Services, Other
JOHNS HOPKINS UNIVERSITY	$8,500.00	February 15, 2008	2007	Health Services, Other
JOHNS HOPKINS UNIVERSITY	$9,350.00	February 9, 2007	2007	Health Services, Other
JOHNS HOPKINS UNIVERSITY	$49,440.00	March 13, 2007	2007	Training, Contracted In House
JOHNS HOPKINS UNIVERSITY	$49,440.00	March 13, 2007	2007	Training, Contracted In House
JOHNS HOPKINS UNIVERSITY	$32,960.00	March 14, 2007	2006	Training, Contracted In House
JOHNS HOPKINS UNIVERSITY	$32,960.00	March 14, 2007	2006	Training, Contracted In House
JOHNS HOPKINS UNIVERSITY	$19,000.00	December 16, 2005	2006	Training, Contracted In House
JOHNS HOPKINS UNIVERSITY	$82,400.00	March 7, 2006	2006	Training, Contracted In House
JOHNS HOPKINS UNIVERSITY	$82,400.00	March 7, 2006	2006	Training, Contracted In House
JOHNS HOPKINS UNIVERSITY	$41,200.00	June 28, 2007	2007	Training, Contracted In House
JOHNS HOPKINS UNIVERSITY	$82,400.00	June 28, 2007	2007	Training, Contracted In House
JOHNS HOPKINS UNIVERSITY	$82,400.00	June 28, 2007	2007	Training, Contracted In House
JOHNS HOPKINS UNIVERSITY	$82,400.00	June 28, 2007	2007	Training, Contracted In House
JOHNS HOPKINS UNIVERSITY	$82,400.00	June 28, 2007	2007	Training, Contracted In House
JOHNS HOPKINS UNIVERSITY	$22,165.39	June 19, 2006	2006	Health Services, Other
JOHNSON/WALES UNIVERSITY	$125.00	September 18, 2006	2006	Advertising, Publication Of Notices, Radio And Television Time
KANSAS STATE UNIVERSITY	$8.00	March 17, 2008	2008	Miscellaneous Contractual Services
KENNESAW STATE UNIVERSITY	$75.00	April 6, 2007	2007	Rental Of Space less than 90 days
LEHMAN COLLEGE	$125.00	March 15, 2006	2006	Rental Of Space less than 90 days
LEHMAN COLLEGE	$125.00	February 15, 2007	2007	Rental Of Space less than 90 days
LEHMAN COLLEGE	$75.00	January 25, 2007	2007	Rental Of Space less than 90 days
LEMOYNE-OWEN COLLEGE	$100.00	September 13, 2006	2006	Rental Of Space less than 90 days

LEWIS/CLARK COMMUNITY COLLEGE	$35.00	April 3, 2007	2007	Rental Of Space less than 90 days
LINCOLN UNIVERSITY	$200.00	March 9, 2007	2007	Rental Of Space less than 90 days
LORAIN COUNTY COMMUNITY COLLEGE	$65.00	March 7, 2007	2007	Rental Of Space less than 90 days
LORAIN COUNTY COMMUNITY COLLEGE	$65.00	February 20, 2008	2008	Rental Of Space less than 90 days
LOS ANGELES VALLEY COLLEGE	$90.00	February 6, 2008	2008	Rental Of Space less than 90 days
LOYOLA MARYMOUNT UNIVERSITY	$200.00	March 4, 2008	2008	Rental Of Space less than 90 days
LOYOLA UNIVERSITY CHICAGO	$100.00	November 27, 2007	2008	Rental Of Space less than 90 days
MANHATTAN COLLEGE	$50.00	January 24, 2007	2007	Rental Of Space less than 90 days
MARIST COLLEGE	$75.00	February 27, 2007	2007	Rental Of Space less than 90 days
MARIST COLLEGE	$75.00	October 31, 2006	2006	Rental Of Space less than 90 days
MARIST COLLEGE	$75.00	October 11, 2007	2007	Rental Of Space less than 90 days
MARSHALL UNIVERSITY	$100.00	August 9, 2007	2007	Rental Of Space less than 90 days
MARYMOUNT UNIVERSITY	$1,823.00	February 1, 2006	2006	Tuition
MONTGOMERY COLLEGE	$961.20	April 25, 2007	2006	Tuition
MURRAY STATE UNIVERSITY	$100.00	October 17, 2007	2007	Rental Of Space less than 90 days
N. CALIFORNIA PUBLIC SAFETY TRNG COL	$450.00	November 6, 2007	2008	Conference Fees
NASHVILLE SCHOOL OF LAW	$1,900.00	November 27, 2006	2007	Rental Of Space less than 90 days
NEW MEXICO STATE UNIVERSITY	$550.00	November 25, 2005	2006	Tuition
NEW YORK UNIVERSITY	$125.00	January 10, 2007	2007	Rental Of Space less than 90 days
NEW YORK UNIVERSITY	$125.00	January 10, 2007	2007	Rental Of Space less than 90 days
NORFOLK STATE UNIVERSITY	$325.00	April 6, 2007	2007	Rental Of Space less than 90 days
NORTH LAKE COLLEGE	$25.00	November 22, 2006	2007	Rental Of Space less than 90 days
NORTH LAKE COLLEGE	$25.00	March 19, 2007	2007	Rental Of Space less than 90 days
NORTHERN MICHIGAN UNIVERSITY	$75.00	March 28, 2008	2008	Rental Of Space less than 90 days
NORTHERN VIRGINIA COMMUNITY COLLEGE	$794.70	February 5, 2008	2008	Tuition
NORWICH UNIVERSITY	$50.00	April 12, 2006	2006	Rental Of Space less than 90 days
NORWICH UNIVERSITY	$50.00	February 5, 2007	2007	Rental Of Space less than 90 days
NORWICH UNIVERSITY	$50.00	February 27, 2008	2008	Rental Of Space less than 90 days
OAKLAND COMMUNITY COLLEGE	$625.00	February 20, 2007	2006	Tuition
OAKLAND COMMUNITY COLLEGE	$631.00	May 4, 2007	2007	Rental Of Space less than 90 days
OHIO NORTHERN UNIVERSITY	$140.00	December 7, 2007	2008	Rental Of Space less than 90 days
OHIO STATE UNIVERSITY	$2,000.04	February 1, 2007	2007	Antenna Site Rental
OHIO STATE UNIVERSITY	$166.67	April 24, 2006	2006	Antenna Site Rental
OHIO STATE UNIVERSITY	$166.67	August 28, 2006	2006	Antenna Site Rental
OHIO STATE UNIVERSITY	$166.67	March 9, 2006	2006	Antenna Site Rental
OHIO STATE UNIVERSITY	$166.67	July 26, 2006	2006	Antenna Site Rental
OHIO STATE UNIVERSITY	$166.67	June 20, 2006	2006	Antenna Site Rental
OHIO STATE UNIVERSITY	$166.67	March 22, 2006	2006	Antenna Site Rental
OHIO STATE UNIVERSITY	$166.67	May 31, 2006	2006	Antenna Site Rental
OHIO STATE UNIVERSITY	$666.68	January 30, 2006	2006	Antenna Site Rental
OHIO STATE UNIVERSITY	$166.67	September 20, 2006	2006	Antenna Site Rental
OHIO STATE UNIVERSITY	$871.20	April 13, 2007	2007	Hotel Costs, Domestic
OHIO STATE UNIVERSITY	$871.20	April 13, 2007	2007	Hotel Costs, Domestic

OHIO STATE UNIVERSITY	$871.20	April 13, 2007	2007	Hotel Costs, Domestic
PACE UNIVERSITY	$150.00	January 10, 2007	2007	Rental Of Space less than 90 days
PACE UNIVERSITY	$65.00	February 9, 2007	2007	Rental Of Space less than 90 days
PACE UNIVERSITY	$150.00	April 13, 2007	2007	Rental Of Space less than 90 days
PENNSYLVANIA STATE UNIVERSITY	$375.00	February 28, 2008	2008	Rental Of Space less than 90 days
PORTLAND STATE UNIVERSITY	$4.00	August 13, 2007	2007	Miscellaneous Contractual Services
PORTLAND STATE UNIVERSITY	$4.00	July 31, 2006	2006	Miscellaneous Contractual Services
PORTLAND STATE UNIVERSITY	$4.00	October 5, 2006	2006	Miscellaneous Contractual Services
PRAIRIE STATE COLLEGE	$75.00	April 10, 2007	2007	Rental Of Space less than 90 days
PRINCE GEORGE'S COMMUNITY COLLEGE	$210.00	April 27, 2007	2007	Tuition
PRINCE GEORGE'S COMMUNITY COLLEGE	$210.00	April 27, 2007	2007	Tuition
PRINCE GEORGE'S COMMUNITY COLLEGE	$457.00	December 15, 2006	2006	Tuition
PRINCE GEORGE'S COMMUNITY COLLEGE	$255.00	December 10, 2007	2008	Rental Of Space less than 90 days
PRINCE GEORGE'S COMMUNITY COLLEGE	$175.50	February 28, 2007	2007	Rental Of Space less than 90 days
QUEENS COLLEGE	$100.00	March 22, 2007	2007	Rental Of Space less than 90 days
RICHARD J. DALEY COLLEGE	$50.00	April 18, 2007	2007	Rental Of Space less than 90 days
RICHARD STOCKTON COLLEGE	$150.00	February 9, 2007	2007	Rental Of Space less than 90 days
RICHARD STOCKTON COLLEGE	$150.00	September 19, 2007	2007	Rental Of Space less than 90 days
ROBERT MORRIS COLLEGE	$75.00	October 25, 2006	2007	Rental Of Space less than 90 days
ROBERT MORRIS COLLEGE	$150.00	April 30, 2007	2007	Rental Of Space less than 90 days
ROCKHURST UNIVERSITY	$395.00	December 28, 2005	2006	Tuition
ROCKHURST UNIVERSITY	$597.00	February 27, 2006	2006	Tuition
ROCKHURST UNIVERSITY	$597.00	February 27, 2006	2006	Tuition
ROCKHURST UNIVERSITY	$597.00	February 27, 2006	2006	Tuition
ROCKHURST UNIVERSITY	$149.25	June 8, 2006	2006	Tuition
ROCKHURST UNIVERSITY	$199.00	May 8, 2006	2006	Tuition
ROCKHURST UNIVERSITY	$179.00	April 20, 2006	2006	Tuition
ROCKHURST UNIVERSITY	$313.00	June 8, 2006	2006	Tuition
ROCKHURST UNIVERSITY	$199.00	June 2, 2006	2006	Tuition
ROCKHURST UNIVERSITY	$199.00	November 20, 2006	2006	Tuition
ROCKHURST UNIVERSITY	$228.00	October 17, 2006	2006	Tuition
ROCKHURST UNIVERSITY	$273.50	April 5, 2007	2007	Tuition
ROCKHURST UNIVERSITY	$399.00	June 15, 2007	2007	Tuition
ROCKHURST UNIVERSITY	$179.00	June 20, 2007	2007	Tuition
ROCKHURST UNIVERSITY	$179.00	June 20, 2007	2007	Tuition
ROCKHURST UNIVERSITY	$199.00	August 6, 2007	2007	Tuition
ROCKHURST UNIVERSITY	$399.00	August 29, 2007	2007	Tuition
ROCKHURST UNIVERSITY	$399.00	April 20, 2006	2006	Tuition
ROCKHURST UNIVERSITY	$399.00	August 6, 2007	2007	Tuition
ROCKHURST UNIVERSITY	$399.00	June 15, 2007	2007	Tuition
ROCKHURST UNIVERSITY	$299.00	July 18, 2007	2007	Tuition
ROCKHURST UNIVERSITY	$179.00	October 9, 2007	2007	Tuition
ROCKHURST UNIVERSITY	$199.00	October 26, 2007	2007	Tuition
ROCKHURST UNIVERSITY	$199.00	October 9, 2007	2007	Tuition

ROCKHURST UNIVERSITY	$199.00	September 26, 2007	2007	Tuition
ROCKHURST UNIVERSITY	$199.00	October 10, 2007	2007	Tuition
ROCKHURST UNIVERSITY	$199.00	September 26, 2007	2007	Tuition
ROCKHURST UNIVERSITY	$199.00	August 20, 2007	2007	Tuition
ROCKHURST UNIVERSITY	$199.00	August 29, 2007	2007	Tuition
ROCKHURST UNIVERSITY	$411.95	October 23, 2007	2007	Tuition
ROCKHURST UNIVERSITY	$199.00	March 28, 2008	2008	Miscellaneous Contractual Services
ROCKHURST UNIVERSITY	$145.00	August 27, 2007	2007	Subscriptions & Directories
ROCKHURST UNIVERSITY	$145.00	August 27, 2007	2007	Subscriptions & Directories
ROGER WILLIAMS UNIVERSITY	$50.00	August 9, 2007	2007	Conference Fees
RUTGERS UNIVERSITY	$50.00	March 16, 2007	2007	Rental Of Space less than 90 days
SAGINAW VALLEY STATE UNIV.	$1,200.00	October 21, 2005	2006	Health Fitness Facilities
SAGINAW VALLEY STATE UNIV.	$1,200.00	October 12, 2006	2007	Health Fitness Facilities
SAGINAW VALLEY STATE UNIV.	$1,200.00	November 27, 2007	2008	Health Fitness Facilities
SAGINAW VALLEY STATE UNIV.	$75.00	February 15, 2008	2008	Rental Of Space less than 90 days
SAM HOUSTON STATE UNIVERSITY	$250.00	February 4, 2008	2008	Rental Of Space less than 90 days
SAN JOSE STATE UNIVERSITY	$95.00	April 26, 2006	2006	Rental Of Space less than 90 days
SANTA BARBARA CITY COLLEGE	$30.00	May 15, 2007	2007	Rental Of Space less than 90 days
SAVANNAH STATE UNIVERSITY	$75.00	February 28, 2008	2008	Rental Of Space less than 90 days
SETON HALL UNIV.	$115.00	July 27, 2007	2007	Rental Of Space less than 90 days
SIMPSON COLLEGE	$5.00	October 26, 2007	2007	Miscellaneous Contractual Services
SONOMA STATE UNIVERSITY	$100.00	March 14, 2007	2007	Rental Of Space less than 90 days
ST. JOHNS UNIV.	$100.00	April 28, 2006	2006	Rental Of Space less than 90 days
ST. JOHNS UNIV.	$100.00	February 23, 2007	2007	Rental Of Space less than 90 days
ST. JOHNS UNIV.	$150.00	March 7, 2007	2007	Rental Of Space less than 90 days
ST. MARYS UNIVERSITY	$195.00	February 28, 2007	2007	Conference Fees
STANFORD UNIVERSITY	$200.00	May 8, 2006	2006	Rental Of Space less than 90 days
STRAYER UNIVERSITY	$1,440.00	March 3, 2006	2006	Tuition
STRAYER UNIVERSITY	$1,215.00	April 11, 2006	2006	Tuition
STRAYER UNIVERSITY	$1,285.00	November 20, 2006	2006	Tuition
STRAYER UNIVERSITY	$85.00	January 19, 2007	2006	Tuition
SW TENNESSEE COMMUNITY COLLEGE	$490.00	January 14, 2008	2007	Tuition
SW TENNESSEE COMMUNITY COLLEGE	$490.00	January 14, 2008	2007	Tuition
TEMPLE UNIVERSITY	$195.00	May 30, 2006	2006	Tuition
TEMPLE UNIVERSITY	$195.00	August 18, 2006	2006	Tuition
TEMPLE UNIVERSITY	$175.00	October 31, 2006	2006	Tuition
TEMPLE UNIVERSITY	$175.50	December 26, 2006	2007	Tuition
TEMPLE UNIVERSITY	$220.50	December 26, 2006	2007	Tuition
TEMPLE UNIVERSITY	$175.50	March 29, 2007	2007	Tuition
TEMPLE UNIVERSITY	$250.00	March 1, 2007	2007	Rental Of Space less than 90 days
TEMPLE UNIVERSITY	$245.00	May 24, 2006	2006	Tuition
TEMPLE UNIVERSITY	$195.00	July 28, 2006	2006	Tuition
TEMPLE UNIVERSITY	$175.00	October 31, 2006	2006	Tuition
TEMPLE UNIVERSITY	$175.00	October 31, 2006	2006	Tuition
TEMPLE UNIVERSITY	$175.50	December 26, 2006	2007	Tuition

TEMPLE UNIVERSITY	$175.50	December 26, 2006	2007	Tuition
TEXAS TECH UNIVERSITY	$100.00	December 15, 2006	2007	Rental Of Space less than 90 days
TEXAS WOMAN'S UNIVERSITY	$75.00	December 7, 2007	2008	Rental Of Space less than 90 days
THE COLLEGE OF CHARLESTON	$75.00	August 23, 2006	2006	Rental Of Space less than 90 days
THE COLLEGE OF CHARLESTON	$100.00	February 5, 2008	2008	Conference Fees
THE UNIVERSITY OF MISSISSIPPI	$1,183.42	July 17, 2006	2006	Hotel Costs, Domestic
THE UNIVERSITY OF MISSISSIPPI	$1,183.42	July 17, 2006	2006	Hotel Costs, Domestic
THE UNIVERSITY OF MISSISSIPPI	$1,183.42	July 17, 2006	2006	Hotel Costs, Domestic
THE UNIVERSITY OF MISSISSIPPI	$1,183.42	July 17, 2006	2006	Hotel Costs, Domestic
THE UNIVERSITY OF MISSISSIPPI	$1,183.42	July 17, 2006	2006	Hotel Costs, Domestic
THE UNIVERSITY OF MISSISSIPPI	$169.06	July 14, 2006	2006	Hotel Costs, Domestic
THE UNIVERSITY OF MISSISSIPPI	$169.06	July 14, 2006	2006	Hotel Costs, Domestic
THE UNIVERSITY OF MISSISSIPPI	$169.06	July 14, 2006	2006	Hotel Costs, Domestic
THE UNIVERSITY OF TEXAS AT EL PASO	$100.00	January 30, 2008	2008	Rental Of Space less than 90 days
TRINITY COLLEGE	$1,785.00	December 8, 2005	2006	Tuition
TRINITY COLLEGE	$1,785.00	December 8, 2005	2006	Tuition
TRITON COLLEGE	$50.00	April 25, 2007	2007	Rental Of Space less than 90 days
TROY UNIVERSITY	$7.25	January 9, 2007	2007	Miscellaneous Contractual Services
UNIV. NORTH CAROLINA CHARLOTTE	$60.00	September 28, 2007	2007	Rental Of Space less than 90 days
UNIV. OF CALIFORNIA BERKELEY	$175.00	April 10, 2007	2007	Rental Of Space less than 90 days
UNIV. OF WISCONSIN - MILWAUKEE	$360.00	April 3, 2007	2007	Antenna Site Rental
UNIV. OF WISCONSIN - MILWAUKEE	$255.59	April 3, 2007	2007	Utilities
UNIV. OF WISCONSIN - MILWAUKEE	$39.37	April 21, 2006	2006	Antenna Site Rental
UNIV. OF WISCONSIN - MILWAUKEE	$39.37	August 28, 2006	2006	Antenna Site Rental
UNIV. OF WISCONSIN - MILWAUKEE	$39.37	February 24, 2006	2006	Antenna Site Rental
UNIV. OF WISCONSIN - MILWAUKEE	$39.37	July 24, 2006	2006	Antenna Site Rental
UNIV. OF WISCONSIN - MILWAUKEE	$39.37	June 20, 2006	2006	Antenna Site Rental
UNIV. OF WISCONSIN - MILWAUKEE	$39.37	March 22, 2006	2006	Antenna Site Rental
UNIV. OF WISCONSIN - MILWAUKEE	$39.37	May 31, 2006	2006	Antenna Site Rental
UNIV. OF WISCONSIN - MILWAUKEE	$157.48	February 3, 2006	2006	Antenna Site Rental
UNIV. OF WISCONSIN - MILWAUKEE	$39.37	September 20, 2006	2006	Antenna Site Rental
UNIVERSITY OF DAYTON	$2,450.00	February 7, 2006	2006	Research And Development
UNIVERSITY OF DAYTON	$2,450.00	February 7, 2006	2006	Other Non-capitalized Equipment (less than $200,000)

UNIVERSITY OF DAYTON	$4,593.33	May 25, 2006	2006	Miscellaneous Contractual Services
UNIVERSITY OF DAYTON	$11,834.84	August 8, 2006	2006	Miscellaneous Contractual Services
UNIVERSITY OF DAYTON	$5,695.00	February 2, 2007	2006	Miscellaneous Contractual Services
UNIVERSITY OF DAYTON	$9,730.00	February 2, 2007	2006	Miscellaneous Contractual Services
UNIVERSITY OF DAYTON	$12,960.01	November 13, 2007	2007	Miscellaneous Contractual Services
UNIVERSITY OF DAYTON	$16,313.22	January 10, 2008	2007	Miscellaneous Contractual Services
UNIVERSITY OF GA CENTER	$2,060.00	March 2, 2007	2007	Hotel Costs, Domestic
UNIVERSITY OF GA CENTER	$2,060.00	March 2, 2007	2007	Hotel Costs, Domestic
UNIVERSITY OF GA CENTER	$2,060.00	March 2, 2007	2007	Hotel Costs, Domestic
UNIVERSITY OF GA CENTER	$125.00	February 27, 2007	2007	Rental Of Space less than 90 days
UNIVERSITY OF IOWA	$12.00	July 17, 2007	2007	Miscellaneous Contractual Services
UNIVERSITY OF IOWA	$12.00	April 10, 2007	2007	Miscellaneous Contractual Services
UNIVERSITY OF KANSAS HOSPITAL	$26.33	October 10, 2007	2007	Miscellaneous Contractual Services
UNIVERSITY OF LOUISVILLE	$350.00	April 10, 2007	2007	Rental Of Space less than 90 days
UNIVERSITY OF MGMT AND TECHNOLOGY	$990.00	March 5, 2007	2007	Tuition
UNIVERSITY OF MISSOURI	$130.00	March 25, 2008	2008	Rental Of Other Equipment less than 90 days
UNIVERSITY OF NORTH CAROLINA	$50.00	November 23, 2007	2008	Rental Of Space less than 90 days
UNIVERSITY OF NOTRE DAME	$508.00	June 5, 2007	2007	Hotel Costs, Domestic
UNIVERSITY OF NOTRE DAME	$508.00	June 5, 2007	2007	Hotel Costs, Domestic
UNIVERSITY OF NOTRE DAME	$508.00	June 5, 2007	2007	Hotel Costs, Domestic
UNIVERSITY OF SOUTH FLORIDA	$525.00	October 11, 2007	2007	Rental Of Space less than 90 days
UNIVERSITY OF TAMPA	$50.00	December 14, 2007	2008	Rental Of Space less than 90 days
UNIVERSITY OF TEXAS	$150.00	March 23, 2007	2007	Rental Of Space less than 90 days
UNIVERSITY OF TULSA	$150.00	January 31, 2007	2007	Rental Of Space less than 90 days
UNIVERSITY OF TULSA	$150,000.00[1]	February 9, 2007	2006	Miscellaneous Contractual Services
UNIVERSITY OF TULSA	$87,899.45[1]	September 10, 2007	2007	Miscellaneous Contractual Services
UNIVERSITY OF TULSA	$62,100.55[1]	December 28, 2007	2007	Miscellaneous Contractual Services
UNIVERSITY OF TULSA	$50.00	April 27, 2006	2006	Rental Of Space less than 90 days
UNIVERSITY OF VIRGINIA	$798.00	November 28, 2006	2006	Tuition
UNIVERSITY OF VIRGINIA	$663.00	April 24, 2007	2007	Tuition
UNIVERSITY OF WEST GEORGIA	$100.00	January 24, 2008	2008	Rental Of Space less than 90 days
UTICA COLLEGE	$85.00	April 10, 2007	2007	Rental Of Space less than 90 days
VALPARAISO UNIVERSITY	$50.00	July 2, 2007	2007	Rental Of Space less than 90 days
WABASH COLLEGE	$25.00	August 31, 2006	2006	Conference Fees
WABASH COLLEGE	$25.00	November 16, 2005	2006	Tuition
WAGNER COLLEGE	$50.00	March 13, 2006	2006	Rental Of Space less than 90 days
WALDEN UNIVERSITY	$3,600.00	August 22, 2006	2006	Tuition
WALDEN UNIVERSITY	$3,600.00	August 22, 2006	2006	Tuition
WALDEN UNIVERSITY	$1,230.00	February 19, 2008	2008	Conference Fees
WEST TEXAS A & M UNIVERSITY	$100.00	March 4, 2008	2008	Rental Of Space less than 90 days
WESTERN CAROLINA UNIVERSITY	$50.00	December 7, 2007	2008	Rental Of Space less than 90 days
WESTERN ILLINOIS UNIV.	$105.00	October 18, 2006	2007	Rental Of Space less than 90 days
WESTERN ILLINOIS UNIV.	$90.00	February 27, 2007	2007	Rental Of Space less than 90 days
WHITTIER COLLEGE	$75.00	February 8, 2008	2008	Rental Of Space less than 90 days

[1] Funding from the Treasury Executive Office for Asset Forfeiture

WILLIAM RAINEY HARPER COLLEGE	$650.00	November 15, 2007	2008	Rental Of Space less than 90 days
WMPCC	$2,300.00	August 17, 2006	2006	Tuition
WMPCC	$2,300.00	August 17, 2006	2006	Tuition
YALE UNIVERSITY	$708.00	January 11, 2007	2007	Rental Of Space less than 90 days
YALE UNIVERSITY	$705.00	February 13, 2006	2006	Rental Of Space less than 90 days
YALE UNIVERSITY	$708.00	February 9, 2007	2007	Rental Of Space less than 90 days
YALE UNIVERSITY	$705.00	April 10, 2006	2006	Rental Of Space less than 90 days
YALE UNIVERSITY	$705.00	October 28, 2005	2006	Rental Of Space less than 90 days
YALE UNIVERSITY	$705.00	November 14, 2005	2006	Rental Of Space less than 90 days
YALE UNIVERSITY	$705.00	December 8, 2005	2006	Rental Of Space less than 90 days
YALE UNIVERSITY	$702.71	June 30, 2006	2006	Rental Of Space less than 90 days
YALE UNIVERSITY	$708.00	March 9, 2007	2007	Rental Of Space less than 90 days
YALE UNIVERSITY	$705.00	June 9, 2006	2006	Rental Of Space less than 90 days
YALE UNIVERSITY	$708.00	May 14, 2007	2007	Rental Of Space less than 90 days
YALE UNIVERSITY	$708.00	June 14, 2007	2007	Rental Of Space less than 90 days
YALE UNIVERSITY	$80.00	July 20, 2006	2006	Health Services, Other
YALE UNIVERSITY	$708.00	July 17, 2007	2007	Rental Of Space less than 90 days
YALE UNIVERSITY	$136.00	August 30, 2006	2006	Health Services, Other
YALE UNIVERSITY	$399.39	December 8, 2005	2006	Rental Of Space less than 90 days
YALE UNIVERSITY	$2,124.00	December 12, 2006	2007	Rental Of Space less than 90 days
YALE UNIVERSITY	$705.00	December 28, 2005	2006	Rental Of Space less than 90 days
YALE UNIVERSITY	$708.00	January 4, 2007	2007	Rental Of Space less than 90 days
YALE UNIVERSITY	$708.00	April 13, 2007	2007	Rental Of Space less than 90 days
YALE UNIVERSITY	$705.00	April 10, 2006	2006	Rental Of Space less than 90 days
YALE UNIVERSITY	$705.00	August 4, 2006	2006	Rental Of Space less than 90 days
YALE UNIVERSITY	$705.00	May 11, 2006	2006	Rental Of Space less than 90 days
YALE UNIVERSITY	$700.00	September 6, 2006	2006	Rental Of Space less than 90 days
YAMASAKI ACADEMY	$1,000.00	July 6, 2006	2006	Training, Contracted In House
YAMASAKI ACADEMY	$1,000.00	June 1, 2007	2007	Training, Contracted In House
YORK COLLEGE OF PENNSYLVANIA	$70.00	March 7, 2007	2007	Rental Of Space less than 90 days

U.S. Secret Service Investigations

Please list planned and actual funding and FTE for the Electronic Crimes Task Force program for fiscal years 2007-2009, indicating what funding was provided from forfeiture funding and what from direct appropriations. Include all personnel costs.

ANSWER:

- FY 2007 ECSAP and ECTF: 322 FTE and $40,535,000
- FY 2008 ECSAP and ECTF: 289 FTE and $44,565,000
- FY 2009 ECSAP and ECTF: 302 FTE and $47,836,000

The Secret Service received no direct appropriations for the ECTF program except for the salaries and benefits of USSS employee's assigned to those initiatives. Rather, the Treasury Executive Office for Asset Forfeiture (TEOAF) provided funding for the ECTFs in the below listed amounts for the following fiscal years:

- **FY 2007**

Joint Operations/Task Forces (ECTF-FCTF)	$1,153,510
Secure Evidence Storage (ECTF)	$700,000
Wireless Tracking Initiative (ECTF)	$400,000
Critical Needs Funding (ECTF)	$265,077

- **FY 2008**

Joint Operations/Task Forces (ECTF)	$643,070
Video Teleconferencing Units	$36,000
Wireless Tracking Initiative (ECTF)	$1,200,000
Critical Needs Funding (ECTF)	$265,077

- **FY 2009 (Proposed)**

Quarterly Meetings (ECTF)	$60,000
Joint Operations/Task Forces (ECTF)	$1,200,000
Critical Needs Funding (ECTF)	$400,000
Proposed ECTF Expansion	$450,000
Wireless Tracking (ECTF)	$1,200,000

Please list planned and actual funding and FTE for the Electronic Crimes Special Agent program for fiscal years 2007-2009, indicating what funding was provided from forfeiture funding and what from direct appropriations. Include all personnel costs.

ANSWER:

- FY 2007 ECSAP and ECTF: 322 FTE and $40,535,000
- FY 2008 ECSAP and ECTF: 289 FTE and $44,565,000
- FY 2009 ECSAP and ECTF: 302 FTE and $47,836,000

The Secret Service received no direct appropriations for the ECSAP program except for the salaries and benefits of USSS employee's assigned to those initiatives. Rather, the Treasury Executive Office for Assest Forfeiture (TEOAF) provided funding for the ECSAP program in the below listed amounts for the following fiscal years:

- **FY 2007**

Secure Evidence Storage (ECSAP)	$700,000
Treasury Computer Forensics Program (ECSAP)	$4,000,000
Basic Investigation of Computers and Electronic Crimes (ECSAP)	$400,000
Network Intrusion Responder Program (ECSAP)	$600,000
Cell Phone Forensic Facility at Tulsa (ECSAP)	$800,000

- **FY 2008**

Treasury Computer Forensics Program (ECSAP)	$1,203,000
Basic Investigation of Computers & Electronic Crimes (ECSAP)	$150,000
Network Intrusion Responder Program (ECSAP)	$400,000
Cell Phone Forensic Facility at Tulsa (ECSAP)	$600,000
Headquarters Digital Evidence Lab (ECSAP)	$1,668,000
BICEP Classrooms for JJRTC	$500,000

- **FY 2009 (Proposed)**
  The FY 2009 budget has not been requested from TEOAF. It is anticipated that TEOAF will request this budget by June 1, 2008.

Does USSS anticipate starting or stopping any ECTFs in 2008 or 2009?

ANSWER: No plans are in effect to stop any existing Secret Service ECTFs. The Secret Service constantly evaluates domestic and international regions where an ECTF could be replicated to address cyber-electronic criminal activity. Any expansion of the ECTF program would have to be considered within the Administration's budget priorities identified through the annual budget process.

Provide a chart showing the number of USSS agents, by location, trained at each of the ECSAP levels I, II, and III in 2007, 2008, and anticipated for 2009.

ANSWER: Please see the following chart.

By the end of FY 2008: The Secret Service will have approximately 1018 ECSAP-trained special agents assigned to Secret Service field offices throughout the world. Level I (ECSAP-B) = 650 Special Agents Level II (ECSAP-NI) = 187 Special Agents Level III (ECSAP-CF) = 181 Special Agents Total: = 1018 Special Agents
By the end of FY 2009: The Secret Service plans to have approximately 1176 ECSAP-trained special agents assigned to Secret Service field offices throughout the world. Level I (ECSAP-B) = 722 Special Agents Level II (ECSAP-NI) = 249 Special Agents Level III (ECSAP-CF) = 205 Special Agents Total: = 1176 Special Agents
In FY 2008, the James J. Rowley Training Center will begin including BICEP training in the Special Agent Training Course (SATC) curriculum. FY 2008 and FY 2009 figures include JJRTC BICEP trained employees.

The following table contains the distribution of ECSAP trained agents among the Secret Service's 88 field offices as of May 12, 2008. This information provides a representation of the ECSAP program at a fixed point in time and is subject to change due to reassignments, resignations and retirements. The table only contains ECSAP agents trained at the Nitro and Computer Forensics levels (Levels II and III). All newly hired agents are receiving the BICEP level (Level I) training while at JJRTC as part of their basic training curriculum. Additionally, the Criminal Investigative Division does not track the assignment location of Level I (BICEP) trained agents since this training is not consider forensic in nature and is at a rudimentary level.

Distribution of Level II and Level III ECSAP Trained Agents by Office

		Active	Active	
		Level III (CF)	Level II (Nitro)	Total
1.	Akron Resident Office	1	0	1
2.	Albuquerque Resident Office	1	1	2
3.	Atlanta Field Office	6	3	9
4.	Austin Resident Office	0	1	1

5.	Baltimore Field Office	2	5	7
6.	Baton Rouge Resident Office	1	1	2
7.	Bucharest Resident Office	1	0	1
8.	Birmingham Field Office	1	3	4
9.	Boston Field Office	2	4	6
10.	Buffalo Field Office	1	2	3
11.	Burlington Resident Agency	0	0	0
12.	Charlotte Field Office	4	3	7
13.	Chicago Field Office	5	10	15
14.	Cincinnati Field Office	0	1	1
15.	Criminal Investigative Division	7	1	8
16.	Cleveland Field Office	3	2	5
17.	Columbia Field Office	3	2	5
18.	Columbus Resident Office	1	0	1
19.	Dallas Field Office	6	11	17
20.	Denver Field Office	1	1	2
21.	Detroit Field Office	3	4	7
22.	El Paso Resident Office	1	0	1
23.	Ft. Myers Resident Agency	0	0	0
24.	Fresno Resident Office	0	1	1
25.	Guam Resident Office	0	1	1
26.	Honolulu Field Office	1	1	2
27.	Houston Field Office	5	4	9
28.	Indianapolis Field Office	1	1	2
29.	Jackson Resident Office	1	0	1
30.	Jacksonville Field Office	2	2	4
31.	Kansas City Field Office	2	2	4
32.	Las Vegas Field Office	5	1	6
33.	Lexington Resident Office	0	1	1
34.	Los Angeles Field Office	8	8	16
35.	Little Rock Field Office	1	2	3
36.	Louisville Field Office	2	3	5
37.	Lubbock Resident Agency	0	1	1
38.	Memphis Field Office	1	3	4
39.	Manchester Resident Office	1	0	1
40.	McAllen Resident Office	1	0	1
41.	Melville Resident Office	1	1	2
42.	Mobile Resident Office	0	0	0
43.	Montgomery Resident Agency	1	1	2
44.	Miami Field Office	7	11	18
45.	Milwaukee Resident Office	1	1	2
46.	Minneapolis Field Office	2	3	5
47.	New Haven Resident Office	0	1	1
48.	New Orleans Field Office	1	2	3
49.	Norfolk Resident Office	0	1	1
50.	Nashville Field Office	1	1	2
51.	Newark Field Office	3	3	6

52.	New York Field Office	6	14	20
53.	Oklahoma City Field Office	3	2	5
54.	Omaha Resident Office	1	2	3
55.	Orlando Field Office	3	3	6
56.	Paris Field Office	1	0	1
57.	Philadelphia Field Office	5	8	13
58.	Phoenix Field Office	0	1	1
59.	Pittsburgh Field Office	1	1	2
60.	Portland (ME) Resident Office	1	0	1
61.	Portland (OR) Resident Office	1	1	2
62.	Providence Resident Office	1	0	1
63.	Raleigh Resident Office	1	1	2
64.	Reno Resident Office	1	0	1
65.	Richmond Field Office	2	2	4
66.	Riverside Resident Office	0	2	2
67.	Rochester Resident Agency	1	0	1
68.	Sacramento Resident Office	1	1	2
69.	Salt Lake City Resident Office	1	0	1
70.	San Antonio Field Office	2	1	3
71.	San Diego Field Office	2	0	2
72.	San Francisco Field Office	3	3	6
73.	San Jose Resident Office	0	1	1
74.	Santa Ana Resident Office	1	0	1
75.	Savannah Resident Office	0	0	0
76.	Seattle Field Office	2	1	3
77.	Spokane Resident Office	1	0	1
78.	Springfield Resident Agency	0	1	1
79.	St. Louis Field Office	2	2	4
80.	Syracuse Resident Office	0	1	1
81.	Tampa Field Office	1	1	2
82.	Toledo Resident Office	0	1	1
83.	Tulsa Resident Office	1	0	1
84.	Ventura Resident Office	0	1	1
85.	Washington Field Office	7	8	15
86.	Wilmington (DE) Resident Office	1	0	1
87.	Wilmington (NC) Resident Office	1	0	1
88.	White Plains Resident Office	0	1	1
89.	Albany Resident Office	0	1	1
90.	Waco Resident Office	1	0	1
91.	JFK Resident Office	0	2	2
92.	Frankfurt Resident Office	0	1	1
93.	Reagan Protective Division	1	0	1
94.	CID-CERT	1	0	1
	Total	**155**	**175**	**330**

Provide a consolidated chart showing arrests by category for each field office for fiscal years 2005, 2006, and 2007.

ANSWER: Please see the following table.

FISCAL YEAR 2005					
Office	**Counterfeiting**	**Protective Intelligence**	**Financial Crime**	**All Other**	**Total**
Atlanta	59	-	119	3	181
+ Albany (GA)	12	2	8	-	22
+ Savannah	22	2	25	2	51
Baltimore	42	2	26	-	70
Birmingham	32	1	14	-	47
+ Jackson	5	-	19	-	24
+ Mobile	6	-	28	-	34
* Montgomery	6	-	16	-	22
Boston	27	-	40	-	67
+ Manchester	5	-	3	-	8
+ Portland (ME)	1	8	4	1	14
+ Providence	6	-	6	-	12
* Burlington	3	1	1	-	5
Buffalo	23	-	12	-	35
+ Albany (NY)	2	-	25	-	27
+ Syracuse	6	-	18	3	27
* Rochester	18	-	11	3	32
Charlotte	43	2	53	4	102
+ Greensboro	15	-	13	-	28
+ Raleigh	12	1	24	-	37
+ Wilmington (NC)	14	-	2	-	16
Chicago	14	-	125	5	144
+ Milwaukee	3	-	6	-	9
+ Springfield (IL)	11	1	7	1	20
* Madison	10	-	7	-	17
Cincinnati	39	1	21	-	61
+ Columbus	15	2	13	-	30
+ Dayton	11	5	19	1	36
Cleveland	10	6	54	-	70
+ Akron	8	-	3	1	12
+ Toledo	7	-	1	-	8
Columbia	30	-	50	4	84
+ Charleston (SC)	17	1	47	1	66
+ Greenville	54	1	67	11	133
Dallas	47	1	27	-	75
+ Waco	24	2	4	1	31
* Lubbock	27	3	19	-	49
* Tyler	6	1	3	-	10
Denver	10	1	15	-	26
+ Salt Lake City	6	1	38	1	46

* Boise	-	3	7	-	10
Detroit	43	1	33	1	78
+ Grand Rapids	18	1	3	1	23
+ Saginaw	7	1	10	1	19
Honolulu	44	-	13	1	58
+ Bangkok	7	-	21	1	29
+ Guam	1	-	16	-	17
+ Hong Kong	26	-	-	-	26
Houston	25	2	89	3	119
+ Austin	21	-	8	2	31
Indianapolis	20	6	18	-	44
Jacksonville	10	-	22	-	32
+ Tallahassee	4	1	3	-	8
Kansas City	42	2	45	1	90
+ Omaha	29	2	29	-	60
* Des Moines	18	1	4	-	23
* Springfield (MO)	12	2	5	1	20
* Wichita	4	-	9	-	13
Las Vegas	10	2	67	-	79
+ Reno	4	-	3	-	7
Los Angeles	47	1	106	5	159
+ Riverside	27	-	17	-	44
+ Santa Ana	24	-	20	1	45
+ Ventura	8	-	5	-	13
Little Rock	20	5	23	-	48
Louisville	32	1	9	-	42
+ Lexington	27	-	9	1	37
Memphis	10	1	42	-	53
Miami	141	2	145	4	292
+ Bogota	125	-	4	-	129
+ Brasilia	7	-	19	-	26
+ San Juan	21	-	22	-	43
+ West Palm Beach	9	-	10	-	19
Minneapolis	13	4	6	-	23
* Sioux Falls	3	-	2	-	5
Nashville	6	1	31	-	38
+ Chattanooga	6	1	7	-	14
+ Knoxville	1	-	2	-	3
Newark	24	-	36	6	66
+ Trenton	6	4	8	-	18
New Orleans	4	1	14	1	20
+ Baton Rouge	11	4	7	2	24
New York	38	9	142	5	194
+ JFK	2	-	20	-	22
+ Melville	14	-	34	-	48
+ New Haven	1	2	15	-	18
+ White Plains	5	1	39	4	49

Oklahoma City	20	-	32	3	55
+ Tulsa	14	1	28	-	43
Orlando	11	2	17	-	30
Ottawa	9	3	54	-	66
+ Toronto	1	-	5	-	6
+ Vancouver	18	-	8	-	26
Paris	24	-	28	-	52
+ Berlin	5	-	-	-	5
+ London	1	-	5	-	6
+ Moscow	15	-	1	-	16
* Frankfurt	3	-	13	-	16
Philadelphia	32	3	72	-	107
+ Atlantic City	28	-	14	-	42
+ Scranton	17	4	5	1	27
+ Wilmington (DE)	12	-	7	-	19
Phoenix	22	1	19	1	43
+ Albuquerque	32	1	10	-	43
+ Tucson	9	1	2	-	12
Pittsburgh	18	1	36	2	57
+ Charleston (WV)	5	-	10	-	15
Richmond	24	3	28	1	56
+ Norfolk	10	-	6	-	16
* Roanoke	2	1	1	-	4
Rome	50	-	1	-	51
+ Bucharest	9	-	15	-	24
+ Milan	11	-	45	-	56
+ Sofia (Bulgaria)	5	-	-	-	5
San Antonio	37	4	33	-	74
+ El Paso	24	2	11	1	38
+ McAllen	11	-	15	-	26
+ Mexico City	1	-	-	-	1
San Diego	33	1	19	-	53
San Francisco	15	3	24	-	42
+ Fresno	14	-	8	-	22
+ Sacramento	29	14	20	-	63
+ San Jose	6	-	7	1	14
Seattle	8	-	31	-	39
+ Portland (OR)	7	3	1	-	11
+ Spokane	17	1	11	-	29
* Anchorage	-	-	3	-	3
* Billings	5	-	1	-	6
St. Louis	25	-	32	-	57
Tampa	16	6	42	1	65
* Fort Myers	2	2	8	-	12
Washington	46	25	172	11	254
TOTALS, FY 2005	**2,388**	**188**	**3,092**	**105**	**5,773**

+Denotes Resident Office of Preceding Field Office.
*Denotes Resident Agency of Preceding Field Office.

FISCAL YEAR 2006

Office	Counterfeiting	Protective Intelligence	Financial Crime	All Other	Total
Atlanta	28	5	143	1	177
+ Albany (GA)	9	3	15	1	28
+ Savannah	24	-	49	-	73
Baltimore	42	2	31	-	75
Birmingham	12	2	22	-	36
+ Jackson	19	2	17	-	38
+ Mobile	18	1	23	-	42
* Montgomery	9	-	17	-	26
Boston	48	-	82	2	132
+ Manchester	7	-	8	1	16
+ Portland (ME)	-	1	3	1	5
+ Providence	7	1	27	-	35
* Burlington	1	-	-	1	2
Buffalo	4	-	19	6	29
+ Albany (NY)	10	-	20	1	31
+ Syracuse	2	1	14	5	22
* Rochester	3	-	8	-	11
Charlotte	32	-	42	1	75
+ Greensboro	25	1	10	-	36
+ Raleigh	9	-	28	-	37
+ Wilmington (NC)	11	-	11	-	22
Chicago	28	-	103	8	139
+ Milwaukee	11	-	5	-	16
+ Springfield (IL)	17	1	24	5	47
* Madison	8	-	5	-	13
Cincinnati	31	2	42	2	77
+ Columbus	25	1	34	-	60
+ Dayton	18	1	32	1	52
Cleveland	6	1	65	-	72
+ Akron	5	1	12	-	18
+ Toledo	11	4	6	-	21
Columbia	27	1	73	8	109
+ Charleston (SC)	45	1	38	3	87
+ Greenville	51	-	83	1	135
Dallas	58	-	58	1	117
+ Waco	19	-	18	1	38
* Lubbock	20	-	24	1	45
* Tyler	5	-	2	-	7
Denver	13	-	37	-	50
+ Salt Lake City	7	1	19	-	27
* Boise	2	1	3	-	6
Detroit	24	2	45	1	72

+ Grand Rapids	26	-	22	2	50
+ Saginaw	13	1	8	1	23
Honolulu	17	-	6	1	24
+ Bangkok	37	-	4	-	41
+ Guam	4	-	13	-	17
+ Hong Kong	14	-	-	-	14
Houston	48	-	103	4	155
+ Austin	18	-	25	-	43
Indianapolis	21	2	42	16	81
Jacksonville	10	1	35	-	46
+ Tallahassee	9	3	13	-	25
Kansas City	41	2	56	-	99
+ Omaha	25	-	47	-	72
* Des Moines	14	2	13	1	30
* Springfield (MO)	17	1	5	-	23
* Wichita	2	2	2	-	6
Las Vegas	5	-	65	1	71
+ Reno	6	-	1	-	7
Los Angeles	52	18	87	-	157
+ Riverside	16	-	19	8	43
+ Santa Ana	40	-	15	1	56
+ Ventura	9	-	13	-	22
Little Rock	51	2	71	2	126
Louisville	37	1	47	3	88
+ Lexington	29	-	14	-	43
Memphis	10	1	28	2	41
Miami	111	2	200	6	319
+ Bogota	50	-	2	-	52
+ Brasilia	4	-	40	-	44
+ San Juan	21	1	55	-	77
+ West Palm Beach	7	1	15	-	23
Minneapolis	6	2	20	-	28
* Sioux Falls	16	1	3	-	20
Nashville	11	2	18	-	31
+ Chattanooga	-	2	11	1	14
+ Knoxville	15	-	1	-	16
Newark	35	1	65	4	105
+ Trenton	10	3	16	-	29
New Orleans	6	2	33	1	42
+ Baton Rouge	14	3	10	-	27
New York	17	11	157	2	187
+ JFK	9	-	15	-	24
+ Melville	7	-	26	1	34
+ New Haven	5	1	21	1	28
+ White Plains	5	-	14	1	20
Oklahoma City	22	6	43	9	80
+ Tulsa	6	-	28	1	35

Orlando	16	7	50	2	75
Ottawa	6	1	23	-	30
+ Toronto	4	2	1	-	7
+ Vancouver	4	-	14	-	18
Paris	35	-	4	-	39
+ London	1	-	13	-	14
+ Moscow	11	-	-	-	11
+ The Hague	2	-	-	-	2
* Frankfurt	23	-	2	-	25
Philadelphia	40	1	54	3	98
+ Atlantic City	16	-	9	-	25
+ Scranton	32	4	20	-	56
+ Wilmington (DE)	8	-	9	-	17
* Harrisburg	4	2	9	-	15
Phoenix	40	-	13	-	53
+ Albuquerque	12	-	8	-	20
+ Tucson	6	1	29	-	36
Pittsburgh	17	-	42	1	60
+ Charleston (WV)	7	-	6	-	13
Richmond	30	-	32	-	62
+ Norfolk	9	-	12	1	22
* Roanoke	9	1	5	-	15
Rome	49	-	41	-	90
+ Bucharest	45	-	108	-	153
+ Milan	-	-	6	-	6
+ Pretoria	10	-	3	-	13
San Antonio	41	7	53	-	101
+ El Paso	31	2	16	-	49
+ McAllen	10	1	14	-	25
San Diego	25	-	16	-	41
San Francisco	9	2	67	-	78
+ Fresno	16	1	14	-	31
+ Sacramento	26	2	17	-	45
+ San Jose	17	-	7	-	24
Seattle	5	-	13	-	18
+ Portland (OR)	6	-	19	-	25
+ Spokane	11	-	22	1	34
* Anchorage	-	-	1	-	1
* Billings	18	-	10	-	28
St. Louis	18	-	59	2	79
Tampa	30	2	23	-	55
* Fort Myers	-	1	13	1	15
Washington	41	58	142	42	283
TOTALS	**2,439**	**205**	**3,883**	**174**	**6,701**

+Denotes Resident Office of Preceding Field Office.
*Denotes Resident Agency of Preceding Field Office.

FISCAL YEAR 2007

Office	Counterfeit	Protective Intelligence	Financial Crimes	All Other	Total
Atlanta	64	2	107	3	176
+ Albany (GA)	14	0	20	17	51
+ Savannah	31	1	52	0	84
Baltimore	18	0	58	0	76
Birmingham	12	0	78	2	92
+ Jackson	7	0	13	3	23
+ Mobile	6	0	20	2	28
^ Montgomery	10	0	14	1	25
Boston	39	0	71	6	116
+ Manchester	4	1	5	1	11
+ Portland (ME)	2	3	2	0	7
+ Providence	5	0	45	1	51
^ Burlington	0	0	3	0	3
Buffalo	10	0	23	2	35
+ Albany (NY)	12	1	14	0	27
+ Syracuse	9	0	31	0	40
^ Rochester	0	0	12	0	12
Charlotte	35	0	47	1	83
+ Greensboro	4	0	26	0	30
+ Raleigh	11	1	13	0	25
+ Wilmington (NC)	15	0	20	0	35
Chicago	23	0	85	6	114
+ Milwaukee	17	0	5	0	22
+ Springfield (IL)	19	6	11	3	39
^ Madison	3	1	3	0	7
Cincinnati	18	0	54	0	72
+ Columbus	21	1	41	0	63
+ Dayton	8	1	50	0	59
Cleveland	5	2	39	0	46
+ Akron	4	0	0	0	4
+ Toledo	8	1	18	0	27
Columbia	15	0	82	6	103
+ Charleston (SC)	12	0	22	0	34
+ Greenville	30	0	83	1	114
Dallas	74	4	90	3	171
+ Waco	12	0	5	3	20
^ Lubbock	15	1	19	1	36
^ Tyler	6	0	6	6	18
Denver	2	0	21	0	23
+ Salt Lake City	13	1	17	1	32
^ Boise	2	0	6	0	8
Detroit	21	0	67	7	95
+ Grand Rapids	32	0	16	1	49
+ Saginaw	7	0	5	7	19
Honolulu	23	0	3	0	26

+ Bangkok	30	0	8	0	38
+ Guam	6	0	0	0	6
+ Hong Kong	10	0	0	0	10
Houston	46	2	79	0	127
+ Austin	6	0	17	0	23
Indianapolis	22	4	12	3	41
Jacksonville	19	0	52	0	71
+ Tallahassee	3	1	14	0	18
Kansas City	23	1	79	0	103
+ Omaha	15	2	49	0	66
^ Des Moines	7	0	3	0	10
^ Springfield (MO)	17	1	8	1	27
^ Wichita	12	0	6	0	18
Las Vegas	18	1	20	0	39
+ Reno	1	0	7	0	8
Los Angeles	50	10	90	1	151
+ Riverside	16	2	10	1	29
+ Santa Ana	27	0	30	0	57
+ Ventura	14	0	11	0	25
Little Rock	47	1	30	2	80
Louisville	36	0	63	8	107
+ Lexington	13	0	14	0	27
Memphis	22	1	68	1	92
Miami	112	0	300	0	412
+ Bogota	84	0	6	0	90
+ Brasilia	10	0	20	0	30
+ San Juan	28	0	80	0	108
+ West Palm Beach	15	2	29	0	46
Minneapolis	9	2	7	0	18
^ Sioux Falls	1	1	4	0	6
Nashville	9	0	23	1	33
+ Chattanooga	2	1	12	0	15
+ Knoxville	13	2	5	0	20
Newark	20	1	77	1	99
+ Trenton	3	3	32	2	40
New Orleans	11	0	41	0	52
+ Baton Rouge	8	1	13	0	22
New York	25	5	135	5	170
+ JFK	4	0	12	1	17
+ Melville	9	3	13	3	28
+ New Haven	20	1	34	0	55
+ White Plains	1	0	23	1	25
Oklahoma City	35	3	117	9	164
+ Tulsa	15	0	26	0	41
Orlando	16	2	23	1	42
Ottawa	7	0	6	0	13
+ Toronto	11	0	15	0	26

+ Vancouver	3	0	13	0	16
Paris	36	0	151	0	187
+ London	7	0	14	0	21
+ Moscow	5	0	4	0	9
+ The Hague	45	0	0	0	45
+ Frankfurt	16	0	10	0	26
+ Madrid RO	10	0	0	0	10
Philadelphia	47	0	72	0	119
+ Atlantic City	10	0	13	1	24
+ Scranton	11	0	11	0	22
+ Wilmington (DE)	5	0	18	1	24
^ Harrisburg	9	1	8	0	18
Phoenix	27	0	33	0	60
+ Albuquerque	5	0	17	0	22
+ Tucson	13	2	0	0	15
Pittsburgh	16	0	30	1	47
+ Charleston (WV)	6	0	3	0	9
Richmond	25	3	58	0	86
+ Norfolk	4	0	26	0	30
^ Roanoke	6	1	11	1	19
Rome	21	0	89	0	110
+ Bucharest	11	0	45	0	56
+ Milan	2	0	1	0	3
+ Pretoria	30	0	5	0	35
+ Sofia (Bulgaria)	5	0	8	0	13
San Antonio	42	2	42	0	86
+ El Paso	23	1	29	0	53
+ McAllen	7	0	19	0	26
+ Mexico City	5	0	0	0	5
San Diego	21	1	68	0	90
San Francisco	5	1	17	0	23
+ Fresno	9	0	5	1	15
+ Sacramento	12	2	16	0	30
+ San Jose	8	0	10	0	18
Seattle	3	1	23	0	27
+ Portland (OR)	5	1	5	0	11
+ Spokane	10	0	17	0	27
^ Anchorage	1	0	1	0	2
^ Billings	6	0	6	0	12
St. Louis	13	0	125	2	140
Tampa	16	2	23	1	42
^ Fort Myers	2	0	17	0	19
Washington	25	56	140	18	239
TOTALS	**2,214**	**154**	**4,348**	**151**	**6,867**

+Denotes Resident Office of Preceding Field Office.
*Denotes Resident Agency of Preceding Field Office.

Provide a consolidated chart showing counterfeit seizures by each field office for fiscal years 2005, 2006, and 2007.

ANSWER: Please see the following table.

COUNTERFEIT NOTES SEIZED		
FISCAL YEAR 2005		
OFFICE	Number of Notes	Dollar Amount
Atlanta	6,249	$ 446,706
+ Albany (GA)	279	$ 19,226
+ Savannah	282	$ 17,121
Baltimore	2,344	$ 65,965
Birmingham	1,510	$ 51,720
+ Jackson	420	$ 27,566
+ Mobile	124	$ 5,266
* Montgomery	340	$ 7,400
Boston	386	$ 14,367
+ Manchester	226	$ 6,869
+ Portland (ME)	-	$ -
+ Providence	636	$ 59,520
* Burlington	14	$ 307
Buffalo	2,363	$ 222,210
+ Albany (NY)	544	$ 13,700
+ Syracuse	32	$ 640
* Rochester	274	$ 5,962
Charlotte	1,227	$ 73,571
+ Greensboro	1,146	$ 79,132
+ Raleigh	1,998	$ 70,585
+ Wilmington (NC)	4,334	$ 86,806
Chicago	5,872	$ 393,033
+ Milwaukee	1,523	$ 55,169
+ Springfield (IL)	789	$ 36,442
* Madison	586	$ 23,685
Cincinnati	7,992	$ 396,950
+ Columbus	849	$ 24,486
+ Dayton	1,403	$ 41,560
Cleveland	498	$ 10,763
+ Akron	100	$ 2,159
+ Toledo	149	$ 9,410
Columbia	1,297	$ 43,434
+ Charleston (SC)	1,015	$ 48,005
+ Greenville	1,951	$ 65,528
Dallas	7,281	$ 271,666
+ Waco	159	$ 6,315
* Lubbock	883	$ 37,706
* Tyler	204	$ 5,420
Denver	246	$ 12,266

+ Salt Lake City	967	$ 62,586
* Boise	96	$ 5,340
Detroit	19,426	$ 446,450
+ Grand Rapids	67	$ 5,920
+ Saginaw	312	$ 22,392
Honolulu	3,006	$ 291,263
+ Bangkok	2,880	$ 277,380
+ Guam	-	$ -
+ Hong Kong	186	$ 18,130
Houston	2,594	$ 114,426
+ Austin	251	$ 19,420
Indianapolis	2,255	$ 90,929
Jacksonville	622	$ 11,400
+ Tallahassee	302	$ 8,405
Kansas City	1,560	$ 52,740
+ Omaha	257	$ 9,023
*Des Moines	1,990	$ 57,538
* Springfield (MO)	9,701	$ 680,212
* Wichita	180	$ 5,436
Las Vegas	638	$ 117,416
+ Reno	1,636	$ 64,630
Los Angeles	17,883	$ 1,662,883
+ Riverside	803	$ 43,285
+ Santa Ana	1,782	$ 124,414
+Ventura	1,467	$ 52,360
Little Rock	1,435	$ 61,040
Louisville	890	$ 52,445
+ Lexington	459	$ 27,017
Memphis	2,827	$ 194,055
Miami	45,973	$ 999,472
+ Bogota	289,077	$ 23,311,980
+ Brasilia	10	$ 1,000
+ San Juan	14,061	$ 1,261,335
+ West Palm Beach	1,477	$ 57,665
Minneapolis	1,800	$ 96,802
* Sioux Falls	51	$ 2,925
Nashville	816	$ 21,135
+ Chattanooga	159	$ 8,839
+ Knoxville	3	$ 60
Newark	3,144	$ 128,180
+ Trenton	3	$ 20
New Orleans	103	$ 5,490
+ Baton Rouge	40	$ 2,160
New York	24,383	$ 1,363,846
+ JFK	5,406	$ 531,485
+ Melville	245	$ 5,700
+ New Haven	10	$ 1,000

+ White Plains	1,160	$ 58,880
Oklahoma City	1,175	$ 57,144
+ Tulsa	230	$ 13,508
Orlando	785	$ 31,200
Ottawa	-	$ -
+ Toronto	12	$ 1,200
+ Vancouver	-	$ -
Paris	8,546	$ 805,050
+ Berlin	1,579	$ 134,160
+London	-	$ -
+ Moscow	5,156	$ 515,600
* Frankfurt	34,428	$ 3,442,501
Philadelphia	3,360	$ 99,987
+ Atlantic City	33,847	$ 3,371,510
+ Scranton	46	$ 750
+ Wilmington (DE)	1,407	$ 45,155
Phoenix	1,687	$ 192,805
+ Albuquerque	5,922	$ 364,972
+ Tucson	3,442	$ 170,887
Pittsburgh	232	$ 4,191
+ Charleston (WV)	27	$ 2,520
Richmond	357	$ 6,444
+ Norfolk	855	$ 39,643
* Roanoke	-	$ -
Rome	22,598	$ 1,883,270
+ Bucharest	4,793	$ 479,300
+ Milan	1,778	$ 177,800
+ Pretoria	-	$ -
+ Sofia (Bulgaria)	43,320	$ 4,063,650
San Antonio	4,560	$ 273,655
+ El Paso	1,545	$ 53,773
+ McAllen	1,699	$ 105,374
+ Mexico City	4	$ 210
San Diego	769	$ 36,265
San Francisco	2,132	$ 105,724
+ Fresno	647	$ 27,717
+ Sacramento	2,713	$ 142,985
+ San Jose	2,035	$ 97,931
Seattle	3,275	$ 125,581
+ Portland (OR)	973	$ 35,109
+ Spokane	585	$ 21,368
* Anchorage	121	$ 7,058
* Billings	158	$ 5,731
St. Louis	505	$ 13,208
Tampa	543	$ 14,006
* Fort Myers	17	$ 236
Washington	2,018	$ 98,470

TOTALS	721,799	$ 52,262,793

+Denotes Resident Office of Preceding Field Office.
*Denotes Resident Agency of Preceding Field Office.

COUNTERFEIT NOTES SEIZED		
FISCAL YEAR 2006		
OFFICE	Number of Notes	Dollar Amount
Atlanta	11,343	$ 464,324
+ Albany (GA)	394	$ 11,180
+ Savannah	721	$ 26,700
Baltimore	1,271	$ 44,611
Birmingham	2,627	$ 122,024
+ Jackson	1,597	$ 69,147
+ Mobile	351	$ 21,035
* Montgomery	1,278	$ 50,310
Boston	1,987	$ 116,540
+ Manchester	617	$ 18,961
+ Portland (ME)	166	$ 8,131
+ Providence	240	$ 11,110
* Burlington	61	$ 6,100
Buffalo	143	$ 8,026
+ Albany (NY)	46	$ 890
+ Syracuse	46	$ 3,830
* Rochester	522	$ 18,990
Charlotte	1,783	$ 77,418
+ Greensboro	762	$ 40,995
+ Raleigh	900	$ 59,054
+ Wilmington (NC)	217	$ 14,135
Chicago	7,102	$ 583,591
+ Milwaukee	3,339	$ 133,829
+ Springfield (IL)	772	$ 40,593
* Madison	108	$ 9,383
Cincinnati	976	$ 34,482
+ Columbus	570	$ 54,135
+ Dayton	592	$ 28,210
Cleveland	1,168	$ 36,134
+ Akron	366	$ 8,476
+ Toledo	1,102	$ 64,111
Columbia	344	$ 12,510
+ Charleston (SC)	311	$ 11,600
+ Greenville	729	$ 27,205
Dallas	4,730	$ 265,757
+ Waco	704	$ 39,802
* Lubbock	1,122	$ 21,727
* Tyler	71	$ 6,940
Denver	420	$ 14,810
+ Salt Lake City	505	$ 21,373
* Boise	132	$ 2,688
Detroit	1,094	$ 35,618
+ Grand Rapids	800	$ 61,108

+ Saginaw	158	$ 10,793
Honolulu	789	$ 72,732
+ Bangkok	2,496	$ 245,690
+ Guam	-	$ -
+ Hong Kong	59	$ 5,850
Houston	17,004	$ 1,080,285
+ Austin	157	$ 6,461
Indianapolis	1,029	$ 45,975
Jacksonville	2,120	$ 108,250
+ Tallahassee	586	$ 17,536
Kansas City	1,274	$ 56,778
+ Omaha	1,329	$ 42,467
* Des Moines	415	$ 14,859
* Springfield (MO)	461	$ 15,037
* Wichita	272	$ 8,993
Las Vegas	636	$ 21,490
+ Reno	261	$ 13,265
Los Angeles	5,544	$ 349,747
+ Riverside	432	$ 20,885
+ Santa Ana	3,010	$ 196,270
+ Ventura	866	$ 36,593
Little Rock	2,652	$ 196,272
Louisville	1,211	$ 60,839
+ Lexington	864	$ 28,514
Memphis	2,747	$ 115,631
Miami	50,740	$ 3,523,879
+ Bogota	246,269	$ 21,977,500
+ Brasilia	30	$ 3,000
+ San Juan	1,727	$ 66,228
+ West Palm Beach	1,109	$ 58,580
Minneapolis	4,805	$ 157,912
* Sioux Falls	130	$ 5,496
Nashville	2,008	$ 99,962
+ Chattanooga	441	$ 8,342
+ Knoxville	1,024	$ 69,008
Newark	38,619	$ 3,688,671
+ Trenton	159	$ 6,336
New Orleans	33	$ 1,670
+ Baton Rouge	731	$ 49,787
New York	2,627	$ 87,397
+ JFK	1,815	$ 162,410
+ Melville	836	$ 32,481
+ New Haven	468	$ 31,689
+ White Plains	-	$ -
Oklahoma City	3,067	$ 130,647
+ Tulsa	328	$ 20,500
Orlando	949	$ 46,049
Ottawa	-	$ -
+ Toronto	1	$ 100
+ Vancouver	-	$ -
Paris	98,043	$ 9,803,871
+ London	4	$ 400
+ Moscow	6,466	$ 646,600

+ The Hague	110	$ 1,100
* Frankfurt	13,040	$ 1,290,218
Philadelphia	3,383	$ 101,429
+ Atlantic City	20,051	$ 2,000,330
+ Scranton	103	$ 2,865
+ Wilmington (DE)	72	$ 3,655
* Harrisburg	108	$ 2,590
Phoenix	4,322	$ 168,068
+ Albuquerque	1,844	$ 68,971
+ Tucson	1,840	$ 93,611
Pittsburgh	482	$ 19,200
+ Charleston (WV)	244	$ 15,020
Richmond	571	$ 43,887
+ Norfolk	268	$ 9,651
* Roanoke	422	$ 21,131
Rome	10,524	$ 1,038,995
+ Bucharest	3,828	$ 382,800
+ Milan	6	$ 600
+ Pretoria	4,669	$ 466,900
+ Sofia (Bulgaria)	1	$ 50
San Antonio	2,282	$ 103,512
+ El Paso	1,632	$ 79,477
+ McAllen	2,608	$ 163,755
+ Mexico City	-	$ -
San Diego	1,456	$ 69,611
San Francisco	3,040	$ 154,007
+ Fresno	1,431	$ 60,291
+ Sacramento	2,856	$ 112,094
+ San Jose	711	$ 44,178
Seattle	2,948	$ 126,721
+ Portland (OR)	710	$ 18,277
+ Spokane	1,140	$ 53,455
* Anchorage	848	$ 60,069
* Billings	251	$ 14,890
St. Louis	691	$ 27,754
Tampa	1,451	$ 50,537
* Fort Myers	12	$ 1,200
Washington	1,694	$ 120,363
TOTALS	**654,579**	**$ 53,148,582**

+Denotes Resident Office of Preceding Field Office.
*Denotes Resident Agency of Preceding Field Office.

COUNTERFEIT NOTES SEIZED		
FISCAL YEAR 2007		
Office	**Number of Notes**	**Dollar Amount**
Atlanta	16,470	$ 1,169,884
+ Albany (GA)	339	$ 30,848
+ Savannah	678	$ 29,040
Baltimore	2,570	$ 110,497
Birmingham	3,530	$ 128,430

+ Jackson	351	$	10,332
+ Mobile	528	$	37,845
^ Montgomery	497	$	12,356
Boston	471	$	34,326
+ Manchester	235	$	10,715
+ Portland (ME)	170	$	2,268
+ Providence	174	$	5,060
^ Burlington	2	$	21
Buffalo	663	$	6,891
+ Albany (NY)	406	$	30,020
+ Syracuse	717	$	14,265
^ Rochester	290	$	21,066
Charlotte	1,326	$	35,855
+ Greensboro	2,089	$	71,561
+ Raleigh	1,488	$	119,141
+ Wilmington (NC)	398	$	19,968
Chicago	3,414	$	199,668
+ Milwaukee	1,591	$	57,782
+ Springfield (IL)	583	$	44,910
^ Madison	108	$	7,940
Cincinnati	1,514	$	64,549
+ Columbus	294	$	7,129
+ Dayton	211	$	3,926
Cleveland	807	$	53,729
+ Akron	218	$	6,575
+ Toledo	1,316	$	34,600
Columbia	553	$	25,755
+ Charleston (SC)	820	$	14,616
+ Greenville	861	$	43,301
Dallas	2,840	$	128,427
+ Waco	193	$	6,078
^ Lubbock	359	$	11,483
^ Tyler	71	$	5,235
Denver	1,478	$	2,979,241
+ Salt Lake City	1,806	$	93,050
^ Boise	209	$	9,789
Detroit	545	$	16,504
+ Grand Rapids	767	$	36,922
+ Saginaw	16	$	400
Honolulu	781	$	76,075
+ Bangkok	125,127	$	12,512,521
+ Guam	4	$	400
+ Hong Kong	55	$	5,450
Houston	9,854	$	956,877
+ Austin	479	$	32,585
Indianapolis	352	$	18,460
Jacksonville	742	$	32,236

+ Tallahassee	445	$	22,838
Kansas City	486	$	17,682
+ Omaha	756	$	25,807
^ Des Moines	630	$	32,946
^ Springfield (MO)	626	$	21,264
^ Wichita	157	$	7,668
Las Vegas	984	$	80,164
+ Reno	73	$	3,865
Los Angeles	7,296	$	482,850
+ Riverside	5,700	$	852,038
+ Santa Ana	9,000	$	818,278
+ Ventura	614	$	27,679
Little Rock	695	$	38,531
Louisville	2,174	$	92,915
+ Lexington	468	$	19,625
Memphis	512	$	13,870
Miami	99,490	$	4,669,973
+ Bogota	418,788	$	20,146,035
+ Brasilia	71	$	4,380
+ San Juan	9,235	$	852,275
+ West Palm Beach	1,244	$	63,132
Minneapolis	2,982	$	141,980
^ Sioux Falls	4	$	202
Nashville	8,524	$	662,089
+ Chattanooga	212	$	9,670
+ Knoxville	1,246	$	54,839
Newark	1,490	$	59,390
+ Trenton	421	$	25,340
New Orleans	112	$	3,000
+ Baton Rouge	194	$	12,990
New York	24,303	$	1,286,350
+ JFK	3,078	$	296,470
+ Melville	374	$	24,075
+ New Haven	61	$	1,420
+ White Plains	0	$	0
Oklahoma City	827	$	30,578
+ Tulsa	553	$	28,882
Orlando	2,083	$	88,827
Ottawa	0	$	0
+ Toronto	0	$	0
+ Vancouver	0	$	0
Paris	22,741	$	2,273,900
+ London	5,113	$	511,300
+ Moscow	10,178	$	1,017,800
+ The Hague	300	$	30,000
+ Frankfurt	192,960	$	19,295,330
+ Madrid RO	1	$	100

Philadelphia	4,002	$	153,414
+ Atlantic City	116	$	2,890
+ Scranton	12	$	960
+ Wilmington (DE)	215	$	4,333
^ Harrisburg	1,030	$	128,137
Phoenix	2,567	$	152,925
+ Albuquerque	719	$	34,598
+ Tucson	5,450	$	249,852
Pittsburgh	726	$	20,770
+ Charleston (WV)	0	$	0
Richmond	265	$	8,217
+ Norfolk	626	$	15,223
^ Roanoke	346	$	13,125
Rome	1,668	$	166,620
+ Bucharest	64,152	$	6,415,200
+ Milan	0	$	0
+ Pretoria	26	$	2,400
+ Sofia (Bulgaria)	2,895	$	176,800
San Antonio	2,105	$	103,810
+ El Paso	1,068	$	86,428
+ McAllen	2,481	$	173,581
+ Mexico City	3,996	$	399,600
San Diego	3,758	$	80,501
San Francisco	2,054	$	112,407
+ Fresno	830	$	39,145
+ Sacramento	969	$	27,560
+ San Jose	1,059	$	52,949
Seattle	2,606	$	120,999
+ Portland (OR)	894	$	28,627
+ Spokane	524	$	18,844
^ Anchorage	125	$	6,070
^ Billings	36	$	2,358
St. Louis	357	$	16,796
Tampa	776	$	27,390
^ Fort Myers	52	$	2,270
Washington	5,978	$	521,815
TOTALS	**1,143,044**	**$**	**82,901,563**

+Denotes Resident Office of Preceding Field Office.
*Denotes Resident Agency of Preceding Field Office.

Provide a list for 2007 showing joint investigations completed in FY 2007 by field office.

ANSWER: The Secret Service routinely conducts joint operations with other federal law enforcement agencies within the Department of Homeland Security as well as other departments. Almost all Secret Service financial and electronic crimes task forces include representatives from other federal law enforcement agencies. Additionally, a number of Secret Service agents are detailed or assigned to other agencies' task forces, such as the FBI's Joint Terrorism Task Force.

Protective Intelligence (PI) investigations are intended to gather, assess, and prevent attacks on Secret Service protected persons and facilities, and receive the highest priority in the USSS. Given this requirement, the Secret Service has a long and successful history of active partnerships with members of law enforcement and the Intelligence Community. This includes active participation in joint investigations with the Federal Bureau of Investigation and other law enforcement entities; active participation in regional Joint Terrorism Task Forces (JTTF) and the National Joint Terrorism Task Force (NJTTF). Further, information is shared and received from all levels of law enforcement and, when mutually beneficial, the Secret Service will co-conduct follow-up investigation. Mutual cooperation is rooted in the very essence of the protective and investigative mission of the USSS.

Also, the USSS continues to detail special agents to the National Security Council (NSC), Central Intelligence Agency (CIA), Federal Bureau of Investigation (FBI), Department of Homeland Security (DHS), and in return houses detailees from numerous other Federal agencies. Representatives from the Office of Protective Research also sit on interagency, interdepartmental boards, and working groups to further identify areas of collaboration in the arenas of suspicious activity and intelligence analysis, the ultimate goal of which is maximum investigative efforts between agencies.

The following list provides information on on-going joint investigations, and joint investigations completed in FY 2007 by field office:

Albany (GA) RO	ID Theft	ICE
Albany (NY) RO	Financial Fraud	ICE, IRS, FBI
	Financial Inst Fraud	ICE, Dept of Commerce, NCIS, USPIS
	Bank Fraud	ICE, Dept of Commerce
	Bank Fraud	IRS
Austin RO	Wire Fraud	USPIS, ICE
	CC Fraud	IRS, USPIS, ICE
	Access Device	IRS
	PI Case	ATF
Baltimore FO	Bank, CC, ID Theft	DEA
	CFT Checks	ICE
Birmingham FO	FEMA Fraud	DHS-OIG
	FEMA Fraud	DHS OIG
	CFT Checks	TSA, SSA
	CFT Currency	DEA
	FEMA Fraud	FEMA, FBI, USPIS
	FEMA Fraud	FEMA
	Financial Fraud	IRS
	ID Theft	SSA
Boise RO	ID Theft	VA-OIG
	CFT Checks	IRS, FBI
	CFT Currency	FBI
	PI Case	FBI, USMS
Buffalo FO	Bank, ID Fraud	IRS
	Bank Fraud	USPIS
	Access Devise Fraud	USPIS
	Social Security Fraud	SSA
	Bank, Wire, Access	FBI, ICE
	False ID	FBI, DOD
	Access Device, Wire Fraud	USPIS
	Bank Fraud	USPIS
	Social Security Fraud	SSA
Burlington RA	Mail, Wire Fraud	USPIS
	Social Security Fraud	USPIS, SSA
	Wire Fraud	FBI

Chicago FO	CFT Currency	ATF
	Child Porn	ICE
	ID Theft	USPIS
	ID Theft, CC Fraud	USPIS
	ID Fraud	ICE
	Bank, Wire Fraud	USPIS
	ID Theft	USPIS
	CFT Check	USPIS
	Bank Fraud	IRS
	Mortgage Fraud	HUD
	Mortgage Fraud	HUD
	Bank Fraud	DOJ
	ID Fraud, SS Fraud	DOJ
	ID Fraud,	DOJ
	Bank, ID, Wire, Mail Fraud	USPIS
	Stolen CFT Checks	FBI, CG-OIG
	CFT Checks	FBI
	ID Fraud	FBI
	Check Fraud	USPIS
	Tax Fraud	IRS
	ATM Fraud	FBI, ICE
	ID Fraud, Theft	USPIS
	Food Stamps	USDA
	ID Theft, CC Fraud	USPIS
	Bank Fraud	USPIS
	CFT Currency	FBI
	EBT Fraud	USDA
	CFT Currency	ATF
	CFT Currency	FBI
	CFT Currency	ATF
Cincinnati FO	Money Laundering	FBI, DEA IRS
	CC Fraud	USPIS
	CFT Checks, ID Theft	FBI
	ID Theft, CC Fraud	USPIS
	CC Fraud	FBI
	ID Theft	FBI
	ID Theft	USPIS
	Bank Fraud	USPIS
	CFT Checks	DEA
	CFT Fraud	ATF
	CFT ID	ICE, SSA
	ID Theft	IRS
	Bank Fraud	IRS
	ID Theft, Bank Fraud	IRS
	CFT Checks	USPIS
Columbia FO	CFT Currency	FBI
	CFT ID, ID Theft	ICE
	CFT ID, ID Theft	ICE
Columbus RO	Access Device, Mail Fraud	USPIS
	CFT Checks	ICE
	CFT Currency	USPIS, ICE
	ID Fraud	USPIS
	CFT Currency	USPIS
	Access Device	ICE
	CFT Checks	USPIS
	Access Device	USPIS
	Altered Checks (Treasury)	USPIS
	Altered Checks (Treasury)	USPIS
	False ID	ICE
	CFT Checks	USPIS
	Stolen Checks	USPIS, IRS

	CFT Checks, CFT ID	USPIS
Dallas FO	CFT Currency	IRS
	Bank Fraud	ICE
	Mortgage Fraud	HUD
	Wire Fraud	ICE
	ID Theft	ICE
	Bank Fraud	ICE
Dayton RO	CC Fraud	ICE
	CFT Currency	ICE, INS
	Bank Fraud	INS
Denver FO	Mortgage Fraud	IRS
	Mortgage Fraud	IRS
	Mortgage Fraud	IRS
	ID Theft	USPS
	FEMA Fraud	DHS-OIG
	FEMA Fraud	DHS-OIG
	FEMA Fraud	DHS-OIG
	FEMA Fraud	DHS-OIG
	FEMA Fraud	DHS-OIG
	CFT Currency	ICE, FBI
Detroit FO	CFT CC, CFT ID, Fraud	ICE
Fort Myers RA	Wire Fraud	ICE, IRS, FBI
	Mortgage Fraud	FBI, IRS
	Fraud	FBI
	Child Porn	FBI
	Financial Institution Fraud	IRS, FBI
Grand Rapids RO	CFT Checks	ICE
	CFT Checks	FBI
	CC Fraud	FBI, USPIS
Guam RO	CFT Credit Cards	ICE, CBP
	CFT Credit Cards	ICE, CBP
Houston FO	Access Device Fraud	DHS-OIG
Indianapolis FO	Wire, ID Fraud	FBI
	Bank Fraud	EPA, IRS
	Bank Fraud	IRS
	Computer Crime	FBI
	CC Fraud	USPS, SSA
	Bank Fraud	FBI
	Computer Crime	FBI
	Computer Crime	FBI
	Child Porn	ICE, USMS, USPIS, ATF
Jacksonville FO	Child Porn	ICE
Kansas City FO	CFT Checks, Bank Fraud	DEA
	CFT Checks	DEA
	ID Fraud	DEA
	CFT Checks	DEA
	CFT Checks	DEA
Knoxville RO	Mortgage Loan	USPIS
	CFT Checks	FBI
	CFT Currency	ATF
	Federal Fugitive	USMS
Lexington RO	ID Theft	ICE
	CFT ID	ICE
	CFT Check, Bank Fraud	FBI
	ID Fraud	SSA, HUD, USPIS, USMS, DSS
	ID Theft	ICE, Dept. of Labor
	CC, Mail, Bank Fraud	ICE, ATF USPIS
	CFT ID	ICE
	Bank Fraud	IRS
Los Angles FO	Social Security Fraud	SSA

	Forged Checks	USDA
	Social Security Fraud	SSA
	Check, Mail Fraud	USPS
	Social Security Fraud	SSA
	Social Security Fraud	SSA
	CFT Check Fraud ID Fraud	FBI
	CFT ID, Check Fraud	FBI
	Mail Fraud, Stolen Checks	USPIS
	CC Fraud	USPIS
	ID Theft Access Device, Bank Fraud	USPIS
	ID Theft Access Device, Bank Fraud	USPIS
	ID Theft Access Device, Bank Fraud	USPIS
	CC Fraud	USPIS
	CC Fraud	USPIS
	Access, Bank Fraud	USPIS
	ID Theft Access Device, Bank Fraud	USPIS
	Stolen Altered Checks	FBI, USPIS
	EBT Fraud	USDA, FBI
	EBT Fraud	USDA
Manchester RO	Bank Fraud	ICE
	PI Case	FBI
	CFT Currency	ICE
	False ID, Stolen CC	FBI
	ID Theft	SSA
	Access Device Fraud	CBP
	False ID	ICE, USMS
	Bank Fraud	FBI
McAllen RO	False ID	ATF
	CFT ID	SSA, ICE
	Fraud	US Probation Office
Miami FO	CFT Currency	CBP
	CC Fraud	CBP
	Money Laundering	ICE
	CC Fraud	ATF
	Medicare Fraud, CFT ID, CC Fraud	HHS
	CFT CC, ID	ICE
Minneapolis FO	CFT ID	DEA
	CFT ID	ICE
	CFT ID	ICE
	CFT ID	ICE
	CFT Currency, Checks	DEA
Montreal DO	CFT Canadian Currency	ICE
Nashville FO	Access Device Fraud	USPIS
	Mortgage Loan Fraud	IRS
	Bank Fraud, ID Theft	USPIS
	Check Fraud, Money Laundering	IRS, FDIC
	False ID	ICE
	CFT Check, Wire Fraud	USPIS
Norfolk RO	FEMA Fraud	FEMA, Red Cross
	Check Fraud (Treasury)	ICE
Newark FO	ID Fraud	ICE, USPIS
	CFT Currency	DEA, USPIS
	Mail, Wire, Bank Fraud	IRS
New Haven RO	Financial Inst. Fraud	ICE, FBI, IRS, DSS
	CFT Checks	FBI
	ID Theft	FBI
	Check Fraud	USPIS
	CC Fraud	USPIS
	CFT Checks	USPIS, FBI
New Orleans FO	False ID, CC Fraud	ATF

New York FO	CFT Currency	ICE
	CFT Currency	CBP
	CC Fraud	USPIS
	CC Fraud, ID Theft	USPIS
	CFT Check, Bank Fraud	FBI, USPIS
	CC Fraud	FBI, USPIS
	CC Fraud	USPIS
	Stolen Postal Money Orders	USPIS
	CC Fraud	FBI
	CC Fraud	USPIS
	CC Fraud	USPIS
	Fraud	USPIS
	CC Fraud	USPIS
	Advanced Fee Fraud	USPIS
	ID Theft, CC Fraud	USPIS
	"Black Money" Scam	USPIS
	ID Theft	USPIS
	Bank Fraud	USPIS
	CC Fraud	USPIS
	CFT Credit Cards	USPIS
	ID Theft	USPIS, USMS
	CC Fraud	USPIS
	Medicaid Fraud	HHS-OIG
	CC Fraud	IRS, ICE
	Access Device Fraud	USPIS
	Bank, Wire and Mail Fraud	ICE, SSA, USPIS
	CC Fraud	FBI
	CFT Checks	USPIS
	CC Fraud	USPIS
	Money Laundering	ICE, IRS, USPIS
	CFT Checks	USPIS
	Forged Checks	USPIS
	Forged Checks	USPIS
	CFT Checks	USPIS
	FEMA Disaster Relief Fraud	USPIS, DHS-OIG
	Stolen Treasury Checks	USPIS, SSA-OIG
	Insurance Fraud	USPIS, ICE
	Stolen Treasury Checks	USPIS
	Stolen Treasury Checks	USPIS
	Mortgage Fraud	FBI
	Forged Social Security Checks	SSA-OIG
	Mortgage Fraud	USPIS
	Fraud	USPIS
	Forged Social Security Checks	SSA-OIG
	Fraud	SSA-OIG
	Social Security Fraud	SSA-OIG
	Embezzlement	USPIS
	Forgery	USPIS
	False Government Claims	SSA-OIG
	Theft of Government Funds	SSA-OIG
	False Claims, Theft	SSA-OIG
	Stolen, Forged Treasury Checks	TIGTA
	Stolen, Forged Treasury Checks	USPIS, SSA-OIG
	Stolen, Forged Treasury Checks	TIGTA
	Stolen, Forged SS Checks	SSA-OIG
	Bank Fraud, Conspiracy, Forgery	USPIS
	Forged Treasury Checks	VA-OIG
	Theft of Government Funds	SSA-OIG
	Disaster Relief Fraud	HUD-OIG
	ID Theft, Forgery	SSA-OIG
	CFT SS Card	SSA-OIG

Oklahoma City FO	CFT Checks	IRS, USPIS, FBI
	CFT Checks	IRS, USPIS, FBI
	Stolen Checks	IRS, USPIS, FBI
	CFT ID, CFT Checks	IRS, USPIS, FBI
	Tax Fraud	IRS, USPIS, FBI
	Bank Fraud	IRS, USPIS, FBI
	Bank Fraud	IRS, USPIS, FBI
	Financial Institution Fraud	IRS, USPIS, FBI
	Financial Institution Fraud	IRS, USPIS, FBI
	Financial Institution Fraud	IRS, USPIS, FBI
	Financial Institution Fraud	IRS, USPIS, FBI
	CFT Check Case	IRS, USPIS, FBI
	Bank Fraud	IRS, USPIS, FBI
	FEMA Fraud	IRS, USPIS, FBI
	Investment Fraud	IRS, USPIS, FBI
	Wire Fraud	IRS, USPIS, FBI
	Access Device Fraud	IRS, USPIS, FBI
	CFT Checks	IRS, USPIS, FBI
	CFT Checks	IRS, USPIS, FBI
	Stolen Credit Cards	IRS, USPIS, FBI
	CFT Checks	IRS, USPIS, FBI
	CFT Check, CFT ID	IRS, USPIS, FBI
	Bank Fraud	IRS, USPIS, FBI
	ID Theft	IRS, USPIS, FBI
	FEMA Fraud	IRS, USPIS, FBI
Omaha RO	CFT Currency	ATF
	ID Theft	ICE
	ID Theft	ICE
	Bank, Mail, CC, Check Fraud	USPIS, SSA
	Bank Fraud, Check Fraud	USPIS, SSA
	Bank Fraud, Check Fraud	USPIS, SSA
	Mail, Check, CC Fraud	USPIS, SSA
	Check Fraud	USPIS, SSA
	CC, Bank Fraud	USPIS
	Financial Inst Fraud	ATF
	ID Theft	ICE, HUD, SSA
	CFT Currency	ICE
	CFT Currency	ICE, ATF
	False ID	ICE, SSA
	Loan Fraud	USPIS
Paris FO	CFT CC	ICE
	Access Device	FBI
	CFT Currency	DEA
Philadelphia FO	ID Theft	FBI, USPIS
	ID Theft, CFT CC	FBI
	CC Fraud	FBI
	Financial Fraud	USPIS
	CFT Travelers Checks	USPIS
	ID Theft, CFT Checks	USPIS
	Access Device, ID Theft	USPIS
Pittsburgh FO	CFT Checks	USPIS
	CFT Checks	USPIS
	CFT Travelers Checks	USPIS
	CFT Travelers Checks	USPIS
	Access Device Fraud	USPIS
	Access Device Fraud	USPIS
	CFT Check, ID Theft	USPIS
	VA EFT	VA
	CFT Checks	USPIS, FBI
	ATM Fraud	USPIS
	Check Fraud	USPIS

	Bank Fraud	FBI
	Loan Fraud	USPIS, IRS
	Loan Fraud	USPIS
	Loan Fraud	FBI, IRS, HUD
	EBT Fraud	ICE, IRS ATF
	Child Porn	FBI
Reno RO	ID Fraud, CC Fraud	USPS
	ID Theft	ATF
Salt Lake RO	Stolen Bank Cards, Access Device	USPIS
	Bank Fraud, Wire, CFT ID	FBI, USPIS
	Access Device, Wire, Bank Fraud	FBI, USPIS
	Bank, ID Access Device	USPIS
	Bank Fraud, ID Theft	USPIS
	ID Fraud, Bank Fraud	USPIS
	Bank Fraud, ID Theft, Access Device	FBI, USPIS, SSA
	ID Fraud	FPS
	Bank Fraud, ID Fraud, Theft	FBI, USPIS, SSA
San Jose RO	Bank Fraud	NCIS, ICE, CIA
	CFT Currency	DEA, ATF
	Check Fraud	USPIS
Sioux Falls RA	Bank Fraud, ID Theft	FBI
	CFT Currency	ICE
	PI Case	FBI
Springfield RA	PI Case	FBI
Seattle FO	Computer Crime	FBI
	Bank Fraud	SSA
	CFT ID	DSS
	CC Fraud	FBI
	Wire, Mortgage, Bank ID Fraud	IRS
San Juan RO	CFT Currency	USCG
	Wire, Bank Access Device Fraud	USMS, DEA, ICE, FBI
	Fraud, Embezzlement	USPIS
	CFT Copyright	ICE
St. Louis FO	Check Fraud	DHS-OIG
	Bank, ID Fraud	SSA
	Access Device Fraud, ID Theft	SSA, USPIS
	ID Fraud	SSA, USPIS
	Bank fraud, ID Fraud	SSA, USPIS
	ID Fraud	SSA
	ID Fraud, CC Fraud	USPIS
	CC Fraud	USPIS
	CC Fraud, ID Fraud	SSA
	Access Device Fraud, ID fraud	USPIS
	CC Fraud, ID Fraud	USPIS
	Access Device, ID Theft	SSA
	ID Fraud	SSA
	CC Fraud	SSA
	Access Device Fraud	USPIS
	ID Fraud, Access Device Fraud	USPIS, SSA
	Access Device Fraud, ID Fraud	SSA
	Loan Fraud, ID Fraud	USPIS
	ID Fraud, Bank, Mortgage Fraud	SSA
	Bank Fraud, Access Device	SSA
	CC Fraud, ID Fraud	SSA, USPIS
	Mortgage Fraud, ID Fraud	SSA, USPIS
	Mortgage Fraud	SSA, USPIS
	Child Porn	DEA
Syracuse RO	CC Fraud	ICE
	Child Porn	FBI
	CFT Currency	ATF, FBI

Tampa FO	CC Fraud	FAA, USDS
	Bank Fraud	USPS, DOD
	Access Device	USPIS
	Food Stamps	USDA
	Mortgage Fraud	ICE, SSA
	Federal Fugitive Arrest	USMS
	CFT Currency	ATF
	PI Case	VA
	PI Case	FBI, DOD, AFOSI, ICE, DSS, ATF
	PI Case	DOD
	Advanced Fee Fraud	USPIS
	CC Fraud	USPIS
Toledo RO	PI Case	FBI
	Financial Inst. Fraud	FBI
Trenton RO	Bank Fraud	IRS, USPIS
	Food Stamps	USDA
	Food Stamps	USPIS
	Bank Fraud, CFT Checks	USPIS
	CC, ID Fraud	SSA
Washington FO	Wire Fraud	DOT-OIG
	Human Trafficking	FBI
	CC Fraud	USPIS
	CC Fraud	USPIS
	Bank Fraud, ID Fraud	IRS, ICE, DEA, DSS, USPIS
	FEMA Fraud	DHS-OIG
	CFT Checks	VA- OIG
	Access Device Fraud	USPIS
	CFT Checks	FBI
	ID Theft, Mail Fraud	USPIS
	ID Theft	USPIS
	ID Theft, Mail, Wire, Fraud	USPIS
	CC Fraud	USPIS
	Bank Fraud, ID Fraud	ICE, IRS, DSS, DSS, USPIS
	FEMA Fraud	DHS-OIG
	CFT Checks	VA-OIG
Wichita RA	Fraud, Embezzlement	FBI
	CFT ID	DEA

In the 2008 budget justification, estimates of counterfeit in circulation per million dollars of legitimate currency had increased nearly 40% from 2003 to 2006. In the 2009 budget justification, there is a new metric to reflect this situation – the percentage of counterfeit in circulation, which is shown for 2007 at seventy-nine thousandths of one percent (0.079%), but includes no comparative historical information to show what improvement, if any, this new metric reflects. Why did USSS change the way it estimates counterfeit in circulation? Why didn't USSS re-state the historical data that had been presented differently in the past?

ANSWER: The USSS changed the presentation of the counterfeit performance metric to reflect the calculation of counterfeit currency as a percentage of genuine currency in circulation for two reasons:

1. By presenting the proportion as a percent of dollars of genuine currency, the metric more effectively presents the minute amount of counterfeit that was passed. Due to ongoing USSS investigative efforts, counterfeit notes passed today are a fraction of the genuine currency in circulation (i.e., less than one one-hundredth of one percent of genuine currency in circulation). The need to protect the Nation's currency is ongoing: the growth of digital reproductive technology and other countries' adoption of the dollar as their official currency (termed "dollarization") continue to threaten the stability of currency and the economy.

2. When reviewing investigative performance measure reports containing the previous metric (counterfeit passed per million dollars of genuine currency), interested stakeholders frequently asked about the percentage of counterfeit currency in relation to genuine currency. Therefore, it was determined that this new metric would be better received. Percentages are easily understood and commonly used in performance measurement.

The new metric will allow for the tracking of trends in counterfeiting from year-to-year by monitoring the increase or decrease in the percentage of counterfeit passed in relation to the amount of genuine currency in circulation.

The USSS followed the prescribed procedures for changing performance metrics, and reported them in our FY 2009 budget submission as required by DHS and OMB. It was unintentional that comparative historical information was not included.

Provide for the record a historical re-estimate of the percentage of counterfeit in circulation for 2003, 2004, 2005, and 2006 that is comparable to the metric provided for 2007 in the budget justification.

ANSWER: The same data are used to create both variations of the metric; therefore the following historical data can be easily provided for this metric. Please see the following table.

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Current Metric[1]	0.0058%	0.0060%	0.0080%	0.0081%	0.0079%
Previous Metric[2]	$58	$60	$80	$81	$79

1 This metric is calculated by dividing the dollar value of counterfeit notes passed by the dollar value of genuine currency in circulation.
2 The previous metric reported the dollar value of counterfeit notes passed on the public per million dollars of genuine currency.

Staffing and Training

Please update the staffing and training charts provided on pages 728-737 of volume 3 of the 2008 Subcommittee Hearing Volume to include 2009 plans and 2007 actual performance.

ANSWER: Please see the following tables.

On-Board – End of FY

Fiscal Year	SA	UD	APT/MCS	PT	Total
2001	2871	1122	1637	152	**5782**
2002	3087	1062	1630	167	**5946**
2003	3139	1182	1735	188	**6244**
2004	3167	1371	1790	91	**6419**
2005	3250	1380	1794	96	**6520**
2006	3273	1333	1794	106	**6506**
2007	3365	1315	1787	125	**6591**
2008	3403	1419	1803	125	**6750**
2009	3433	1419	1835	125	**6812**
2010*	3492	1442	1911	125	**6970**

* FY 2010 projection assumes new hires consistent with the Secret Service's Five-Year Staffing Plan.

Attrition Rates (FY 2002 – 2010)

Fiscal Year	SA	UD*	APT/MCS	PT	Total	Service-Wide Rate (%)
2002	245	277	139	83	**744**	**11.3**
2003	157	183	116	81	**537**	**7.1**
2004	203	142	109	112	**566**	**6.6**
2005	143	183	113	94	**533**	**5.9**
2006	133	202	137	44	**516**	**6.3**
2007	153	159	162	42	**516**	**6.8**
2008	141	120	143	41	**445**	**5.6**
2009	135	134	128	60	**457**	**5.7**
2010	130	132	133	60	**455**	**5.7**

*Includes internal transfers

Total Secret Service Agents by Experience as of March, 29 2008 (PP 0806)

< 1 Year	=	178	(5.3%)
1-3 Years	=	493	(14.6%)
4-7 Years	=	999	(29.6%)
8-15 Years	=	1,108	(32.8%)
16+ Years	=	602	(17.8%)
Total		**3,380**	

Average Compensation for USSS Employees by Position and Pay Category for Calendar Year 2007

Position Type	Base Salary (Regular Time + All Leave)	AUO or LEAP	Total of SOT, Night Differential, Sunday & Holiday Pay	FLSA Earnings
Special Agents	$81,276	$19,352	$6,264	N/A
Uniformed Division Officers	$61,729	N/A	$14,281	$2,883
Administrative, Professional, & Technical	$62,653	$3,113	$2,191	$1,122

Please provide a table, ordered by total overtime payments and organized by general schedule job classification (e.g., 1811) and GS pay rate (e.g., GS-15), that shows base salary, locality payments, LEAP payments, scheduled overtime payments, administratively uncontrollable overtime payments, FLSA payments, and annual hours worked, for all non-SES Secret Service employees paid more than $35,000 in overtime in FY2007.

ANSWER: This information is provided below.

Please provide a table that shows the non-Secret Service organizations and number employees for each organization, trained at the Rowley Training Center in 2007. Include the amount of USSS funding spent on this training, and the amount reimbursed to USSS from each organization for this training.

ANSWER: The Secret Service does not require outside agencies to provide reimbursement in return for training provided at the James J. Rowley Training Center (JJRTC). Therefore, the total in the following table reflects the actual cost to the JJRTC for training provided.

Calendar 2007 NFC Pay Data for USSS Employees Earning More Than $35,000 in Overtime

#	Code	Post of Duty at the End of Calendar 2007	Pay Plan	Grade	Step	Series	Base Salary (Regular Time + All Leave)	AUO or LEAP	Total of SOT, Night Differential, Sunday & Holiday Pay	Aggregate Compensation	FLSA Earnings	Total of Regular Hours, Scheduled Overtime Hours, Holiday Hours Worked, Paid Hours of Compensatory Time, and LEAP/AUO Hours
1	UDW	UD - White House	LE	01	11	0083	$75,852.77		$65,286.57	$141,139.34	$5,558.19	2995
2	UDW	UD - White House	LE	01	14	0083	$83,368.00		$64,829.17	$148,197.17	$5,240.52	2739.5
3	UDW	UD - White House	LE	01	12	0083	$78,916.08		$64,265.39	$143,181.47	$6,559.13	2592
4	SSD	UD - Rowley Training Center	LE	04	12	0083	$95,133.71		$63,414.99	$159,247.51	$7,024.89	2632
5	UDW	UD - White House	LE	01	12	0083	$78,612.68		$63,172.52	$141,785.20	$7,280.63	2609
6	UDW	UD - White House	LE	01	14	0083	$83,368.00		$59,411.80	$142,779.80	$5,398.56	2726
7	UDW	UD - White House	LE	01	12	0083	$79,521.67		$56,057.81	$135,579.48	$4,480.09	2667
8	UDW	UD - White House	LE	01	09	0083	$68,699.21		$55,231.47	$124,772.30	$6,530.30	2800
9	BPD	Bush Protective Division	GL	09	09	1802	$63,617.60		$53,227.40	$116,845.00	$7,838.14	3208
10	UDE	UD - Emergency Response Team	LE	04	08	0083	$84,568.64		$49,830.84	$135,470.63	$18,523.92	2391.25
11	UDK	UD - Canine Section	LE	01	04	0083	$57,625.60		$47,477.72	$106,021.44	$17,007.98	2858.5
12	UDW	UD - White House	LE	04	08	0083	$81,175.05		$47,357.48	$128,532.53	$5,999.47	2281.5
13	UDE	UD - Emergency Response Team	LE	04	07	0083	$78,509.53		$47,249.59	$126,817.01	$19,232.47	2589
14	UDE	UD - Emergency Response Team	LE	01	05	0083	$60,589.75		$46,895.84	$107,944.66	$2,689.18	2614.5
15	UDW	UD - White House	LE	01	05	0083	$55,776.10		$46,420.63	$102,196.73	$3,583.63	2982.5
16	UDW	UD - White House	LE	01	11	0083	$77,422.16		$46,240.93	$123,976.78	$5,678.54	2427.5
17	UDW	UD - White House	LE	04	14	0083	$99,643.20		$45,570.40	$146,261.81	$6,103.76	2299.75
18	UDW	UD - White House	LE	04	12	0083	$94,524.41		$44,373.56	$138,897.97	$5,857.97	2288.5
19	UDW	UD - White House	LE	01	14	0083	$81,126.41		$44,287.20	$125,413.61	$3,527.55	2557.5
20	UDE	UD - Emergency Response Team	LE	01	06	0083	$63,417.56		$44,118.01	$107,535.57	$5,093.55	2767
21	UDW	UD - White House	LE	01	11	0083	$75,852.80		$44,071.25	$119,924.05	$4,122.94	2636
22	UDW	UD - White House	LE	01	10	0083	$70,830.72		$44,022.17	$114,852.89	$8,260.72	2233.5
23	UDK	UD - Canine Section	LE	04	09	0083	$85,988.79		$43,884.28	$131,020.73	$20,762.84	2551.5
24	NYC	New York Field Office	GS	14	05	1811	$111,049.92	$27,551.20	$43,695.14	$205,622.23		3171.75
25	UDW	UD - White House	LE	01	03	0083	$55,409.92		$43,353.86	$99,184.59	$2,747.50	2662.5
26	UDE	UD - Emergency Response Team	LE	01	04	0083	$57,181.44		$42,979.48	$100,160.92	$3,932.46	2762
27	UDW	UD - White House	LE	01	04	0083	$53,267.21		$42,871.12	$97,018.21	$4,021.10	2662.5
28	UDW	UD - White House	LE	01	11	0083	$76,729.53		$42,729.64	$120,453.81	$6,026.46	2448
29	UDW	UD - White House	LE	01	05	0083	$57,880.68		$42,725.42	$100,606.10	$2,005.85	2465
30	UDW	UD - White House	LE	01	08	0083	$67,100.80		$42,456.38	$109,863.22	$5,052.05	2650.5
31	UDE	UD - Emergency Response Team	LE	01	10	0083	$77,193.82		$41,871.99	$119,079.53	$3,353.91	2171.75
32	UDK	UD - Canine Section	LE	04	11	0083	$95,006.38		$41,791.31	$137,868.84	$22,261.92	2299.5
33	UDF	UD - Foreign Missions Branch	LE	04	12	0083	$95,094.64		$41,676.76	$137,919.06	$5,091.33	2035.5
34	UDE	UD - Emergency Response Team	LE	01	12	0083	$81,751.85		$41,621.75	$123,373.60	$16,525.56	2407

Calendar 2007 NFC Pay Data for USSS Employees Earning More Than $35,000 in Overtime

#	Code	Post of Duty at the End of Calendar 2007	Pay Plan	Grade	Step	Series	Base Salary (Regular Time + All Leave)	AUO or LEAP	Total of SOT, Night Differential, Sunday & Holiday Pay	Aggregate Compensation	FLSA Earnings	Total of Regular Hours, Scheduled Overtime Hours, Holiday Hours Worked, Paid Hours of Compensatory Time, and LEAP/AUO Hours
35	UDW	UD - White House	LE	01	11	0083	$78,483.63		$41,343.48	$119,827.11	$4,443.24	2285.5
36	UDW	UD - White House	LE	01	06	0083	$58,784.54		$41,087.98	$100,867.16	$3,650.21	2593
37	UDK	UD - Canine Section	LE	04	11	0083	$94,387.12		$41,075.66	$136,610.44	$24,370.68	2404.5
38	UDE	UD - Emergency Response Team	LE	04	05	0083	$74,849.34		$41,035.51	$116,802.97	$13,699.19	2442.5
39	UDW	UD - White House	LE	01	11	0083	$76,437.43		$40,732.90	$117,170.33	$1,579.95	2127
40	UDE	UD - Emergency Response Team	LE	01	05	0083	$61,675.41		$40,591.89	$102,267.30	$3,410.53	2472
41	UDW	UD - White House	LE	01	13	0083	$81,251.12		$40,477.33	$121,728.45	$4,842.17	2108.5
42	UDE	UD - Emergency Response Team	LE	01	08	0083	$71,721.73		$40,097.50	$111,819.23	$6,080.82	2480.5
43	UDW	UD - White House	LE	05	10	0083	$86,083.09		$40,024.99	$127,332.25	$6,467.39	2273.5
44	UDK	UD - Canine Section	LE	01	07	0083	$69,326.28		$39,860.04	$110,027.94	$16,664.22	2441.5
45	UDW	UD - White House	LE	04	06	0083	$72,678.36		$39,605.03	$112,283.39	$5,371.73	2547
46	UDW	UD - White House	LE	01	06	0083	$61,758.40		$39,604.54	$102,204.56	$3,331.13	2616
47	UDF	UD - Foreign Missions Branch	LE	05	12	0083	$100,390.37		$39,496.28	$141,590.34	$19,131.44	2523.25
48	UDE	UD - Emergency Response Team	LE	01	07	0083	$70,403.07		$39,270.91	$110,286.07	$3,347.59	2522.5
49	UDK	UD - Canine Section	LE	01	11	0083	$78,524.73		$39,090.89	$118,796.16	$16,948.55	2331.5
50	UDV	UD - Naval Observatory	LE	01	10	0083	$73,040.00		$38,324.51	$111,364.51	$3,053.96	2304
51	UDK	UD - Canine Section	LE	01	11	0083	$83,690.68		$38,273.57	$122,882.37	$19,601.02	2421
52	UDW	UD - White House	LE	01	11	0083	$74,891.20		$38,259.32	$113,992.14	$3,167.31	2401
53	UDE	UD - Emergency Response Team	LE	01	07	0083	$72,758.51		$38,112.47	$110,870.98	$3,149.25	2392.5
54	UDV	UD - Naval Observatory	LE	04	10	0083	$85,152.00		$37,929.37	$124,076.01	$3,749.80	2290.5
55	UDW	UD - White House	LE	01	07	0083	$64,435.20		$37,513.24	$101,948.44	$3,774.67	2515
56	UDE	UD - Emergency Response Team	LE	01	04	0083	$57,625.60		$37,426.33	$95,357.97	$17,503.36	2480
57	UDW	UD - White House	LE	01	10	0083	$72,487.69		$37,369.26	$109,856.95	$2,647.03	2405
58	UDW	UD - White House	LE	01	10	0083	$71,935.36		$37,262.17	$109,197.53	$3,606.22	2370
59	UDE	UD - Emergency Response Team	LE	01	07	0083	$68,297.53		$37,246.47	$106,712.14	$3,722.55	2577.75
60	WFO	Washington Field Office	GS	14	04	1811	$102,652.80	$25,659.20	$37,203.26	$184,188.90		2934
61	UDV	UD - Naval Observatory	LE	01	06	0083	$59,857.92		$37,029.68	$96,887.60	$5,130.81	2379
62	UDW	UD - White House	LE	01	05	0083	$54,513.74		$37,000.40	$92,432.26	$4,429.87	2554
63	UDW	UD - White House	LE	01	04	0083	$54,366.43		$36,799.12	$91,291.26	$3,023.10	2555
64	UDW	UD - White House	LE	01	06	0083	$60,647.28		$36,794.05	$97,441.33	$2,929.90	2431
65	UDK	UD - Canine Section	LE	04	10	0083	$89,998.36		$36,788.18	$127,857.69	$23,266.60	2443
66	UDV	UD - Naval Observatory	LE	05	08	0083	$85,200.64		$36,737.94	$123,009.73	$16,179.71	2431.5
67	UDF	UD - Foreign Missions Branch	LE	01	11	0083	$78,191.36		$36,685.79	$114,877.15	$3,078.05	2199.5
68	UDK	UD - Canine Section	LE	01	08	0083	$70,870.32		$36,659.13	$107,870.85	$18,150.60	2461.5

Calendar 2007 NFC Pay Data for USSS Employees Earning More Than $35,000 in Overtime

#	Code	Post of Duty at the End of Calendar 2007	Pay Plan	Grade	Step	Series	Base Salary (Regular Time + All Leave)	AUO or LEAP	Total of SOT, Night Differential, Sunday & Holiday Pay	Aggregate Compensation	FLSA Earnings	Total of Regular Hours, Scheduled Overtime Hours, Holiday Hours Worked, Paid Hours of Compensatory Time, and LEAP/AUO Hours
69	UDK	UD - Canine Section	LE	01	10	0083	$78,591.24		$36,613.16	$116,122.52	$16,008.79	2341
70	UDK	UD - Canine Section	LE	01	12	0083	$89,748.76		$36,581.58	$126,330.34	$17,465.47	2201
71	UDW	UD - White House	LE	01	04	0083	$55,408.50		$35,943.82	$91,352.32	$1,793.30	2704.5
72	UDW	UD - White House	LE	01	06	0083	$63,586.61		$35,897.89	$99,484.50	$4,798.77	2219
73	UDW	UD - White House	LE	01	04	0083	$53,884.45		$35,873.36	$89,757.81	$3,462.18	2645
74	UDE	UD - Emergency Response Team	LE	04	05	0083	$72,883.22		$35,603.84	$109,864.25	$14,901.32	2413
75	SSD	UD - Rowley Training Center	LE	04	12	0083	$91,713.54		$35,364.21	$127,776.56	$3,804.44	2114
76	UDW	UD - White House	LE	01	10	0083	$72,211.48		$35,354.50	$107,565.98	$267.22	1992.5
77	UDW	UD - White House	LE	01	04	0083	$55,204.35		$35,341.50	$90,545.85	$2,412.86	2426
78	UDV	UD - Naval Observatory	LE	01	04	0083	$54,366.50		$35,226.39	$90,358.00	$4,698.11	2553
79	UDE	UD - Emergency Response Team	LE	01	04	0083	$57,625.60		$35,186.26	$92,811.86	$4,554.31	2607
80	UDF	UD - Foreign Missions Branch	LE	01	04	0083	$54,366.44		$35,052.65	$90,260.71	$4,076.35	2631

Agency	Employees Trained	Training Received	Associated Cost
Federal			
Central Intelligence Agency	5	Protective Detail and Counter-Assault Training	$1,990.90**
Central Intelligence Agency	6	Joint Training Exercise	Costs not tracked
Department of State	80	Rappelling Techniques	Costs not tracked
Department of State	13	Protective Detail and Counter-Assault Training	$5,176.34**
Federal Bureau of Investigation	11	State of the Union Joint Training	$95.70**
Federal Bureau of Investigation	8	Joint Training Exercise	Costs not tracked
Federal Bureau of Investigation	1	Emergency Medical Technician Basic	$319.09
Federal Bureau of Investigation	5	SIMLAB Training	Cost not tracked
Federal Bureau of Investigation(HRT)	14	Interior Tactics	Costs not tracked
Federal Bureau of Investigation(HRT)	1	Close Quarters Battle Training Coordination	Costs not tracked
Federal Bureau of Investigation(HRT)	20	Tactical Egress and Ingress Training	Costs not tracked
Federal Bureau of Investigation(HRT)	23	Joint Special Operations Training	Costs not tracked
National Oceanic and Atmospheric Admin.	6	Scuba Refresher	Cost not tracked
Pentagon Police Department	2	Mountain Bike Course	$145.92
United States Capitol Police	11	State of the Union Joint Training	$95.70**
United States Marshal's Service	18	Techniques in Counter-Surveillance	$2,064.24
United States Park Police	11	State of the Union Joint Training	$95.70**
United States Park Police	20	Joint Motorcycle Training	No costs incurred
Total Federal Employees Trained	**255**		**$9,983.59**
Military			
United States Marine Corps	104	Special Operations Joint Training	Costs not tracked
United States Marine Corps	4	Vehicle Tactics	Costs not tracked
United States Marine Corps	16	Counter-Sniper Tactics	Costs not tracked
White House Communications	2	Motorcade Briefing	No costs incurred
White House Communications	4	Joint Bicycle Assault on Protectee Exercises	Costs not tracked
White House Medical Office	4	Joint Bicycle Assault on Protectee Exercises	Costs not tracked
White House Military Office	4	Joint Bicycle Assault on Protectee Exercises	Costs not tracked
Total Military Personnel Trained	**138**		**Costs not available**
State/Local			
Detroit Police Department	2	Protective Detail/Motorcade Assault Training	Costs not tracked
Detroit Metropolitan Airport Police	2	Protective Detail/Motorcade Assault Training	No costs incurred
District of Columbia Metropolitan Police	11	State of the Union Joint Training	$95.70**
District of Columbia Metropolitan Police	18	Rappelling Techniques	Costs not tracked
District of Columbia Metropolitan Police	20	Joint Motorcycle Training	No costs incurred
Howard County Sheriff's Department	8	Motorcade Briefing	No costs incurred
Macomb County Sheriff's Department	2	Protective Detail/Motorcade Assault Training	Costs not tracked
Michigan State Police	4	Protective Detail/Motorcade Assault Training	Costs not tracked
Monroe County Sheriff's Department	2	Protective Detail/Motorcade Assault Training	Costs not tracked
Nashtenaw County Sheriff's Department	1	Protective Detail/Motorcade Assault Training	Costs not tracked
New York Police Department – ESU	170	Joint Training Exercise	Costs not tracked

Oakland County Sheriff's Department	8	Protective Detail/Motorcade Assault Training	Costs not tracked
Scranton Police Department	2	Firearms Instructor Training Course	$644.02
Selfridge Air National Guard Security Unit	1	Protective Detail/Motorcade Assault Training	Costs not tracked
University of Michigan Dept. of Public Safety	1	Protective Detail/Motorcade Assault Training	Costs not tracked
Wayne County Sheriff's Department	2	Protective Detail/Motorcade Assault Training	Costs not tracked
Miscellaneous local departments	10	Firearms Instructor Training Course	$3,220.10
Total State/Local Officers Trained	**264**		**$3,960.00**
Total Outside Personnel Trained	**657**		**$13,943.59**

**This cost is an estimate based on the cost per employee from a similar class offering.

Airspace Security branch

The 2009 budget includes a $4.7 million request for a permanent Air Space Security staff of 12 to monitor air traffic at the National Capital Region Coordination Center, and for 15 additional Special Agents to operate the Hazardous Agent Mitigation/Medical Emergency Response, or HAMMER team. Provide for the record, in classified form if necessary, the allocation of this request between the two programs supported by it.

ANSWER: The $4.7 million is allocated as follows: $2.1 million for 12 Detection Systems Specialists; $2.6 million for 15 HAMMER Special Agents.

Does DHS have a joint program with the Department of Defense, TSA, and the Coast Guard to ensure the security of the National Capital Region's air security and called the National Capital Region Coordination Center (NRCCC)? How is this program different from the USSS proposal for an Airspace Security branch?

ANSWER: The Secret Service is a permanent and charter member of the National Capital Region Coordination Center (NCRCC). The NCRCC is hosted by the Transportation Security Administration (TSA) at their facility in Herndon, Virginia. The NCRCC is primarily operated by civilian agencies, including TSA, Secret Service, Federal Aviation Administration (FAA), Customs and Border Protection, and the U.S. Coast Guard (USCG). In addition, the Department of Defense (DoD) provides personnel to serve in a liaison capacity between the NCRCC and North American Aerospace Defense Command (NORAD). During certain events, including National Special Security Events (NSSEs) occurring in the National Capital Region (NCR), the NCRCC may also be staffed by representatives from other federal, state, and local agencies with aviation interests (e.g., the Maryland State Police, U.S. Park Police, Washington Metropolitan Police Department).

The NCRCC is responsible for monitoring the airspace surrounding Washington, DC and communicating airspace security intrusions and other related information to relevant law enforcement and public safety agencies. The NCRCC is designed primarily to be a centralized communications and coordination facility for airspace activities occurring in the NCR. The NCRCC does not have responsibility for actually deploying defensive assets in response to potentially hostile aircraft as this is the responsibility of DoD.

The Secret Service maintains an Airspace Security Branch (ASB) within the Special Operations Division. The primary purpose of this branch is to coordinate airspace security activities wherever the President travels, whether in the United States or overseas. The airspace security activities coordinated by the ASB are part of the overall security plan for the President and Vice President. Additionally, the ASB coordinates airspace security for visiting high-level heads of state/heads of government, events such as the United Nations General Assembly, and NSSEs. The ASB is not designed to protect a particular geographic location where a protectee is not present.

At the present time, the ASB is composed of Special Agents and Detection Systems Specialists (DSSs). These personnel travel in advance of the President and work with DoD and other agencies to establish an appropriate airspace security plan that will reduce any airborne threats directed against the President. ASB personnel maintain communications with the President's protective detail and provide timely information concerning potential airborne threats with sufficient notice that pertinent decisions can be made about the President's safety.

DSSs are highly trained, technical personnel who specialize in identifying and monitoring potential airborne threats. Many of these individuals are former military forward air controllers or FAA air traffic controllers who possess specialized skills in the operation and interpretation of early warning radars and similar systems. In its FY 2009 budget submission, the Secret Service has requested approximately $2.1 million to recruit, hire, and train an additional 12 DSSs. These additional positions will be utilized to ensure that sufficient airspace security personnel are available to accommodate the extensive travel schedule of the President, both domestically and abroad. In addition, it is the goal of the Secret Service to staff the airspace security program with DSSs and utilize the existing Special Agents for other law enforcement duties.

Why is it necessary for the Secret Service to dedicate permanent staff to the NCRCC? What will the agents at NCRCC do? Given that the Secret Service already has air space data feeds that are transmitted to both its protective operations center and the joint operations center that monitors the White House complex, why does USSS need, as stated in the budget justification, "staffing of the National Capital Region Coordination Center with permanent, highly-qualified Detection Systems Specialists?"

ANSWER: The NCRCC is the primary facility that is responsible for monitoring and communicating relevant airspace security information to other federal, state, and local agencies in the NCR. Given this important role, it is necessary for Secret Service personnel to be present in the NCRCC to facilitate the communication of timely information to the protective details and other Secret Service security functions operating in the NCR.

Secret Service personnel assigned to the NCRCC are responsible for monitoring any airspace security related activities being tracked by the NCRCC within the NCR. As relevant information is developed by the NCRCC, Secret Service personnel communicate this information to the appropriate Secret Service supervisors so that timely decisions can be made regarding the safety of protectees. In addition, Secret Service personnel assigned to the NCRCC are responsible for exchanging information and undertaking other liaison activities with personnel from the other agencies represented within the NCRCC.

White House Mail

Provide for the record the explanation of responsibilities and resource allocation for White House mail screening, as required by the explanatory statement accompanying the 2008 Appropriations Act.

ANSWER: In October 2003, all funding for the operation of the White House mail screening facility was transferred to the Secret Service. The funding transfer from the Executive Office of the President, Office of Administration (EOP/OA) to the Secret Service shifted all operational responsibilities of White House mail screening for chemical, biological, radiological, nuclear, and explosive (CBRNE) hazards from EOP/OA to the Secret Service. The Secret Service now manages all mail screening services related to the examination of White House mail prior to release to EOP/OA for distribution to addresses at the White House Complex.

As part of its protective mission, the Secret Service screens all mail destined for the White House Complex as a means to prevent its protectees from being exposed to harmful substances delivered through the mail. The Secret Service views mail screening as a security function in this context. The EOP is responsible for the

administrative management and distribution of the mail to offices and individuals within the White House Complex after it has been screened. As a result of this division of labor, the Secret Service's annual budget covers the costs associated with mail screening, while the EOP's budget covers the costs associated with administrative operations for the mail once it arrives at the White House Complex.

Last year, the Committee approved a reprogramming for the Secret Service to use its own and other DHS funds to pay for a new screening facility for mail that is sent to the White House and other Executive Office of the President agencies. Working conditions at the current mail screening facility are deplorable. The Committee's approval noted at the time that "on-going operating costs for this program should be borne by the Executive Office of the President, since mail screening is a routine administrative cost associated with the troubled times in which we live." The 2009 Secret Service budget, however, includes $36.7 million for screening mail sent to agencies within the Executive Office of the President, including $16.2 million for contractors who perform the screening, $6 million for rent at the new facility, and $14.5 million for new equipment. Since the operational part of this program is all done by contractors, why is the Secret Service paying to screen the White House's mail? Couldn't the Secret Service provide technical advice to the White House Office of Administration about methods of mail screening?

ANSWER: The Secret Service views the screening of White House mail to be an essential security function and part of the overall Secret Service security plan for the White House.

The Secret Service is currently paying the U.S. Army to provide technical personnel to staff and oversee current mail screening operations at the existing temporary mail screening facility. However, these personnel will not be transitioning to the new White House Mail Facility currently under construction. In addition, Secret Service personnel operate certain portions of the current mail screening facility.

Given the unique threats associated with the White House, the screening of mail is a security, not an administrative, function. The technical screening of mail is part of the overall plan to protect the White House and its occupants from hazardous substances. Therefore, as the agency responsible for protecting the White House, it is incumbent upon the Secret Service to ensure that all White House mail is screened to a level that is commensurate with the rest of the White House security plan.

Provide for the record the dates by which:

- Mail screening facility construction will be completed
- Mail screening facility fit-out will be completed
- Tenant will occupy the mail screening facility

ANSWER: The construction of the new White House Mail Screening Facility is underway. The General Services Administration (GSA) is managing this project using a design-build methodology. This streamlined methodology will ensure that the mail facility is completed in the most expeditious manner possible.

At the present time, GSA is estimating that all construction will be finished by December 31, 2009. However, that date remains very fluid and will largely depend upon the outcome of the design-build process and other steps being taken to complete the building expeditiously. It is therefore difficult to accurately predict whether the building will be completed prior to that date.

Under the current schedule, the Secret Service will take possession of the building on January 1, 2010. However, under the Occupancy Agreement, the Secret Service must begin paying rent to GSA when the

building is "substantially complete" and "operationally functional." It is unknown at this time when these criteria will be met.

Formal fit-out is expected to take approximately 120 days from when the Secret Service takes possession of the building. However, certain pieces of equipment must be installed and tested before the Secret Service can formally take possession of the building.

What criminal investigations does USSS anticipate not pursuing since $36.7 million of the budget will be spent to process mail for the White House?

ANSWER: Mail screening to ensure the safety of the White House Complex, as well as specialized equipment to outfit the new White House mail screening facility, were included in the Future Years Homeland Security Program (FYHSP) and budgeted for by the Secret Service. Therefore, the Secret Service does not anticipate that any criminal investigations will be compromised as a result of this protection activity.

E Street Closure

Provide for the record the plan to address E Street issues required in the House report 110-181. If the report is not available, provide an explanation why, a summary of the steps taken to date to complete the report, and a date on which the report will be delivered to the Congress.

ANSWER: The report was transmitted on May 6, 2008, and is provided below.

White House Locks

The 2009 budget includes roughly $2 million for new locks and keys at the White House. Isn't the General Services Administration responsible for maintaining the physical plant at the White House? Do Secret Service personnel also maintain a list of who has keys for each office at the White House? Isn't that a responsibility for the Office of Security within the Executive Office of the President Office of Administration?

ANSWER: While the National Park Service and the General Services Administration are responsible for maintaining the physical plant at the White House Complex, the Secret Service is responsible for the installation, maintenance, and management of the locks and keys to certain spaces on complex. As the entity responsible for protection and security of the complex, it is necessary that the Secret Service administer this program so that access to these spaces is controlled and managed by the Secret Service.

The Secret Service does maintain a list of all keys that it distributes as part of this program. The Secret Service is responsible for the installation, maintenance, and management of these locks and keys as part of its duties to protect the White House Complex.

Protection for Embassies, Consulates and Visiting Heads of State

Please provide a summary chart that shows for 2007 all of the calls the Uniformed Division responded to at DC-area embassies and consulates organized by call type (e.g., alarm call, protest, etc.).

ANSWER: This information is provided below.

E STREET CLOSURE

The explanatory statement to accompany the Consolidated Appropriations Act of 2008 directs the Secret Service "...to submit a report, developed jointly with the relevant agencies and delivered concurrently with the fiscal 2009 budget, on the agency's plan for improving the security and aesthetic conditions of E Street, as detailed in the House report."

As part of its statutory protective mission, the Secret Service continuously evaluates potential threats and attack modalities that could be directed at the White House Complex and implements necessary countermeasures to mitigate identified vulnerabilities. This includes evaluating attack tactics, techniques, and practices previously employed at U.S. and non-U.S. targets. Following the September 11, 2001 attacks and other terrorist attacks observed overseas, E Street, in the vicinity of the White House, was closed temporarily to reduce the vulnerability attributable to a vehicle-borne explosive device detonation or other form of terrorist attack directed at the south side of the White House Complex.

As briefed to professional staff from the House and Senate Homeland Security Subcommittee on Appropriations on September 14, 2007, the Secret Service has determined that opening E Street without additional security measures represents a significant vulnerability to the security of the White House Complex and its occupants. Accordingly, the Secret Service maintains that the existing security measures in place along E Street must remain in place until there is a change in the threat environment, a new technological countermeasure is developed to address the existing vulnerabilities, or E Street is redesigned to fully address the vulnerabilities. The Secret Service does not believe such a new technology will be developed, or that the threat environment will change in the foreseeable future.

As requested by the Committees, the Secret Service is currently evaluating more aesthetic, interim security enhancements that could replace the existing security structures utilized on E Street. This interim effort is proceeding with the collaboration of the National Capital Planning Commission (NCPC).

Developing a permanent solution to E Street is a priority for the Secret Service. The Secret Service provided a classified briefing to NCPC executive members concerning E Street which covered vulnerabilities associated with E Street that must be addressed as part of a permanent design solution. Director Mark Sullivan met with NCPC Chairman John Cogbill to request the NCPC's leadership in developing a permanent solution that is

aesthetic and acceptable to stakeholders, as well as consistent with Secret Service security requirements. Partially as a result of these briefings and meeting, the NCPC convened an Interagency Security Task Force on March 3, 2008, to examine physical security needs in the National Capital Region, including the challenges posed by E Street. The Task Force will have representatives from NCPC, the Secret Service, National Park Service, Department of Defense, General Services Administration, District of Columbia City Council, DC Mayor's Office, Department of Homeland Security, and professional staff from the United States House of Representatives (Committee on Oversight and Government Reform) and United States Senate (Committee on Homeland Security and Governmental Affairs). It is anticipated these efforts will result in a consensus solution that achieves both a secure and aesthetically pleasing environment.

The Secret Service is also participating in the White House Area Transportation Study (WHATS) being coordinated by the Federal Highway Administration (FHWA). This study is examining traffic-related issues in the vicinity of the White House, including traffic patterns and congestion associated with the closure of Pennsylvania Avenue and E Street. Secret Service personnel are providing technical security expertise for this study and are also engaged with other stakeholders at the executive policy level. It is expected that the outcome of this study, in conjunction with the activities of the NCPC task force, will produce a range of potential permanent security design solutions for E Street.

The Secret Service is fully committed to replacing the existing temporary structures with a permanent, secure solution that is both aesthetically pleasing and consistent with the unique architectural and historical considerations that define the White House environment. The Secret Service looks forward to continuing its partnership with the above stakeholders to expeditiously produce a plan to both secure and beautify E Street.

Response Types	Number of Responses
Demonstrations	374
Receptions	547
Protective Coverage Assignments	180
Calls for Assistance	104
Parking Complaints	343
Alarm Responses	493
Threats Against Personnel	19
Crimes Against Persons	26
Crimes Against Property	28
Responses for Building Security	36
Diplomatic Vehicle Accidents	95
Unwanted Guests	57
Nuisance Calls / Letters	11
Suspicious Packages	22
Suspicious Vehicles	8
Suspicious Persons	23
Annual Completion of Emergency Response Plans	543
Semi-Annual Security Assessments	1086
Assist MPDC – Verifying Diplomatic Status, Alarms, Arrests etc....	20
Assist Montgomery Co. PD – Verifying Diplomatic Status, Alarms, Arrests etc...	2
Total Responses	**4017**

Please provide a table showing each visit from a foreign head where the U.S. Secret Service provided a protective detail in 2007, including all U.S. destinations, FTE dedicated to each stop, and total cost associated with each stop.

ANSWER: Because of the length of this table, the information is available in the Subcommittee offices.

Asset Forfeiture Fund

Please provide for the record a consolidated chart that shows, by program and fiscal year for 2002-2007, all USSS expenditures funded by Secret Service proceeds derived from the Asset Forfeiture Fund (AFF). Distinguish between base AFF resources and surplus AFF resources.

ANSWER: Please see the following table.

FY02 - 08 Funding	FY02	FY03	FY04	FY05	FY06	FY07	FY08
POI/POE	$0.150	$0.030	$0.070	$0.200	$0.075	$0.050	$0.250
Advertising	$0.400	$0.350	$0.400	$0.347	$0.400	$0.400	$0.400
Investigative Costs Leading to Seizure	$0.550	$0.400	$0.400	$0.400	$0.525	$1.000	$1.000
AFS Administrative Personnel							$0.500
File Tracking System						$0.200	
Identification of Assets	$0.260	$0.260	$0.295	$0.295	$0.295	$0.290	
State & Local Treasury Computer Forensics Training				$0.091	$0.628		

Services of Experts and Consultants					$0.050	$0.050	$0.050
Reimburse State & Locals - Joint Operations	$1.200	$1.348	$1.278	$1.500	$1.600	$1.700	$1.797
Treasury Computer Forensics Program (formerly CIS)	$0.906	$0.924	$1.064	$1.494	$3.880	$4.128	$1.203
FASTRAK Support	$0.038	$1.013	$0.200	$0.400	$0.400	$0.600	$0.300
Training	$0.575	$0.250	$0.364	$0.479	$0.570	$0.600	$0.300
Contractor Personnel	$0.850	$1.000	$1.400	$1.134	$1.500	$1.500	$1.400
Best Practice Guide		$0.041					
Major Case	**$0.680**	$0.750	$1.150	$1.150	$1.000	$1.000	$1.000
Cyber Investigations Section							$0.425
Protective Detail for Treasury Secretary Snow					$0.600		
Protective Detail for Treasury Secretary Snow					**$3.500**		
Secure Digital Evidence Remote Forensics and Storage Infrastructure				$1.000			
Upgrade of Monster NAS/Server Units				$0.100			
Operation Direct Action				$0.200	$0.200		
MITRE Analyst Support				$0.555	$0.900	$0.900	**$0.900**
Investigative Extranet					$0.150	**$0.150**	
In Custody Report Application					$0.250		
Investigative Datamining					$0.050		
Field Intelligence Model Network Investigator				$0.150			
Blackhorse (Distributed Network Attack Application)				$0.300	$0.350		
Basic Investigation of Computers & Electronic Crimes Program (BICEP)				$0.100	$0.400	$0.400	$0.150
Network Intrusion Responder (NITRO)				$0.195	$0.450	$0.600	$0.400
Video Teleconferencing Units							$0.036
Operation Ubernet							$0.042
Project Alcatraz						$0.250	
Critical Systems Protection Initiative (CSPI)							$0.200
FIRS Applications							$0.450
TOS Counterfeit Lab Upgrade						**$0.260**	$0.430
Autonomy					$0.200		$0.500
Joint Teaching/Research Computer Forensic Lab					**$0.200**		
Data Storage and Processing Infrastructure					**$0.500**		
Investigative Datamart					**$0.100**		
Secure Digital Evidence Storage System					**$0.500**	**$0.700**	
Field Operational Support/ADP Equipment						**$0.250**	$0.350
Government Network Intrusion Software						**$0.300**	
ECSAP - University of Tulsa Cell Phone Forensics						**$0.800**	**$0.600**
Investigative Data Warehouse							**$0.850**
SATC Computer Training Classroom							**$0.500**
Headquarters Digital Evidence Lab							**$1.668**
Secure Portal Program					**$0.100**		
Mobile Forensics Computer Laboratory				$0.100			

Touch Table				$0.300			
Data Mining Toolkit				**$0.250**			
Network Intrusion Investigator Program				**$0.250**			
Portable Computer Forensic Cases				**$0.150**			
Logicube MD5 Forensic Imager				**$0.100**			
Media/Data Recovery System and Training			$0.150				
SimLab Computers, Monitors and Peripherals for Modeling and Simulation			$0.149				
Version 3: Best Practices for Seizing Electronic Evidence Manuals			$0.200				
ECSAP Field Reporting Initiative			$0.150				
Global Information System (GIS) Unclassified			**$0.500**	**$0.250**	$0.150	**$0.250**	
Network Intrusion Forensic Facility at Carnegie Mellon University						**$0.800**	
Massive Archival Storage System & Support Archival Storage Centers			**$0.350**				
Wireless Tracking Devices			**$0.371**	**$0.400**		$0.400	$1.200
Forward Edge Version 2.0			**$0.890**				
Mobile Computer Training Center			**$0.122**				
ECTFs Email System			**$0.225**				
Advanced Computer Forensics Training			**$0.120**				
Hyperspectral Tool for Examining Evidence			**$0.250**				
Silent Runner Network Security Analysis Tool			**$0.680**				
Web-Based Forward Edge Initiative			**$0.015**				
Unclassified System to Address Encrypted Evidence			**$0.150**				
Optical Tags for Law Enforcement Applications			**$0.100**				
Portable Crime Scene Laser Scanner			**$0.192**				
Advanced Image Analyzer			**$0.030**				
Digital Video Support			**$0.071**				
Advanced Audio Enhancement Tools			**$0.070**				
Portable Audio/Video Enhancement Station			**$0.100**				
Laboratory Information Management System			**$0.520**				
CRS Enhancement Program				**$0.060**			
BOTNET Detection				**$0.100**			
Covert Remote Computer Capture Tool				**$0.150**			
Wireless Global Position Systems (GPS)				**$0.150**			
E-Information Network (Extranet)				**$0.140**			
USA Patriot Act Training		$0.500					
ECSAP		$0.775					
Counterfeit Documents Database		**$0.400**					
Computer Forensics	**$0.750**						
SAR Database Enhancements	**$0.250**						
Extranet Database	**$0.550**						
IRMD Development of Data Mining System	**$0.250**						
Support of National Money Laundering Strategy	$0.350						

Figures in BOLD were funded through Super Surplus

US Secret Service Discrimination Lawsuit

Various media sources have reported on alleged malfeasance by Secret Service management named in or responsible for responding to an on-going racial discrimination lawsuit.

What steps has the Secret Service taken to:

- Investigate claims of document destruction?

ANSWER: The Secret Service is aware of only one source that has reported on the situation described in this question. After reading the article, the Secret Service reviewed the relevant court transcripts and found no testimony indicating that the inspector in question had destroyed any evidence. The Secret Service also found no testimony indicating that the inspector had destroyed any document or record which could have been considered as potential evidence or as potentially responsive to a document request in the case. Accordingly, the Secret Service has taken no further action in the matter.

- Investigate claims that supervisors encouraged document destruction by subordinates?

ANSWER: The Secret Service is unaware of any media or other sources claiming that Secret Service supervisors encouraged document destruction by subordinates in or responsible for responding to an on-going racial discrimination lawsuit.

- Protect relevant documents and information from destruction?

ANSWER: The Secret Service has procedural safeguards in place to protect information that could potentially be relevant in any lawsuit. When the Secret Service Office of Chief Counsel receives a eopy of a complaint filed in a civil lawsuit, the Office of Chief Counsel sends out a litigation hold memorandum to those offices and individuals that are likely to be in possession of potentially relevant documents and records. The litigation hold memorandum requires the freezing of email accounts, the suspension of record destruction standards, and the maintenance of information contained in electronic format and in electronic databases. In addition to the litigation hold memorandum, the Office of Chief Counsel and the Records Management Division regularly send reminders about the preservation of such paper and electronic records. As an additional safeguard, the internal Secret Service website lists the matters for which records must be retained. These procedures have been in place for many years have proven successful. These procedures were followed in this matter.

- Address inappropriate document destruction actions made by USSS employees?

ANSWER: There is no meritorious claim of pertinent documents having been destroyed. Therefore, no action has been taken to address such a matter.

What have been the results of any USSS investigations into document destruction related to the on-going racial discrimination lawsuit?

ANSWER: The allegation that a Secret Service Inspector destroyed evidence is inaccurate.

U.S. Secret Service Role in Inaugural Parade Route Permitting

Please explain for the record the role the U.S. Secret Service plays in review of permits for public demonstration along the route of the Presidential inaugural parade.

ANSWER: The Secret Service does not have a role in the allocation of space for public demonstration activity along the inaugural parade route. However, as the agency tasked with coordinating security for the event, the Secret Service does ask that the National Park Service impose some restrictions on items that can be brought into whatever permitted space the National Park Service has allocated. For example, pursuant to a Secret Service request, permit holders and others attending the 2005 parade were not permitted to bring in weapons, ammunition, or aerosol cans.

In a US District Court for the District of Columbia decision issued on March 20, 2008, the National Park Service policies for permitting demonstrations along the parade route of the 2005 inauguration were judged unconstitutional. The Secret Service was named as a defendant in this lawsuit. How does the Secret Service plan to modify its involvement in the permitting process in order to comply with the March 20, 2008 judgment? What effect will these changes have on the Secret Service's plans and ability to secure the parade route?

ANSWER: The Secret Service does not have a role in the allocation of space for public demonstration activity along the inaugural parade route. The Secret Service develops a security plan specific to each event. There is no standard formula or template even for recurring events such as a Presidential Inauguration. Because each security plan is unique, appropriate security measures will be implemented and will take into account where members of the general public, including demonstrators, will view the parade.

Questions for the Record
Submitted by the
Honorable Harold Rogers, Ranking Member
Subcommittee on Homeland Security

U.S. Secret Service
April 3, 2008

Communications

1. Please provide a detailed explanation of the compatibility issues related to the communications systems of the Secret Service with those of the White House Communications Agency (WHCA) and the Diplomatic Security Service (DSS).

ANSWER: In 2005, the White House Communications Agency (WHCA) completed a Department of Defense (DOD) technology modernization effort for their telecommunications systems to a web-based system with increased encryption capabilities. Because of interim adjustments produced through the efforts of interagency communications working groups, certain Secret Service entities, such as the Presidential and Vice Presidential Details, can communicate with WHCA. As WHCA continues to upgrade their systems, however, these patchwork adjustments will need to be modified to address the widening interoperability gap between the two agencies.

Secret Service radios are incompatible with the radio systems utilized by the U.S. State Department's Diplomatic Security Service (DSS). Secret Service radios operate in the VHF frequency band while DSS radios operate in the UHF frequency band. However, this incompatibility has not been an operational issue due to the close coordination between Secret Service and DSS personnel during events where both Secret Service and DSS protectees are present. During these occasions, Secret Service and DSS special agents typically maintain personal interaction and verbal communications with one another. However, since WHCA does not support DSS protectees, it is unlikely that DSS would become involved in any WHCA-compatibility upgrade.

2. Please provide technical assistance, in an unconstrained budget environment, on the projected costs and schedule to modernize and align the Secret Service's communications systems with those of WHCA and DSS.

ANSWER: In response to the House, the following technical information is provided. Any funding above the Future Year Homeland Security Program (FYHSP) will be considered within the Administration's budget priorities identified through the annual budget process.

No-year funding of $50.8 million would allow the Secret Service to purchase WHCA-compatible secure telecommunications devices, wireless technology systems, satellite telecommunications systems, and Internet Protocol (IP)-converged encrypted radio networks. It is estimated that $7.5 million would be needed for annual maintenance costs.

- **Year One**
  Fixed Architecture Improvements – Phase One ($4.6 million)
  Trip Site Network and Mobile Secure Communications ($12.8 million)
  Mobile Command and Control Platforms ($5.5 million)

- **Year Two**
  Fixed Architecture Improvements – Phase Two ($10 million)
  Homeland Secure Data Network Equipment and Deployment ($12.9 million)

- **Year Three**
  Fixed Architecture Improvements – Phase Three ($5 million)
  Maintenance Costs ($7.5 million)

- **Year Four**
  Maintenance Costs ($7.5 million)

- **Year Five**
  Maintenance Costs ($7.5 million)

Questions for the Record
Submitted by Congresswoman Lowey
Secret Service
Hearing Date 4/3/08

Question 1
At the hearing, Congressman Carter asked about retirement coverage for the approximately 175 senior agents and officers who were hired from 1984 to 1986 and that challenges the Secret Service might face if many retire early. What actions, if any, are being taken to address the issue?

ANSWER: All special agents and Uniformed Division officers hired after December 31, 1983 qualify for law enforcement officer (LEO) coverage under the Federal Employees Retirement System (FERS), which gives them the ability to retire with 20 years of service at age 50, or with 25 years of service at any age. Their retirement compensation under FERS includes:

- A basic benefit of 1.7% for each of the first 20 years of service times high-3 average pay, which is defined as the average of your highest basic pay over any 3 consecutive years of creditable service, plus an additional 1.0% for each year of service in excess of 20 times high-3 average pay,

- A Special Retirement Supplement that approximates the Social Security benefit until they are eligible to receive Social Security benefits, and

- The ability to make contributions to the Thrift Savings Program, accompanied by automatic agency contributions of 1% of the employee's salary, and agency matching funds of up to an additional 4% of the employee's salary.

These benefits are not specific to the Secret Service and apply to LEOs in other federal agencies. The retention challenges facing the Secret Service are similar to those other federal agencies are encountering and is a critically important issue.

The retirement provisions for those who qualify as LEOs under FERS offer no real incentive to remain with the agency once the retirement eligibility has been met. Once a LEO has 20 years of service at age 50, each additional year of service will only increase their basic benefit by an additional 1.0%, as opposed to the 1.7% received each year for the first 20 years. Therefore, after 20 years of service, the financial incentive to retire and pursue other employment is stronger than the reduced financial benefit to stay with the federal government.

The Secret Service's personnel are our most valuable asset, and naturally we would prefer to keep all of our highly skilled and capable LEO employees for more than 20 years of service. For this reason, a working group was previously established and we have been involved in discussions with the Department of Homeland Security Office of the Chief Human Capital Officer regarding possible initiatives that could improve our ability to retain our senior personnel who have LEO coverage under FERS. We recognize that enhanced retirement benefits can be an important element associated with the retention of experienced personnel.

The Secret Service, like other federal agencies, does not have the ability to make changes to FERS, or to make determinations as to which of our employees are covered by FERS. The agency does focus on the development and preparation of emerging leaders and managers through the Secret Service's executive development programs to allow us to continue to meet the demands of our mission. However, any enhancements to the existing FERS could be of significant benefit in addressing the retention challenges confronting federal agencies today, and in the future.

Question 2
It's my understanding that the Senate Homeland Security and Governmental Affairs Committee has drafted language to correct this retirement issue. The Congressional Budget Office has scored this provision as costing only $13 million. And, unlike the Customs and Border Protection's Federal Law Enforcement Officer provision that was included in last year's spending bill to address recruitment and retention, this is a one time cost. Given the importance of the Secret Service's mission, would you agree that this is small price to pay to ensure that you have the right people in the right positions?

ANSWER: In August of 2007, the Secret Service did provide comments through the Department of Homeland Security to Senate Homeland Security and Governmental Affairs Subcommittee on Oversight of Government Management, the Federal Workforce and the District of Columbia staff regarding draft language addressing the issue. In these comments, we noted that the Secret Service is generally supportive of any initiative that will improve our ability to retain and recruit personnel for critical law enforcement positions. The Secret Service is not aware of any bills that have been introduced that address the issue of retirement coverage for Secret Service special agents and Uniformed Division officers that were hired between January 1, 1984 and December 31, 1986.

The Secret Service's personnel are our most valuable asset, and naturally we would prefer to keep all of our LEO employees for more than 20 years of service. For this reason, a working group was previously established and we have been involved in discussions with the Department of Homeland Security Office of the Chief Human Capital Officer regarding possible initiatives that could improve our ability to retain all of our senior personnel who have LEO coverage under FERS. We recognize that retirement benefits can be an important element associated with the retention of experienced personnel. Any enhancements to the FERS could be of significant benefit in addressing the retention challenges confronting federal agencies.

Questions for the Record Submitted by the Honorable Robert B. Aderholt to the United States Secret Service

- It was reported in the news last year that North Korea has perfected the counterfeiting of U.S. $100 bills, also called "Supernotes." Can you please outline the current threat of these Supernotes, and what the Secret Service is doing to address the problem?

ANSWER: The Supernote is a superior quality counterfeit Federal Reserve Note that was first detected in 1989. Its primary significance is that it is of such high quality that it often goes undetected until it reaches the Federal Reserve Bank. Though collectively referred to as the Supernote, it is actually a family of twenty different versions of $100 and $50 denomination counterfeit notes, all of which are circularized by the Secret Service. These sophisticated counterfeits range from older series $100 notes which bear the smaller portrait, to counterfeits of more recently redesigned 'big head' notes - to include the latest version of the 2003 series. The Supernote is printed using the same intaglio and typographic printing methods as those employed by the U.S. Bureau of Engraving and Printing in the production of genuine U.S. currency. The Supernote is also printed on reverse-engineered paper which is of similar composition to that used in the printing of genuine U.S. currency. Security features such as red and blue security fibers, a security thread, and a watermark are present in the Supernote paper. This family of counterfeit notes is evolving and the Secret Service continues to discover better, more deceptive versions of the Supernote. These new versions show corrections or improvements in the flaws which were previously detected and used by banking and law enforcement officials to detect a Supernote.

Since the discovery of the Supernote in 1989, the investigation into its origin and distribution has been a top priority for the Secret Service. The Supernote investigation is an ongoing strategic case with national security implications.

Since 1989, this investigation has involved more than 130 countries and resulted in more than 170 arrests. The Secret Service has recorded over $59 million in worldwide Supernote activity. The Secret Service continues to work closely with both the diplomatic and intelligence communities to ensure the most accurate and up to date information sharing in this investigation. Secret Service investigation has revealed that the Supernote continues to be produced and distributed from sources in North Korea.

- What would you say is currently the greatest threat to the security of our financial infrastructure?

ANSWER: Currently, international hackers pose the biggest threat to the U.S. banking system and financial infrastructure. These online criminals have exploited the vulnerabilities of the Internet and used the worldwide connectivity and anonymity of the Internet to create a structured and disciplined criminal organization. These criminals have stolen millions of credit card account numbers and currently control thousands of computers infected with botnets around the world. To date, these hackers have been content to steal information at a pace which does not destabilize our banking industry. If a triggering event occurs similar to the problems encountered last year in Tallinn, Estonia, it is possible that international hackers could unite and attempt a coordinated attack on the U.S. financial system. This attack could have severe short term consequences such as the disruption of services or result in a significant spike in online fraud which could cripple the credit card industry and permanently damage consumer confidence.

Questions for the Record Submitted by the Honorable Chet Edwards to the United States Secret Service

Director Sullivan, It's my understanding that there are about 175 senior agents and officers who were hired between 1984-1986 that will be forced to retire the Secret Service prematurely due to their retirement package.

Many of these agents are in critical positions throughout your agency and it's my understanding that 15 of your top 30 senior executives are impacted. This includes, for example the Special Agent in Charge and his Deputy on the President's Protective Detail and many of the heads in charge at field offices around the United States.

Can you tell me what steps are being taken to correct this situation?

ANSWER: All special agents and Uniformed Division officers hired after December 31, 1983 qualify for law enforcement officer (LEO) coverage under the Federal Employees Retirement System (FERS), which gives them the ability to retire with 20 years of service at age 50, or with 25 years of service at any age. Their retirement compensation under FERS includes:

- A basic benefit of 1.7% for each of the first 20 years of service times high-3 average pay, which is defined as the average of your highest basic pay over any 3 consecutive years of creditable service, plus an additional 1.0% for each year of service in excess of 20 times high-3 average pay,

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These benefits are not specific to the Secret Service and apply to LEOs in other federal agencies. The retention challenges facing the Secret Service are similar to those other federal agencies are encountering and is a critically important issue.

The retirement provisions for those who qualify as LEOs under FERS offer no real incentive to remain with the agency once the retirement eligibility has been met. Once a LEO has 20 years of service at age 50, each additional year of service will only increase their basic benefit by an additional 1.0%, as opposed to the 1.7% received each year for the first 20 years. Therefore, after 20 years of service, the financial incentive to retire and pursue other employment is stronger than the reduced financial benefit to stay with the federal government.

The Secret Service's personnel are our most valuable asset, and naturally we would prefer to keep all of our highly skilled and capable LEO employees for more than 20 years of service. For this reason, a working group was previously established and we have been involved in discussions with the Department of Homeland Security Office of the Chief Human Capital Officer regarding possible initiatives that could improve our ability to retain our senior personnel who have LEO coverage under FERS. We recognize that enhanced retirement benefits can be an important element associated with the retention of experienced personnel.

The Secret Service, like other federal agencies, does not have the ability to make changes to FERS, or to make determinations as to which of our employees are covered by FERS. The agency does focus on the development and preparation of emerging leaders and managers through the Secret Service's executive development

programs to allow us to continue to meet the demands of our mission. However, any enhancements to the existing FERS could be of significant benefit in addressing the retention challenges confronting federal agencies today, and in the future.

Questions for the Record Submitted by the Honorable John Culberson to the United States Secret Service

Question 1
Director Sullivan, I am very concerned about a human capital problem at the Secret Service. It's my understanding that there are 175 senior agents and officers who were hired between 1984-1986 that face an anomaly in their retirement coverage that will force them to leave the Secret Service and retire prematurely.

These agents are in critical positions throughout your agency and it's my understanding that 15 of your top 30 senior executives are impacted. This includes for example the Special Agent in Charge and his Deputy on the President's Protective Detail and many of the heads of your most important field offices. What steps you have taken to correct this problem? What can this subcommittee do to assist the Secret Service on this retirement issue?

ANSWER: All special agents and Uniformed Division officers hired after December 31, 1983 qualify for law enforcement officer (LEO) coverage under the Federal Employees Retirement System (FERS), which gives them the ability to retire with 20 years of service at age 50, or with 25 years of service at any age. Their retirement compensation under FERS includes:

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Question 2
Director Sullivan, you joined the agency prior to 1984 and therefore will not be impacted by this retirement issue. If the retirement issue mentioned above cannot be corrected the Secret Service will lose two generations of leadership simultaneously; your generation will be forced to leave the agency because of mandatory retirement and the 1984-86 generation will be forced to leave. What steps have you taken to deal with this contingency if Congress does not correct this retirement issue?

ANSWER: The Secret Service's personnel are our most valuable asset, and naturally we would prefer to keep all of our LEO employees for more than 20 years of service. For this reason, a working group was previously established and we have been involved in discussions with the Department of Homeland Security Office of the Chief Human Capital Officer regarding possible initiatives that could improve our ability to retain all of our senior personnel who have LEO coverage under FERS. We recognize that retirement benefits can be an important element associated with the retention of experienced personnel.

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THURSDAY, FEBRUARY 28, 2008.

IMPROVING THE EFFICIENCY OF THE AVIATION SECURITY SYSTEM

WITNESSES

KIP HAWLEY, ASSISTANT SECRETARY, TRANSPORTATION SECURITY ADMINISTRATION

CATHLEEN A. BERRICK, DIRECTOR FOR HOMELAND SECURITY AND JUSTICE ISSUES, GOVERNMENT ACCOUNTABILITY OFFICE

JAMES E. BENNETT, PRESIDENT AND CEO, METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

PEGGY E. STERLING, VICE PRESIDENT FOR SAFETY AND SECURITY, AMERICAN AIRLINES

OPENING STATEMENT OF CHAIRMAN PRICE

Mr. PRICE. The Subcommittee will come to order. Good morning everyone. We welcome you to this hearing on improving the efficiency of the aviation security system.

I first want to welcome our witnesses this morning, Assistant Secretary Kip Hawley, the Administrator of the Transportation Security Administration; Ms. Cathleen Berrick, the Director for Homeland Security and Justice Issues of the Government Accountability Office; Mr. James Bennett, President and CEO of the Metropolitan Washington Airports Authority, and Ms. Peggy Sterling, Vice President for Safety and Security for American Airlines. Welcome to all of you. We appreciate your appearance here today and we look forward to what you have to say. I will be asking you to each summarize your statement in five or six minutes and then leave plenty of time for questions. Of course, we will insert all the statements in the record.

Today, we are going to be reviewing TSA's efforts to improve the efficiency of the aviation security system in the context of the agency's 2009 budget request. We do this at a time when the wait time data is mixed. At the nation's top 40 airports, the wait times average only five minutes. But, we know that average figure conceals considerable disparities, even at a single airport. We have got to find ways to move airline travelers, their luggage, and air cargo expeditiously, while at the same time strengthening security. That is basically the focus of this hearing today and we will return more specifically to that wait time issue, some of the differences there and how we can reduce them.

For fiscal year 2009, TSA is requesting a discretionary appropriation of just over $4 billion. That is an increase of less than one percent above the current fiscal year, far less than is needed even to address the effects of inflation. This request is made despite the public's growing demand on our aviation system and the fact that

the aviation industry and our airports remain a valued target for terrorist attacks against our economy and our homeland.

Based on the challenges we face, one would expect significant increases across several TSA accounts. But those increases, by and large, are not to be found in this budget. Secure Flight is an exception, vetting operations, but, generally, there are very few increases proposed that one would think are commensurate with the task at hand.

At the same time, the budget request cuts key programs that help our aviation system operate more efficiently. For example, the request almost halves funding for checkpoint equipment and explosive detection systems. At the same time, airlines and airports are facing rapid growth in travelers and much of the checked baggage screening equipment is reaching the end of its useful life. To make up for some of these substantial reductions, the budget assumes a new aviation surcharge totaling $426 million that must be adopted by the authorizing committees. This surcharge, which has been rejected by Congress in the past, is something we appropriators have little or no control over. So, it is hard to discern how TSA can claim that we are going to be reliably improving the country's security when the budget proposes to cut the most critical programs designed for its protection or, at best, to make those programs contingent on some rather uncertain increases in surcharges.

These budget reductions are being proposed as more and more demands are being placed on the aviation system. Since 2005, passenger levels have consistently exceeded those experienced before 9/11, overcoming the precipitous decline in airline travelers after that event. The Bureau of Transportation Statistics estimates that 2007 traffic will be 3.6 percent above 2006. That is 744 million passengers. FAA is optimistic about the future, estimating that U.S. commercial aviation is on track to carry one billion passengers by the year 2015. So, with these are record traffic levels and with the threats to our homeland that can accompany this, a flat budget, I believe, will not suffice.

We have not yet mastered the efficient screening of all airline passengers. Repeatedly, TSA has told this Subcommittee that Secure Flight is the solution to this problem, because it will allow the agency to focus more effectively on the few worrisome individuals that need additional scrutiny with fewer disruptions for travelers, who pose no threat. There is already a voluntary passenger screening system, Registered Traveler, that provides expedited screening for passengers, who volunteer to undergo a security threat assessment to confirm that they do not pose a threat to transportation or to national security. But, this program currently offers very limited benefits and it is not clear what the future of the registered traveler program is. At best, people get to move to the front of the security line. They are still subject, however, to the normal security checks. So, we need to explore this morning how either Secure Flight or Registered Traveler can help the agency better target passenger screening at the checkpoints. For the moment, that remains somewhat unclear.

Finally, with the adoption of the 9/11 Act, TSA was given additional security requirements, including the better vetting of transportation employees and stricter mandates on air cargo screening.

On air cargo specifically, the 9/11 Act requires that by February of next year, 50 percent of all air cargo being carried on passenger aircraft must be screened with 100 percent screening requirement beginning in August of 2010. Yet, the 2009 budget request does not appear to include new funding to meet this mandate. So, that is another question we will raise this morning, how the requirements of the 9/11 Act can be met within this budget.

We appreciate all of you being here this morning. We look forward to your testimony. I want to begin with Mr. Hawley and then we will just proceed right down the line. But, first, I want to recognize our distinguished ranking member, Mr. Rogers, for any comments he might want to make.

OPENING STATEMENT OF RANKING MEMBER ROGERS

Mr. ROGERS. Thank you, Mr. Chairman. Welcome to this distinguished panel. I am especially pleased today to receive additional testimony from Jim Bennett and Ms. Peggy Sterling. Their industry expertise will provide a valuable prospective as we evaluate and discuss our aviation security challenges here today.

The significance of a trusted partnership between DHS and the aviation industry cannot be overstated. While we can never eliminate the threat, we can certainly work together in a productive manner to improve our security strategies. And I believe that is the only way to achieve our common goal of facilitating legitimate travel and trade, while also stopping those who wish to do us harm.

Even today, front line TSA employees remain the most enduring visible reminder of the events of 9/11. And while challenges certainly remain, I do believe TSA should be recognized for its efforts thus far in securing commercial aviation through the hard work of its people and advances in technology. However, since TSA was formed, and I was chairman of the Transportation Appropriation Subcommittee, I have consistently and strenuously cautioned TSA on overly relying upon people and not leveraging technology to carry out its mission. So, I must say I am concerned when I see a budget request supporting a total TSA workforce of almost 58,000 employees, the largest of any component within the Department of Homeland Security, alongside a decrease in EDS procurement to nearly half of last year's level.

Administrator Hawley, the way I see it, your total for transportation security officers, which encompasses all aspects of checkpoint security, exceeds the 45,000 FTE cap we previously maintained. However you want to slice up the workforce, whatever job titles you create, whatever categories you devise, nothing changes the fact that TSA is now the largest component in DHS, not by a little, but by a lot, trumping the U.S. Coast Guard by over 9,000 employees. While I certainly know it takes people to make it all work, I just see a troubling trend of more people, less technology, and a false inflation of fees. That is the wrong direction.

Now, I realize TSA is attempting to offset this reduction with an increase in mandatory fees. Well, let me just say again, we have been down that road before. There you go again. And until the authorizers weigh in and actually approve the proposed passenger surcharge, I say such a proposal resides only in fantasy land. So, I like to call it as I see it and what I see troubles me: a staff cen-

tury budget, a declining investment in EDS procurement, and a funding proposal that is unlikely to see the light of day.

Now, despite this fee proposal and the imbalance of resources, there are some encouraging developments and signs of progress to note. TSA is pursuing new innovative checkpoint screening programs, such as Black Diamond, airport employee and vehicle screening pilots, cast prosthesis and bottled liquid screening systems, and TSA is also deploying new technologies for passenger and baggage screening, such as whole body imagers, new reduced size EDS systems, millimeter wave portable technology, and advanced technology x-rays. Further, as I noted earlier this month, programs such as TWIC and Secure Flight, programs that were honestly going nowhere just a few years ago, are actually gaining traction and showing some initial results.

So, I see some real signs of progress at TSA against the backdrop of looming issues and challenges, including the 9/11 Act requirement for TSA to have a system in place to screen 100 percent of cargo transported on passenger aircraft by 2010, no small chore by anyone's estimation. So, what I would like to hear today is how TSA is meeting these challenges and how the fiscal year 2009 budget can actually move TSA forward.

Mr. Hawley, as we have discussed numerous times, I know the mission of TSA is challenging and I have always wondered about the sanity of someone leaving Pebble Beach, California to come here and do this kind of work. But, I know you and I know you are perfectly sane. So, I am looking for other disabilities. But, no one wants to see you succeed more than this member and the other members of this Subcommittee. So, thank you for your testimony and we look forward to corresponding with you.

Mr. PRICE. Thank you, Mr. Rogers. Mr. Hawley, please proceed.

STATEMENT OF MR. KIP HAWLEY, ASSISTANT SECRETARY, DEPARTMENT OF HOMELAND SECURITY, TRANSPORTATION SECURITY ADMINISTRATION

Mr. HAWLEY. Thank you, very much, Mr. Chairman and ranking member Rogers, members of the Subcommittee. It is a pleasure to share the panel this morning with Cathy Berrick from GAO and my colleagues, airport executive Jim Bennett and Peggy Sterling from American Airlines. I would also like to recognize that we have TSA's Deputy Administrator with us this morning behind me, Gail Rossides, who is a career executive, who will be with TSA through the transition next year.

A DAY IN THE LIFE AT TSA

As we discuss the President's fiscal year 2009 budget proposal here this morning, I would like to point out a few of the things that are going on right now as we speak. We have thousands of Federal Air Marshals around the world performing their missions based on the latest intelligence. We have Behavior Detection Officers and Travel Document Checkers providing additional layers of security at checkpoints all over the United States. Every day, we have our behavior detection folks and Travel Document Checkers zeroing in on people, who by their behavior or false documents, indicate that

they are higher threats. Just yesterday, in Miami, Boston, Newark, and Long Beach, we have examples where our BDOs, we call them Behavior Detection Officers, and our Travel Document Checkers intercepted people, who were suspicious and/or had false documents, including one arrest.

VIPR teams, our mobile strike teams, of Federal Air Marshals, Behavior Detection Officers, inspectors, and canine teams are operational this morning, starting at four a.m. in Detroit, in Miami, where they are joined by ICE and CBP agents in Louisville, Kentucky, New York, Denver, Los Angeles, and the metro Washington area working with Metro and the Ronald Reagan Washington National Airport Authority. These teams are supported by our law enforcement partners in all of those locations. Our mobile Employee Screening teams are out right now screening airport employees and performing vehicle checks across the country. Yesterday, an individual tried to get a SIDA badge with a false ID in Reno, Nevada and he was arrested. Sophisticated explosives detection training and tests of our Transportation Security Officers are in progress right now across the country.

IMPROVEMENTS IN TRANSPORTATION SECURITY

TSA is a very different agency than it was three years ago. All of these capabilities have been started or significantly enhanced by this subcommittee's support over the past three years. I appreciate that support and the partnership with this subcommittee. I think you teed up the issues very well, in terms of where we are on our technology investment versus our people investment and I look forward to discussing them with you.

But, there is no doubt that the transportation system is safer today and better prepared for tomorrow, because of our work together. TSA's management team of career professionals in Headquarters and the field have performed magnificently during that time. Let me give you some metrics.

In fiscal year 2005, we had, as Mr. Rogers mentioned, a 45,000 TSA full-time equivalent number for screening. In contrast, in fiscal year 2008, we have approximately 39,000 FTE performing those same basic functions. Despite an eight percent growth in passenger traffic, wait times have remained reasonable and stable. Over the peak holiday period between Thanksgiving and New Year, 98 percent of travelers had wait times of less than 20 minutes. As the Chairman mentioned in his opening remarks, the reports on average wait times, we look at the average peak wait times and the average peak wait times are up in the 15-minute range. So, the average peak wait times at the airports are at 15 minutes and that is way below 30 minutes.

At the same time, we have added additional layers of security. We have added approximately 5,500 FTE now to perform travel document checking, employee screening, Bomb Appraisal Officers, and our behavior detection capability. And, as you have directed, TSA is providing better and smarter security for more travelers with the same 45,000 FTE provided in fiscal year 2005. And the difference in numbers that Mr. Rogers mentioned has to do with the supervisors. We did not change the definition. The supervisors are what make the number in fiscal year 2009 look about 45,000.

We could not add these security layers without attracting or retaining high performing TSOs and the credit for this improved security goes to them. Thousands have stepped up to take on new responsibilities and the challenges of these very difficult and demanding jobs. In 2008, we will see the first major upgrade in checkpoint technology in many years. New Advanced Technology x-ray will be deployed at hundreds of lanes starting this spring.

We have begun innovations in the checkpoint process, as well. Passengers have already seen examples in Salt Lake City, Denver, and Burbank. We are looking to provide a better environment for us to do our security job and also improve the experience for the passengers.

All of these initiatives work together as connected pieces in a multilayered total security system. In 2005, we had a handful of Behavior Detection Officers, no Travel Document Checkers, no AT x-ray, and no employee screening done by TSA in the back of the airport. By the end of 2008, the vast majority of passengers will be covered by behavior detection, 100 percent of passengers will be covered by the Travel Document Checkers, and over half of the flying public by AT x-ray. And now, every airport conducts random screening every day of its employees.

So, our threat environment remains high and TSA's challenge has never been greater. In executing TSA's mission, I am very grateful for the high level of personal engagement and thoughtful support of the Chairman, Ranking member, and members of this subcommittee. I can assure you and the American public that the men and women of TSA will honor your support again this coming year with tireless, intense commitment and focus on meeting the challenges ahead. Thank you, very much.

[The information follows:]

UNITED STATES DEPARTMENT OF HOMELAND SECURITY
TRANSPORTATION SECURITY ADMINISTRATION

Statement of

KIP HAWLEY
ASSISTANT SECRETARY

Before the

SUBCOMMITTEE ON HOMELAND SECURITY
COMMITTEE ON APPROPRIATIONS
UNITED STATES HOUSE OF REPRESENTATIVES

FEBRUARY 28, 2008

Good morning Chairman Price, Ranking Member Rogers, and distinguished members of the Subcommittee. Thank you for the opportunity to appear today to provide an update on the Transportation Security Administration's (TSA) efforts to improve aviation and surface transportation security and to present the President's budget request for TSA for fiscal year (FY) 2009 (Request).

I would like to begin by thanking the members of the Subcommittee for your support of TSA's initiatives to improve existing security measures and to implement additional layers of security. I especially want to thank the Subcommittee for the supplemental funding provided in the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007, P.L. 110-28, (FY07 Supplemental Act), and the level of funding in the Consolidated Appropriations Act, 2008, P.L. 110-161 (FY08 Consolidated Act), which funded critical needs that the Administration identified in its Budget Amendment. These two Acts enhanced TSA's ability to implement vital security measures to face ongoing and emerging threats.

Ongoing Threat

The effort to protect the security of transportation systems remains as important now as it ever has been in the past six and a half years. Since August 10, 2006, the nation's threat level for all commercial aviation operating in or destined for the United States has been High, or Orange. The Annual Threat Assessment of the Director of National Intelligence released on February 5, 2008, confirmed that terrorists continue to pose significant threats to the United States. Terrorists are likely to continue to focus on prominent infrastructure targets with the goal of producing mass casualties and significant economic aftershocks. Our enemies are adaptive and innovative in overcoming security obstacles. This threat is

real, persistent, and evolving. We know they are working to defeat us, and we must remain vigilant.

FY09 Budget Overview

The President's overall Request of $7.1 billion for TSA reflects a total increase of $286 million over the FY 2008 enacted level. Of the total request, a significant amount supports annualization of initiatives expanded in FY 2008 as well as a program increase of $32M for Secure Flight and $30M for Other Vetting activities. The Request is comprised of $5.3 billion for Aviation Security, which now includes the Federal Air Marshal Service (FAMS); $37 million for Surface Transportation Security; $170 million in funding for Transportation Threat Assessment and Credentialing; and $926 million for Transportation Security Support.

Improving Efficiency in Transportation Security

Although we face a seemingly unlimited number of possible scenarios to attack our transportation systems, we must execute our risk–based approach to security as efficient stewards of taxpayer dollars. We also know that prudent financial and program management improve security by increasing the effectiveness of existing security measures and allow us to expand the layers of security while improving TSA's interaction with the traveling public.

TSA has aggressively pursued a number of initiatives to improve our overall efficiency. First, by investing in our most important asset, our workforce, we can deploy higher performing Transportation Security Officers (TSO). The Career Progression Program has been in effect for a full year in FY 2007. This program provides widespread career growth and professional development opportunities for high-performing TSOs. We continued workplace safety initiatives by requiring local safety teams at field operation locations and expanded the Nurse Case Management Program to help our injured employees receive proper and timely medical care and rehabilitation. As a result, we reduced the Lost Time Case Rate from 4,367 injuries or illnesses in FY 2006 to 3,228 in FY 2007--a 26.1 percent reduction to 7.19 injuries per 200,000 work hours. We provide part-time employees with full-time health benefits. And, we require our field operations to maintain a robust Model Workplace Program to facilitate creative ways to improve our employees' work environment. These efforts contributed to reducing our TSO attrition rate: full-time attrition decreased from 13.6 percent in 2004 to 11.6 percent in 2007, and part-time attrition dropped from 57.8 percent in 2004 to 37.2 in 2007. The reduction in attrition saves TSA many incremental costs, such as hiring and training expenses, and increases security by resulting in a more experienced and efficient TSO workforce.

TSA continues to seek efficiencies in our field operations. Through the use of the Staffing Allocation Model (SAM), we are able to identify operational and efficiency gains by better utilization of our TSOs. We improved our TSO scheduling to more accurately follow passenger loads and air carrier schedules. We increased the use of part-time employees and expanded the use of "split-shift" employees to increase staffing

during high volume periods, which lowered our overtime pay significantly. We installed computers at or near screening checkpoints to allow a more efficient use of TSO time for training and reduce their time away from checkpoints.

The deployment of new technology in FY 2007 increased threat detection and improved efficiencies in checkpoint throughput, and will continue to increase as the deployment of these technologies expand in FY 2008. We added 23 in-line Explosives Detection Systems (EDS) for checked baggage screening at airports. Advance Technology (AT) x-ray machines improve detection of improvised explosive devices and increase passenger throughput by providing enhanced visual detection capabilities for TSOs. Bottled Liquid Scanners enhance our ability to discriminate between explosive or flammable liquids and benign liquids. We are continuing a pilot project involving Whole Body Imagers (WBI), both the millimeter wave and backscatter technologies, which are showing encouraging results to improve our detection capabilities.

We improved our financial management in many areas, to include increased collection of late payment interest penalties, enhanced internal controls over financial reporting, reduced funding carryover, and payroll estimates adjusted for vacancy rates.

Improving Workforce, Effectiveness

TSA's risk-based approach to security uses unpredictable, flexible, and layered security measures. Our investments in people, processes, and technology have allowed us to continue a proactive philosophy of deploying flexible security procedures.

In FY 2007, we significantly improved security at airports by deploying our workforce in new locations and for new functions. We expanded the Travel Document Checker (TDC) program to over 340 Federalized airports. The TDC program enhances security by detecting individuals who attempt to board an aircraft with fraudulent documents. We deployed hundreds of Behavior Detection Officers (BDO) at over 40 of our busiest airports as part of the Screening Passengers by Observation Technique (SPOT) program. BDOs are trained to identify potentially high-risk individuals who exhibit behaviors that indicate hostile intent. We launched nationwide deployment of Visible Intermodal Prevention and Response (VIPR) teams in aviation and surface transportation sectors, comprised of TSOs, BDOs, Transportation Security Inspectors (TSI), and FAMs, in cooperation with Federal, state and local law enforcement as well as various transportation entities. VIPR teams enhance the security of persons and critical infrastructure; and prevent, prepare for, protect against, and respond to acts of terrorism in all modes of transportation at any location. We very much appreciate the strong support the Subcommittee gave to the VIPR program in the FY 2008 appropriation. We allocated approximately 700 FTE for the Aviation Direct Access Screening Program (ADASP), which conducts random and unpredictable screening of individuals employed at airports and their accessible property that are entering secured areas of airports. TSA implemented all these actions through innovative uses of our resources.

FY 2009 Budget Request

The Request is presented in a structure that proposes realignment and consolidation of certain Program, Project or Activity (PPA) elements. The proposed changes will enhance the transparency of program accountability and simplify financial management by aligning operational program and personnel funding under the same PPA. Many full-time equivalents (FTE) associated with certain operational programs are currently shown in the Headquarters Administration PPA. For example, FTE associated with the training of TSOs will be realigned to the Screener Training and Other PPA. Additionally, National Explosives Detection Canine Team (K-9) funding from several current PPAs would be consolidated under a single National Explosives Detection Canine Team Program. The proposed PPA changes will more closely mirror TSA's organizational structure and increase the accountability of senior leadership for their respective programs.

The Request proposes the realignment of FAMS funding by eliminating the separate appropriation and incorporating it as a single PPA within the Aviation Security account. The proposed realignment will complete the integration of the FAMS back into TSA and enhance our ability to respond more rapidly to emerging threats to transportation.

Aviation Security

The Request builds upon the success of many of our current programs while enhancing our ability to deploy a surge of resources and flexible security measures to meet the challenge of an evolving terrorist threat. The Request includes full year funding for the SPOT program ($43 million/660 FTE) and the ADASP program ($36 million/750 FTE), both of which were initially funded in the FY08 Budget Amendment. The aviation security appropriation also reflects full year funding for 10 multi-modal VIPR teams ($30 million/225 FTE). SPOT and VIPR are two of TSA's efforts to enhance security by putting in place initiatives in advance of the checkpoint to detect, disrupt and deter terrorist activities.

Technology. The Request reflects TSA's plan to strategically deploy technology to improve security for passengers, generate additional staffing efficiencies, and improve the passenger's travel experience. The Request includes $91.7 million to procure and deploy AT x-ray machines at checkpoints in the busiest airports. TSA will devote $1.2 billion to recapitalize checked baggage screening devices and accelerate deployment of inline EDS systems to increase baggage throughput up to 300 percent. The Request anticipates an additional $426 million annually in mandatory funds generated by a four-year $0.50 surcharge on the passenger security fee (Surcharge) with a maximum increase of $1.00 per one-way trip. This proposal does not lower TSA's appropriation through offsetting collections, but rather total funding for these systems would increase to $1.2 billion. The increase in spending would be entirely offset by fees. The temporary Surcharge would be deposited into the Aviation Security Capital Fund (ASCF) for the specific purpose of purchasing, installing and recapitalizing inline EDS. The Surcharge

authority is being requested through the authorizing committees together with a proposal to allow for the use of other transaction agreements for the funding of inline EDS, the discretionary use of letters of intent, and innovative use of cost-sharing with our airport partners.

Air Cargo. TSA is requesting $104.1 million for the Air Cargo program in FY 2009, which will be the first full year the workforce will be operating at the expanded staffing level of 460 inspectors and 170 deployed explosives detection canine teams to screen air cargo at high volume airports. TSA anticipates deployment of the certified screener program in FY 2009, which will establish full supply chain security of air cargo and continue the progress toward achieving the screening of 100 percent of air cargo by August 2010, as required by the Implementing Recommendations of the 9/11 Commission Act of 2007, P.L. 110-53 (9/11 Act). TSA will continue our incremental progress of increasing the percentage of screened cargo per fiscal quarter during FY 2008.

Law Enforcement/FAMS. The PPA realignment proposes a new PPA for Law Enforcement and a new PPA for the FAMS in the Aviation Security appropriation. The FAMS PPA includes a request of $786 million for FY 2009, an increase of $16.5 million over the FY 2008 FAMS appropriation. TSA is requesting $242.2 million for Law Enforcement, which includes $79.1M for Airport Law Enforcement & Assessments, which includes funding for approximately 343 airports through Cooperative Agreements to provide local law enforcement support for TSA activities. This program was significantly expanded from 271 participating airports in FY 2007 to 343 airports in FY 2008. TSA has instituted more effective program management and oversight as a more efficient means of distributing the funds for appropriate law enforcement activities. The Request includes $54.5 million for the National Explosives Detection Canine Team Program, which reflects the expansion of the of the total TSA K-9 program to over 750 teams as a result of the FY07 Supplemental Act and the FY08 Consolidated Act. The Law Enforcement PPA incorporates other appropriate functions such as the Federal Flight Deck Officer Program, TSA's Freedom Center (the Transportation Security Operations Center), Physical and Personnel Security, and the Joint Coordination Center.

Improving Screening Checkpoints. TSA is incorporating a new strategic approach to passenger screening to stay ahead of the terrorist threat. Our enemies are adaptive and we cannot just rely on a fixed checkpoint and static screening procedures. Standard operating procedures, while effective, must be constantly revised to maintain the effectiveness of the checkpoint security layer. We must engage passengers in the screening process before they reach the checkpoint and we must enlist them in support of what we do. Many travelers are frequent or professional travelers and have more familiarity with security needs and processes than casual and infrequent travelers who require more time to proceed through the checkpoint. We are developing ways to use this to enhance security while also improving overall throughput.

Although our risk-based approach to security involves increasing the unpredictability of screening *procedures*, we can do more to explain the *process* to passengers. We are

improving the traveler's screening experience by spreading out the screening process, improving and increasing the interaction with TSOs, reducing congestion at the checkpoint, and increasing the passenger's understanding of what to do during the screening process and how to proceed.

Surface Transportation Security

TSA continues to make progress in addressing major system wide security risks in surface transportation. We continue to work closely with the Department of Transportation, its various modal administrations, and the many surface transportation stakeholders to enhance security through partnerships, proposed regulations, and the Federal Emergency Management Agency with grant planning, evaluation and awards.

The surface transportation systems present much different security challenges than commercial aviation due to the inherent openness and mobility of each system network. Our personnel are engaged in a proactive manner with the stakeholders in the Pipeline, Maritime, Mass Transit, Rail, Highway and Motor Carrier modes of transportation. Our Surface TSIs assess security vulnerabilities, assist with the development of security plans, and help establish best practices and national standards. The proposed PPA realignment shifts certain funding and FTE to other PPAs in other appropriations; thus, the net result of the request for $37 million for Surface Transportation Security is an overall enhancement of surface transportation security initiatives. Our efforts in this area are complemented by funds in Aviation Security, such as 75 FTE to support VIPR team operations and the deployment of over 92 explosives detection canine teams to the largest Mass Transit systems. These programs work in tandem with existing surface transportation security initiatives enacted in the FY 08 budget.

Transportation Threat Assessment and Credentialing

TSA's Office of Transportation Threat Assessment and Credentialing (TTAC) consolidates the management of all vetting and credentialing programs. The mission for these programs is to identify known or suspected terrorist threats working or seeking access to transportation systems through terrorist-related threat assessment procedures.

Secure Flight. The Request includes a program increase of $32 million to accelerate the implementation of the Secure Flight program, an automated prescreening process to compare specific passenger reservation information against records contained in the Terrorist Screening Center Database. The Request provides for a total funding amount of $82 million. With the Subcommittee's past support, to include additional transfer authority, and continued support, TSA anticipates the beginning of the transition of passenger vetting to Secure Flight in early 2009 and full assumption of the function by late 2009 or early 2010.

Other Vetting. The second program increase in the Request is for $30 million to stabilize and enhance the infrastructure of TSA's existing vetting systems, for a total amount of $50.8 million for FY 2009. The increase will enhance TSA's efforts to consolidate the

various systems and to provide a more reliable platform for the increasing populations being vetted through the multiple programs required under the 9/11 Act, including front-line employees in mass transit, passenger rail and freight rail systems.

TWIC. The TWIC program provides a tamper-resistant biometric credential to maritime workers requiring unescorted access to secure areas of port facilities and vessels regulated under the Maritime Transportation Security Act of 2002, (P.L. 107-295). In October 2007, TSA began the enrollment process for TWIC cards in Wilmington, Delaware and have enrolled more than 100,000 port workers to date at more than 70 fixed enrollment centers. TSA expects to complete roll-out of 147 fixed enrollment centers and enroll approximately 810,000 workers in FY 2008. TSA is expecting to spend approximately $9 million for the fee-based program in FY 2009.

Alien Flight Student Program. When the function of screening [illegible] ht students who are applying for flight training was transferred from the Attorney Gener[illegible] the Secretary of the Department of Homeland Security, and subsequently delegated to TSA, the authority to require fees to offset such costs excluded recurrent training. Through the implementation of this program, TSA has determined that over 52% of all applicants are for recurrent training. TSA has been absorbing approximately $1.5 million to perform background checks on recurrent training applicants without the ability to charge a fee to the applicant. TSA is requesting a revision through the authorization committees to amend section 44939 of title 49, United States Code, to provide authority to assess a fee to cover the costs associated with foreign students seeking recurrent flight training. The Request anticipates that TSA will be provided the authority to impose fees for recurrent training applications.

Transportation Security Support

TSA is an organization with over 50,000 personnel and hundreds of field operations locations across the Nation and around the world. Our primary activities in the Transportation Security Support category involve Intelligence, Human Capital Services, Headquarters Administration, and Information Technology. The proposed PPA realignment transferred many functions from the Headquarters Administration PPA to the appropriate program they support to provide greater clarity to the resources dedicated to each program and increase accountability of TSA's senior leadership. We created a new PPA, Human Capital Services, which combines funding previously supported Human Resources (HR) Services from the Aviation Security appropriation and HR activities and FTE from within the Headquarters Administration PPA. Similarly, Information Technology (IT) activities previously funded under separate PPAs involving Airport Management, IT, and Support are now combined in the this appropriation. TSA is requesting $926 million in FY 2009.

Implementation of the 9/11 Act

On August 3, 2007, the President signed into law the 9/11 Act, which implemented important recommendations from the 9/11 Commission and provided TSA much needed

authority to establish an administrative process for civil enforcement of surface transportation regulations and orders. Among the many key provisions of the Act, TSA was given clear authority for VIPR teams to operate in all modes of transportation. Overall, the Act authorized 33 programs and 20 rulemaking actions for TSA, many of which were already initiated by TSA. I want to thank the Subcommittee for your support in providing $30 million to TSA in FY 2008 to implement new regulations and activities authorized by the 9/11 Act. We will provide the Subcommittee with a spend plan as you requested and use the funding to assist us in implementation of the most critical of the Act's many requirements. Through our ongoing efforts, including efficient use of our resources within our base funding, and the Subcommittee's support, we are confident we will continue to enhance security across all modes of transportation.

Conclusion

Mr. Chairman, thank you again for this opportunity to discuss the President's Request for TSA. I look forward to our continued work together and would be pleased to respond to your questions.

Mr. PRICE. Thank you, Mr. Hawley. Ms. Berrick, we will hear from you.

STATEMENT OF MS. CATHLEEN A. BERRICK, DIRECTOR FOR HOMELAND SECURITY AND JUSTICE ISSUES, GOVERNMENT ACCOUNTABILITY OFFICE

Ms. BERRICK. Thank you, Chairman Price, Mr. Rogers, and members of the subcommittee for inviting me today to discuss GAO's work assessing TSA's efforts in guiding investments in aviation security. My testimony focuses on TSA's efforts in the following three areas, which represents about $4.5 billion of the President's budget request for TSA: Screening operations, including transportation security officer allocations and checkpoint technologies, air cargo, and passenger watch list matching.

Overall, we found that TSA has more systematically planned for and guided investments in these areas to strengthen security and has taken, or plans to take, action to address many of the issues GAO previously identified. However, we found that TSA can further strengthen its efforts to help ensure that these programs achieve their desired outcomes and that resources are appropriately targeted.

For example, we concluded that TSA generally used sound methods to determine TSA allocations among airports through the use of their staffing allocation model. Although we found that the model did not always reflect actual operating conditions, such as the need for TSOs to take training, TSA has since addressed this issue and, as we recommended, developed a process to periodically reevaluate model assumptions to account for changing conditions. TSA also implemented or expanded several workforce initiatives involving TSOs to further strengthen security, including travel document checker, behavior detection officer, and bomb appraisal officer initiatives, among several others.

With respect to checkpoint screening procedures, we reported that TSA can improve its process for evaluating the effectiveness and impact of significant procedural changes before implementing them nationwide. For example, we found that TSA did not always conduct the analysis necessary to determine whether key procedural changes would have their desired impact. We recommended and TSA agreed that the agency develop sound evaluation methods to test significant procedural changes before they are implemented.

Regarding checkpoint technologies, we reported that DHS and TSA are pursuing a number of technologies to enhance the detection of explosives and other threats, but that the deployment of technologies on a wide scale basis has been limited due to performance, maintenance, privacy, and planning issues. As Mr. Hawley mentioned, TSA is making progress in this area, including procuring additional technologies to be fielded this year and pursuing the research and development of other projects. We are currently assessing TSA's checkpoint technology program and will report on our results within two months.

We also found that TSA lacked a strategy for securing cargo transported into the United States from foreign locations and can strengthen their inspections of air carriers and freight forwarders, to ensure that they are adhering to security requirements related

to air cargo. We also reported that DHS and TSA are pilot testing a number of technologies that can be used to screen cargo, but their efforts are in the early stages. TSA has taken action to address some of these and other issues, including initiating a pilot to begin addressing the legislative mandate to screen 100 percent of air cargo on passenger aircraft, but more work remains.

TSA has significantly strengthened its development of Secure Flight, a government run program to match passenger information against terrorist watch lists. Improvements made include instilling more discipline and rigor into the systems development and strengthening privacy protections. However, we found that TSA did not develop cost and schedule estimates for the program in accordance with best practices; did not demonstrate that they were fully identifying, tracking, and reporting program risks; and did not fully address information security requirements and vulnerabilities.

Taken together, these issues place the program at risk of experiencing cost overruns, missed deadlines, and performance shortfalls. We are making a number of recommendations to strengthen TSA's development of Secure Flight in our testimony today and will continue to evaluate the program as a part of ongoing work mandated by Congress.

In closing, TSA has made considerable progress over the past year in systematically planning for and guiding investments to strengthen security, and is continually taking action to strengthen security in the areas I mentioned today. However, there are opportunities for TSA to further strengthen its efforts to help ensure that investments are appropriately targeted.

This concludes my opening statement and I will be happy to respond to questions at the appropriate time.

[The information follows:]

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AVIATION SECURITY

Transportation Security Administration Has Strengthened Planning to Guide Investments in Key Aviation Security Programs, but More Work Remains

Statement of Cathleen A. Berrick, Director
Homeland Security and Justice Issues

and

Gregory C. Wilshusen, Director
Information Security Issues

GAO-08-456T

February 28, 2008

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Highlights

Highlights of GAO-08-456T, a testimony before the Subcommittee on Homeland Security, Committee on Appropriations, House of Representatives

AVIATION SECURITY

Transportation Security Administration Has Strengthened Planning to Guide Investments in Key Aviation Security Programs, but More Work Remains

Why GAO Did This Study

Transportation Security Administration (TSA) funding for aviation security has totaled about $26 billion since fiscal year 2004. This testimony focuses on TSA's efforts to secure the commercial aviation system through passenger screening, air cargo, and watch-list matching programs, and challenges remaining in these areas. GAO's comments are based on GAO products issued between February 2004 and April 2007, including selected updates in February 2008. This testimony also addresses TSA's progress in developing the Secure Flight program, based on work conducted from January 2007 to January 2008. To conduct this work, GAO reviewed systems development, privacy, and other documentation, and interviewed Department of Homeland Security (DHS), TSA, and contractor officials.

What GAO Recommends

GAO has made recommendations to DHS in prior reports to strengthen screening operations and air cargo security. DHS generally concurred with our recommendations and is making progress in implementing them. GAO is making new recommendations to DHS to incorporate best practices in Secure Flight cost and schedule estimates; fully implement the program's risk management, testing, and information security requirements and plans; and establish performance measures to evaluate redress processes. DHS and TSA generally agreed with GAO's recommendations.

To view the full product, including the scope and methodology, click on GAO-08-456T. For more information, contact Cathleen Berrick at (202) 512-3404 or berrickc@gao.gov.

What GAO Found

DHS and TSA have undertaken numerous initiatives to strengthen the security of the nation's commercial aviation system, including actions to address many recommendations made by GAO. TSA has focused its efforts on, among other things, more efficiently allocating, deploying, and managing the Transportation Security Officer (TSO) workforce—formerly known as screeners; strengthening screening procedures; developing and deploying more effective and efficient screening technologies; strengthening domestic air cargo security; and developing a government operated watch-list matching program, known as Secure Flight. Specifically, TSA developed and implemented a Staffing Allocation Model to determine TSO staffing levels at airports that reflect current operating conditions, and proposed and implemented modifications to passenger checkpoint screening procedures based on risk information. However, GAO reported that some assumptions in TSA's Staffing Allocation Model did not accurately reflect airport operating conditions, and that TSA could improve its process for evaluating the effectiveness of proposed procedural changes. In response, TSA developed a plan to review Staffing Allocation Model assumptions and took steps to strengthen its evaluation of proposed procedural changes. TSA has also explored new passenger checkpoint screening technologies to better detect explosives and other threats and has taken steps to strengthen air cargo security, including conducting vulnerability assessments at airports and compliance inspections of air carriers. However, TSA has not developed an inspection plan that included performance goals and measures to determine whether air carriers transporting cargo into the United States were complying with security requirements. In response to GAO's recommendations, TSA has since established a working group to strengthen its compliance activities. Finally, TSA has instilled more discipline and rigor into Secure Flight's systems development, including preparing key documentation and strengthening privacy protections.

While these efforts should be commended, GAO has identified several areas that should be addressed to further strengthen aviation security. For example, TSA has made limited progress in developing and deploying these checkpoint technologies due to planning and management challenges. Further, TSA continues to face some program management challenges in developing Secure Flight. Specifically, TSA has not (1) developed program cost and schedule estimates consistent with best practices; (2) fully implemented its risk management plan; (3) planned for system end-to-end testing in test plans; and (4) ensured that information security requirements are fully implemented. If these challenges are not addressed effectively, the risk of the program not being completed on schedule and within estimated costs is increased, and the chances of it performing as intended are diminished. DHS and TSA lack performance measures to fully evaluate the effectiveness of current processes for passengers who apply for redress due to inconveniences experienced during the check-in and screening process. Without such measures, DHS and TSA lack a sound basis to monitor the effectiveness of the redress process.

Mr. Chairman and Members of the Subcommittee:

We appreciate the opportunity to participate in today's hearing to discuss the security of our nation's aviation system. The Transportation Security Administration (TSA) was established in 2001 with the mission to protect the transportation network while also ensuring the free movement of people and commerce. Since its inception, TSA has focused much of its efforts on aviation security, and has developed and implemented a variety of programs and procedures to secure commercial aviation. To implement these efforts, TSA funding for aviation security has totaled about $26 billion since fiscal year 2004. Other parties also play a role in securing commercial aviation, including air carriers that are responsible for screening air cargo, among other things, and the Department of Homeland Security's (DHS) Science and Technology Directorate (S&T), which is responsible for the research and development of aviation security technologies. In carrying out its broader homeland security responsibilities, DHS faces the daunting challenge of determining how to allocate its finite resources within the aviation system and across all sectors to address threats and strengthen security.

Our testimony today focuses on TSA's efforts to ensure the security of the following key areas of the commercial aviation system, which represents about $4.5 billion of the $6.0 billion President's fiscal year 2009 budget request for aviation security: 1) screening operations, including transportation security officer (TSO) and private screener allocations, and checkpoint screening technologies; 2) air cargo; and 3) and passenger watch-list matching. In particular, we will address the numerous efforts TSA has taken or plans to take to strengthen security in these areas and the challenges that remain.

Our comments are based on GAO reports and testimonies issued between February 2004 and April 2007 addressing the security of the nation's aviation system, including selected updates to this work conducted in February 2008. Our comments are also based on the results from our recently completed work assessing the status of TSA's development of the Secure Flight program, conducted in response to the Implementing Recommendations of the 9/11 Commission Act of 2007.[1] This statement will address the following issues raised by the mandate: (1) overall

[1] Pub. L. No. 110-53, § 1605(b), 121 Stat. 266, 481-82 (2007).

progress made in strengthening the Secure Flight program, including privacy protection issues and coordination of international and domestic watch-list matching functions, (2) development of Secure Flight's cost and schedule estimates, (3) efforts made in Secure Flight's system development including risk management, end-to-end testing, and information security, and (4) DHS and TSA's efforts to evaluate redress. We conducted this mandated review from August 2007 to January 2008. For our review, we interviewed officials from the Secure Flight program and Customs and Border Protection and reviewed relevant laws and regulations and program management and planning documents. We conducted these performance audits in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Summary

DHS and TSA have undertaken numerous initiatives to strengthen the security of the nation's commercial aviation system and more effectively guide program investments, including steps to address many of our prior recommendations. Meeting the statutory mandates to screen airline passengers and 100 percent of checked baggage alone was a tremendous challenge. TSA has since turned its attention to, among other things, to more efficiently allocating, deploying, and managing the TSO—formerly known as screeners—workforce; strengthening screening procedures; developing and deploying more effective and efficient screening technologies; strengthening air cargo security; and developing a government operated watch-list matching program, known as Secure Flight. More specifically, DHS and TSA have, among other things, developed and implemented a Staffing Allocation Model to determine TSO staffing levels at airports that reflect current operating conditions, and provided TSOs with additional training intended to enhance the detection of threat objects, particularly improvised explosive devices. TSA also proposed and implemented modifications to passenger checkpoint screening procedures based on risk (threat and vulnerability) information, while considering efficiency and customer service needs. TSA also explored new passenger checkpoint screening technologies to enhance the detection of explosives and other threats. Further, TSA took steps to strengthen air cargo security, such as conducting vulnerability assessments at several domestic airports, revising air cargo screening exemptions, and conducting inspections of air carriers to ensure that they are complying with existing security requirements. Finally, TSA has instilled more discipline and rigor into Secure Flight's development and

implementation since we last reported on the program in February 2007, including preparing key systems development documentation and strengthening privacy protections.

While these efforts should be commended, we have reported on several areas in which TSA could do more to strengthen aviation security. For example, in our previous work, we reported that some assumptions in TSA's Staffing Allocation Model did not accurately reflect airport operating conditions. We recommended that TSA establish a formal, documented plan for reviewing all of the model assumptions on a periodic basis. TSA agreed with our recommendation and, in December 2007, developed a Staffing Allocation Model Rates and Assumption Validation Plan that the agency will use to review and validate model assumptions. In addition, we reported that TSA could improve its process for evaluating the effectiveness of proposed changes to passenger screening procedures. For example, while in some cases TSA tested proposed modifications to passenger checkpoint screening procedures before they were implemented to help determine whether the changes would achieve their intended purposes, we found that TSA's data collection and analyses could be strengthened. DHS generally agreed with our findings and recommendations and TSA has taken steps to implement them. We also testified that limited progress has been made in developing and deploying checkpoint technologies due to planning and management challenges. For example, we reported that TSA made limited progress in fielding explosives detection technology at passenger screening checkpoints in part due to challenges DHS S&T and TSA previously faced in coordinating research and development efforts. We further reported that TSA halted the deployment of one technology due to high installation and maintenance costs. With respect to air cargo, we reported that while TSA conducted a variety of compliance inspections to determine whether air carriers or indirect air carriers—entities that consolidate air cargo for delivery and transport—were complying with TSA security requirements, and had begun to analyze the results of these inspections, it has not developed an inspection plan that included performance goals and measures to determine the extent to which air carriers transporting cargo into the United States were complying with security requirements. While TSA has made considerable progress in the development and implementation of Secure Flight, it has not fully addressed program management issues including (1) developing cost and schedule estimates consistent with best practices, (2) fully implementing its risk management plan, (3) developing a comprehensive testing strategy, and (4) ensuring that information security requirements are fully implemented. If these challenges are not addressed effectively, the risk of the program not being completed on schedule and within estimated costs is increased, and the chances of it

performing as intended are diminished. Also, DHS and TSA lack performance measures to fully evaluate the effectiveness of current processes for passengers who apply for redress due to inconveniences experienced during the check-in and screening processes. Having such measures will allow the program to fully measure all of its priorities and make future adjustments to the program.

To strengthen TSA's development and implementation of the Secure Flight program, we are making recommendations to DHS to incorporate best practices in the Secure Flight program and to fully implement the program's risk management plan and information security requirements and develop a comprehensive testing strategy. We are also making a recommendation to DHS and TSA to develop additional performance measures for their current redress process. We provided a draft of information included in this statement related to our recently completed work on Secure Flight to DHS and TSA for review and comment. In commenting on this information, DHS and TSA generally agreed with our recommendations.

Background

With the passage of the Aviation and Transportation Security Act (ATSA) in November 2001, TSA assumed responsibility for civil aviation security from the Federal Aviation Administration and for passenger and checked baggage screening from air carriers.[2] As part of this responsibility, TSA oversees security operations at the nation's more than 400 commercial airports, including establishing requirements for passenger and checked baggage screening and ensuring the security of air cargo transported to, from, and within the United States. In addition, TSA has operational responsibility for conducting passenger and checked baggage screening at most airports, and has regulatory, or oversight, responsibility, for air carriers who conduct air cargo screening. While TSA took over responsibility for passenger checkpoint and baggage screening, air carriers have continued to conduct passenger watch-list matching in accordance with TSA requirements, which includes the process of matching passenger information against federal watch-list data before flights depart. TSA is currently developing a program to take over this responsibility from air carriers for passengers on domestic flights, and plans to assume from the U.S. Customs and Border Protection (CBP) the pre-departure name-matching function for passengers on international flights traveling to or from the United States.

[2]*See* Pub. L. No. 107-71, 115 Stat. 597 (2001).

Airline Passenger and Checked Baggage Screening

One of the most significant changes mandated by ATSA was the shift from the use of private-sector screeners to perform airport screening operations to the use of federal screeners (now referred to as TSOs). Prior to ATSA, passenger and checked baggage screening had been performed by private screening companies under contract to airlines. ATSA established TSA and required it to create a federal workforce to assume the job of conducting passenger and checked baggage screening at commercial airports. The federal screener workforce was put into place, as required, by November 2002.[3]

Passenger screening is a process by which personnel authorized by TSA inspect individuals and property to deter and prevent the carriage of any unauthorized explosive, incendiary, weapon, or other dangerous item into a sterile area or onboard.an aircraft.[4] Passenger screening personnel must inspect individuals for prohibited items at designated screening locations. The four passenger screening functions are X-ray screening of property, walk-through metal detector screening of individuals, hand-wand or pat-down screening of individuals, and physical search of property and trace detection for explosives. Typically, passengers are only subjected to X-ray screening of their carry-on items and screening by the walk-through metal detector. Passengers whose carry-on baggage alarms the X-ray machine, who alarm the walk-through metal detector, or who are designated as selectees—that is, passengers selected by the Computer Assisted Passenger Pre-Screening System (CAPPS) or other TSA-approved processes to designate passengers for additional screening—are screened by hand-wand or pat-down and have their carry-on items either screened for explosives traces or physically searched.[5]

[3]ATSA further required TSA to allow airports to apply to opt-out of federal screening and to use private screeners under contract with TSA. *See* 49 U.S.C. § 44920. Ten airports and 1 heliport currently have screening operations conducted by private screening contractors under TSA's Screening Partnership Program.

[4]Sterile areas are located within the terminal where passengers are provided access to boarding aircraft. Access to these areas is controlled by TSOs (or by non-federal screeners at airports participating in the Screener Partnership Program) at checkpoints where they conduct physical screening of individuals and their carry-on baggage for weapons and explosives.

[5]CAPPS identifies passengers for secondary screening based on certain travel behaviors reflected in their reservation information that are associated with threats to aviation security, as well as through a random selection of passengers. At some airports, some passengers may also be screened by walking through an explosives trace portal—a machine that detects trace amounts of explosives on persons.

Checked baggage screening is a process by which authorized security screening personnel inspect checked baggage to deter, detect, and prevent the carriage of any unauthorized explosive, incendiary, or weapon onboard an aircraft. Checked baggage screening is accomplished through the use of explosive detection systems[6] or explosive trace detection systems,[7] and through the use of approved alternative means, such as manual searches and canine teams when the explosive detection or explosive trace detection systems are unavailable.

The passenger and checked baggage screening systems are composed of three elements: the people (TSOs) responsible for conducting the screening of airline passengers and their carry-on items and checked baggage, the technology used during the screening process, and the procedures TSOs are to follow to conduct screening. Collectively, these elements help to determine the effectiveness and efficiency of passenger and checked baggage screening operations.

Air Cargo Security

Air cargo ranges in size from one pound to several tons, and in type from perishables to machinery, and can include items such as electronic equipment, automobile parts, clothing, medical supplies, other dry goods, fresh cut flowers, fresh seafood, fresh produce, tropical fish, and human remains. Cargo can be shipped in various forms, including large containers known as unit loading devices that allow many packages to be consolidated into one container that can be loaded onto an aircraft, wooden crates, assembled pallets, or individually wrapped/boxed pieces, known as break bulk cargo.

Participants in the air cargo shipping process include shippers, such as individuals and manufacturers; indirect air carriers, also referred to as freight forwarders or regulated agents; air cargo handling agents, who process and load cargo onto aircraft on behalf of air carriers; and passenger and all-cargo carriers that store, load, and transport air cargo. A shipper may take its packages to a freight forwarder, or regulated agent, which consolidates cargo from many shippers and delivers it to air

[6]Explosive detection systems use computer-aided tomography X-rays to examine objects inside baggage and identify the characteristic signatures of threat explosives. This equipment operates in an automated mode.

[7]Explosive trace detection works by detecting vapors and residues of explosives. Human operators collect samples by rubbing bags with swabs, which are chemically analyzed to identify any traces of explosive materials.

carriers. A shipper may also send freight by directly packaging and delivering it to an air carrier's ticket counter or sorting center where either the air carrier or a cargo handling agent will sort and load cargo onto the aircraft. The shipper may also have cargo picked up and delivered by an all-cargo carrier, or choose to take cargo directly to a carriers' retail facility for delivery.

TSA's responsibilities for securing air cargo include, among other things, establishing security rules and regulations governing domestic and foreign passenger air carriers that transport cargo, domestic and foreign all-cargo carriers that transport cargo, and domestic indirect air carriers. TSA is also responsible for overseeing the implementation of air cargo security requirements by air carriers and indirect air carriers through compliance inspections, and, in coordination with DHS's S&T Director, for conducting research and development of air cargo security technologies. Air carriers (passenger and all-cargo) are responsible for implementing TSA security requirements, predominantly through a TSA-approved security program that describes the security policies, procedures, and systems the air carrier will implement and maintain in order to comply with TSA security requirements. Air carriers must also abide by security requirements issued by TSA through security directives or emergency amendments to air carrier security programs.

Air carriers use several methods and technologies to screen domestic and inbound air cargo.[8] These include manual physical searches and comparisons between airway bills and cargo contents to ensure that the contents of the cargo shipment matches the cargo identified in documents filed by the shipper, as well as using approved technology, such as X-ray systems, explosive trace detection systems, decompression chambers, explosive detection systems, and certified explosive detection canine

[8]The Implementing Recommendations of the 9/11 Commission Act of 2007 defines the term 'screening' for purposes of air cargo to mean a physical examination or non-intrusive methods of assessing whether cargo poses a threat to transportation security. See 49 U.S.C. § 44901(g)(5). Such methods of screening include x-ray systems, explosives detection systems, explosives trace detection, explosives detection canine teams certified by TSA, or a physical search together with manifest verification. While additional methods may be approved to ensure that cargo does not pose a threat to transportation security, these additional methods cannot include solely performing a review of information about the contents of cargo or verifying the identity of a shipper of the cargo if not performed in conjunction with other authorized security methods, including whether a shipper is registered in the known shipper database.

teams.[9] Under TSA's security requirements for domestic and inbound air cargo, passenger air carriers are currently required to randomly screen a specific percentage of non exempt air cargo pieces listed on each airway bill. All-cargo carriers are required to screen 100 percent of air cargo that exceeds a specific weight threshold. As of October 2006, domestic indirect air carriers are also required, under certain conditions, to screen a certain percentage of air cargo prior to its consolidation. TSA, however, does not regulate foreign freight forwarders, or individuals or businesses that have their cargo shipped by air to the United States. Under the Implementing Recommendations of the 9/11 Commission Act of 2007, DHS is required to implement a system to screen 50 percent of air cargo transported on passenger aircraft by February 2009, and 100 percent of such cargo by August 2010.[10]

Passenger Watch-List Matching

The prescreening of airline passengers who may pose a security risk before they board an aircraft is one of many layers of security intended to strengthen commercial aviation. One component of prescreening is passenger watch-list matching—or the process of matching passenger information against the No-Fly and Selectee lists to identify passengers who should be denied boarding or who should undergo additional security scrutiny.[11]

Aircraft operators are currently responsible for checking passenger information against the No-Fly and Selectee lists to identify passengers who should be denied boarding or who should undergo additional security scrutiny. To further enhance commercial aviation security and in accordance with the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA), TSA is developing a program to assume from air carriers the function of matching passenger information against government-supplied terrorist watch-lists for domestic flights.[12] Secure Flight is the program

[9] Certified explosive detection canine teams have been evaluated by TSA and shown to effectively detect explosive devices. Decompression chambers simulate the pressures acting on aircraft by simulating flight conditions, which cause explosives that are attached to barometric fuses to detonate.

[10] See Pub. L. No. 110-53, § 1602(a), 121 Stat. 266, 477-480 (2007) (codified at 49 U.S.C. § 44901(g)).

[11] The No Fly and Selectee lists contain the names of individuals with known or suspected links to terrorism. These lists are subsets of the consolidated terrorist watch-list that is maintained by the Federal Bureau of Investigation's Terrorist Screening Center.

[12] See 49 U.S.C. § 44903(j)(2)(C).

through which TSA plans to meet this requirement. Following domestic implementation, TSA, through Secure Flight, plans to assume responsibility from CBP for watch-list matching of passengers on international flights bound to and from the United States. Secure Flight's mission is to enhance the security of commercial air travel by:

- eliminating inconsistencies in current air carrier watch-list matching procedures,
- reducing the number of individuals who are misidentified as being on the No Fly or Selectee list,
- reducing the risk of unauthorized disclosure of sensitive watch-list information, and
- integrating the redress process so that individuals are less likely to be improperly or unfairly delayed or prohibited from boarding an aircraft.

TSA plans to implement Secure Flight in three releases. During Release One, which is currently ongoing and is scheduled to be completed in March 2008, TSA is developing and testing the Secure Flight system. During Release Two, scheduled to be conducted from April 2008 through August 2008, TSA plans to begin parallel testing with air carriers during which both Secure Flight and air carriers will perform watch-list matching. Finally, during Release Three, TSA is to develop the capability for "airline cutovers" during which Secure Flight plans to begin conducting all watch-list matching for domestic air passengers. Release Three is scheduled to begin in September 2008. Domestic cutovers are expected to begin in January 2009 and be completed in July 2009. TSA plans to assume from CBP watch-list matching for flights departing from and to the United States some time after domestic cutovers are completed.

Over the last 4 years, we have reported that the Secure Flight program (and its predecessor CAPPS II) had not met key milestones or finalized its goals, objectives, and requirements, and faced significant development and implementation challenges.[13] Acknowledging the challenges it faced with

[13] GAO, *Aviation Security: Progress Made in Systematic Planning to Guide Key Investment Decisions, but More Work Remains*, GAO-07-448T (Washington, D.C.: February 13, 2007).

the program, TSA suspended the development of Secure Flight and initiated a reassessment, or re-baselining, of the program in February 2006, which was completed in January 2007. Since our last testimony on Secure Flight in February 2007, we were mandated by the Implementing Recommendations of the 9/11 Commission Act of 2007 to assess various aspects of Secure Flight's development and implementation.[14] In accordance with the act, we reviewed (1) TSA's efforts to develop reliable cost and schedule estimates for Secure Flight; (2) progress made by TSA in developing and implementing the Secure Flight system, including the implementation of security controls; (3) TSA's efforts to coordinate with CBP to integrate Secure Flight with CBP's watch-list matching function for international flights; (4) TSA's plans to protect private passenger information under Secure Flight; and (5) DHS's efforts to assess the effectiveness of the current redress process for passengers misidentified as being on or wrongly assigned to the No Fly or Selectee list.[15]

TSA's available funding for the Secure Flight program during fiscal year 2007 was $32.5 million.[16] In fiscal year 2008, TSA received $50 million along with statutory authority to transfer up to $24 million to the program, making as much as $74 million available for the program in fiscal year 2008.[17] For fiscal year 2009, TSA has requested $82 million in funding to allow the agency to continue development and implementation of the Secure Flight program and the full assumption of the watch-list matching function in fiscal year 2010.

[14] See Pub. L. No. 110-53, § 1605(b), 121 Stat. 266, at 481-82.

[15] GAO is also mandated to review DHS's certification of 10 conditions outlined in section 522(a) of the DHS Appropriations Act, 2005, related to the development and implementation of the Secure Flight program. See Pub. L. No. 110-161, § 513, 121 Stat. 1844 (2007).

[16] Fifteen million was appropriated during fiscal year 2007 and $17.5 million was carried over from the prior fiscal year, for a total of $32.5 million.

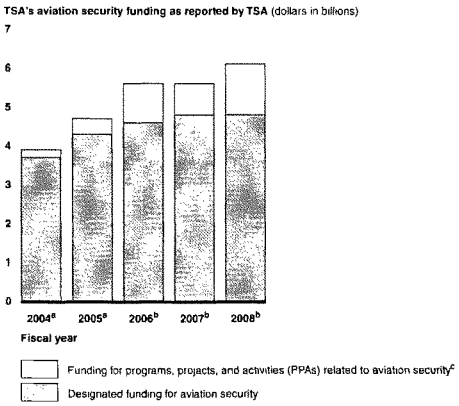
[17] See Pub. L. No. 110-161, § 550, 121 Stat. 1844.

Aviation Security Fiscal Years 2004 through 2008 Funding and Fiscal Year 2009 Budget Request

According to DHS's budget execution reports and TSA's congressional budget justifications, TSA received appropriations for aviation security that total about $26 billion since fiscal year 2004.[18] During fiscal year 2004—the first year for which data were available—TSA received about $3.9 billion for aviation security programs, and during fiscal year 2008, received about $6.1 billion. The President's budget request for fiscal year 2009 includes about $6.0 billion to continue TSA's aviation security activities. This total includes about $5.3 billion specifically designated for aviation security and about $0.76 billion for aviation-security related programs, such as Secure Flight, and mandatory fee accounts, such as the Aviation Security Capital Fund. Figure 1 identifies reported aviation security funding for fiscal years 2004 through 2008.

[18]DHS's budget execution reports are monthly statements that reflect the department's financial activity. In our analysis of DHS's budget execution reports and TSA Congressional Budget Justification, we included funding that we determined to be specifically designated for aviation security and funding for all programs, projects, and activities related to aviation security, to the extent they were identifiable, in order to present consistent total funding amounts across fiscal years. In addition, these aviation security totals do not reflect funding for activities that may support TSA's aviation security programs and projects, such as intelligence and administration, because DHS's documentation does not identify the proportion of funding dedicated to support aviation security. During this time period, a number of aviation security related activities were transferred in or out of TSA's jurisdiction, which affects TSA funding levels for the affected fiscal years.

Figure 1: TSA's Reported Aviation Security Funding for Fiscal Years 2004 through 2008



Source: GAO analysis of TSA budget execution reports for fiscal years 2004 to 2007 and TSA's Congressional Budget Justification for fiscal year 2009.

Note: We used the September 30th budget execution reports for our analysis of TSA funding for fiscal years 2004 through 2006. For fiscal years 2007 and 2008, we used TSA's fiscal year 2009 congressional budget justification. According to the budget execution reports and congressional budget justification, figures presented include all rescissions and supplemental funding for the fiscal years.

[a]Fiscal years 2004 and 2005 include approximately $330 million in research and development funding for aviation security. Beginning in fiscal year 2006, research and development funding was consolidated within DHS S&T. Therefore, this funding, as reflected in TSA's budget documentation, is not included as part of TSA's appropriation from fiscal year 2006 forward.

[b]Fiscal years 2006, 2007, and 2008 include approximately $680 million, $720 million, and $770 million respectively, in funding for the Federal Air Marshals Service, which was transferred back to TSA from U.S. Immigration and Customs Enforcement in October 2005. Federal Air Marshal Service funding is included within totals for related aviation security programs, projects, and activities for fiscal years 2006, 2007, and 2008.

[c]Funding for aviation security-related programs, projects, and activities is reported separately. However, TSA designated funds from other programs, projects, and activities to aviation security as well, which represents the unshaded areas.

TSA Has Made Significant Enhancements to Its Passenger Screening Operations, but Can Further Strengthen Its Efforts

TSA has taken significant steps to strengthen the three key elements of the screening system—people (TSOs and private screeners), screening procedures, and technology—but has faced management, planning, and funding challenges. For example, TSA developed a Staffing Allocation Model to determine TSO staffing levels at airports that reflect current operating conditions, and implemented several initiatives intended to enhance the detection of threat objects, particularly improvised explosives. We reported that TSA also proposed modifications to passenger checkpoint screening procedures based on risk (threat and vulnerability information), among other factors, but, as we previsouly reported, could do more evaluation of proposed procedures before they are implemented to help ensure that they achieve their intended results. Finally, TSA is exploring new technologies to enhance the detection of explosives and other threats, but continues to face management and funding challenges in developing and fielding technologies at airport checkpoints.

Of the approximately $6.0 billion requested for aviation security in the President's fiscal year 2009 budget request, about $4.0 billion, or approximately 66 percent, is for passenger and checked baggage screening. This includes approximately $3.9 billion to support passenger and checked baggage screening operations, such as TSO salaries and training, and about $154 million for the procurement and installation of checked baggage explosive detection systems.[19]

TSA Has Efforts Under Way to Strengthen the Allocation of Its TSO Workforce

TSA has implemented several efforts intended to strengthen the allocation of its TSO workforce. We reported in February 2004 that staffing shortages and TSA's hiring process had hindered the ability of some Federal Security Directors (FSD)—the ranking TSA authorities responsible for leading and coordinating security activities at airports—to provide sufficient resources to staff screening checkpoints and oversee screening operations at their checkpoints without using additional measures such as overtime.[20] Since

[19] According to TSA's Congressional Justification, the $154 million requested for procurement and installation of checked baggage explosive detection systems is in addition to the $676 in mandatory fees requested for the Aviation Security Capital Fund, which would provide $830 million in total funding for the procurement and installation of such systems.

[20] GAO, *Aviation Security: Challenges Exist in Stabilizing and Enhancing Passenger and Baggage Screening Operations*, GAO-04-440T (Washington, D.C.: Feb. 12, 2004).

that time, TSA has developed a Staffing Allocation Model to determine TSO staffing levels at airports.[21] In determining staffing allocations, the model takes into account the workload demands unique to each airport based on an estimate of each airport's peak passenger volume. This input is then processed against certain TSA assumptions about screening passengers and checked baggage—including expected processing rates, required staffing for passenger lanes and baggage equipment based on standard operating procedures, and historical equipment alarm rates. In August 2005, TSA determined that the Staffing Allocation Model contained complete and accurate information on each airport from which to estimate staffing needs, and the agency used the model to identify TSO allocations for each airport. At that time, the staffing model identified a total TSO full-time equivalent allocation need of 42,303 TSOs.

In addition to the staffing levels identified by the model, TSA sets aside TSO full-time equivalents for needs outside of those considered by the model in its annual allocation run for airports. For example, during the course of the year, certain airports may experience significant changes to their screening operations, such as the arrival of a new airline or opening of a new terminal. According to TSA officials, the agency established a reserve of 413 TSO full-time equivalents during fiscal year 2007 that can be used to augment the existing force, and began fiscal year 2008 with a reserve of 170 TSO full-time equivalents. TSA plans to continue with its use of a reserve force during fiscal year 2009 due to the dynamic nature of airport operations and the need to make staffing adjustments to meet changing operational requirements. Additionally, in order to handle short-term extraordinary needs at airports, TSA established a National Deployment Force—formerly known as the National Screening Force—comprised of TSOs and other TSA security staff who can be sent to airports to augment local TSO staff during periods of unusually high passenger volume, such as the Super Bowl. According to TSA, as of February 13, 2008, there were 451 TSOs in the National Deployment Force. The TSA fiscal year 2009 budget justification request identifies that TSA analyzes each request for support from the National Deployment Force from a cost, benefit, and risk perspective to ensure the optimal use of

[21] As part of TSA's Screening Partnership Program, 10 airports and 1 heliport use private contract screeners in lieu of federal TSOs. Although these airports and heliport do not use federal screeners, TSA uses the Staffing Allocation Model to determine the full-time equivalent screening staff at each of these airports. These staffing levels, as determined by the model, serve as a limit on the number of private screeners that the private screening contractors could employ.

resources. The budget justification requests $34.3 million for operational expenses for the National Deployment Office—the office responsible for, among other things, deploying the National Deployment Force to those airports experiencing significant staffing shortfalls.

FSDs we interviewed during 2006 as part of our review of TSA's staffing model generally reported that the model is a more accurate predictor of staffing needs than TSA's prior staffing model, which took into account fewer factors that affect screening operations. However, FSDs identified that some assumptions used in the fiscal year 2006 staffing model did not reflect actual operating conditions. For example, FSDs noted that the staffing model's assumption of a 20 percent part-time workforce—measured in terms of full-time equivalents—had been difficult to achieve, particularly at larger (category X and I) airports, because of, among other things, economic conditions leading to competition for part-time workers, remote airport locations coupled with a lack of mass transit, TSO base pay that had not changed since fiscal year 2002, and part-time workers' desire to convert to full-time status. We reported in February 2007 that TSA data showed that for fiscal years 2005 and 2006, the nation's category X airports had a TSO workforce composed of about 9 percent part-time equivalents, and the part-time TSO attrition rate nationwide remained considerably higher than the rate for full-time personnel (approximately 46 percent versus 16 percent for full-time TSOs during fiscal year 2006).[22] According to TSA's fiscal year 2009 congressional budget justification, full-time TSO attrition nationwide decreased to 11.6 percent during 2007, and part-time attrition decreased to 37.2 percent. FSDs also expressed concern that the model did not specifically account for the recurrent training requirement for TSOs of 3 hours per week averaged over a fiscal year quarter. FSDs further identified that the model for fiscal year 2006 did not account for TSO's time away from screening to perform operational support duties, such as payroll processing, scheduling, distribution and maintenance of uniforms, data entry, and workman's compensation processing. To help ensure that TSOs are effectively utilized, we recommended that TSA establish a policy for when TSOs can be used to provide operational support. Consistent with our recommendation, in March 2007, TSA issued a management directive that provides guidance on assigning TSOs, through detail or permanent promotion, to duties of another position for a specified period of time.

[22] GAO, Aviation Security: *TSA's Staffing Allocation Model Is Useful for Allocating Staff among Airports, but Its Assumptions Should Be Systematically Reassessed*, GAO-07-299 (Washington, D.C.: February 28, 2007).

In response to FSDs' input and the various mechanisms TSA had implemented to monitor the sufficiency of the model's allocation outputs, TSA made changes to some assumptions in the model for fiscal year 2007. For example, TSA recognized that some airports cannot likely achieve a 20 percent part-time equivalent level and others, most likely smaller airports, may operate more efficiently with other levels of part-time TSO staff. As a result, for fiscal year 2007, TSA modified the assumption in its Staffing Allocation Model to include a variable part-time goal based on each airport's historic part-time to full-time TSO ratio. TSA also included an allowance in the model for fiscal 2007 to provide additional assurance that TSOs complete required training on detecting improvised explosive devices, as well as an allowance for operational support duties to account for the current need for TSOs to perform these duties. In our February 2007 report on the Staffing Allocation Model, we recommended that TSA establish a formal, documented plan for reviewing all of the model assumptions on a periodic basis to ensure that the assumptions result in TSO staffing allocations that accurately reflect operating conditions that may change over time. TSA agreed with our recommendation and, in December 2007, developed a Staffing Allocation Model Rates and Assumptions Validation Plan. The plan identifies the process TSA will use to review and validate the model's assumptions on a periodic basis.

Although we did not independently review TSA's staffing allocation for fiscal year 2008, the TSA fiscal year 2009 budget justification identified that the agency has achieved operational and efficiency gains that enabled them to implement or expand several workforce initiatives involving TSOs, which are summarized in table 2. For example, TSA reported making several changes to the fiscal year 2008 Staffing Allocation Model, such as decreasing the allocation for time paid not worked (annual, sick, and military leave; compensatory time; and injury time off) from a 14.5 percent to 14 percent based on past performance data. TSA also reported revising the exit lane staffing based on each checkpoint's unique operating hours rather than staffing all exit lanes based on the maximum open hours for any checkpoint at an airport.

Table 2: TSA Workforce Initiatives Involving Transportation Security Officers (TSOs)

Workforce initiative	Description of initiative
Travel document checker	TSA implemented the travel document checker initiative at over 250 smaller airports during fiscal year 2007. According to the TSA fiscal year 2009 budget justification, through savings realized through adjustments in the fiscal year 2008 Staffing Allocation Model, TSA was able to fund 1,033 additional full-time-equivalent TSOs for the travel document checker initiative. This program is intended to ensure that only passengers with authentic travel documents access the sterile areas of airports and board aircraft. TSA's budget justification identifies that in fiscal year 2007 the agency implemented this program at over 340 of the 450 airports with federal TSOs.
Behavior detection officers	TSA completed its planned deployment of the behavior detection officer program. These officers screen passengers by observation technique (also known as SPOT) to identify potentially high-risk passengers based on involuntary physical and physiological reactions. During fiscal year 2007, 643 behavior detection officers were deployed at 42 airports.
Bomb appraisal officers	TSA completed the planned deployment of the Bomb Appraisal Officer program. These officers, who have undergone training in the disposal of explosives, provide formal training to TSOs to increase their ability to recognize potential improvised explosive devices and components. The Bomb Appraisal Officer Program was formally implemented at 107 airports during fiscal year 2007.
Visible Intermodal Protection and Response Teams	According to TSA, the agency deployed Visible Intermodal Protection and Response Teams to airports around the country. These teams—comprised of TSOs, behavior detection officers and other aviation security employees—are responsible for screening passengers, looking for suspicious behavior, and acting as a visible deterrent in multiple transportation sectors, including buses, mass transit stations, and airports. TSA's budget justification identified that as of February 2008, TSA had deployed over 100 Visible Intermodal Protection and Response Teams to airports and mass transit systems around the country.
Aviation Direct Access Screening Program	The Aviation Direct Access Screening Program is intended to provide uniform procedures and standards for TSOs to screen individuals, their accessible property, and vehicles upon entering secure airport areas, and conduct visual inspections of aircraft. Under this program, TSOs are to screen aviation workers and inspect for the presence of explosives, incendiaries, weapons, and other prohibited items, improper airport identification media, and items identified through specific intelligence. In March 2007, TSA required Federal Security Directors to implement the Aviation Direct Screening Program at each of their assigned airports.

Source: TSA Fiscal Year 2009 budget justification.

TSA's fiscal year 2009 budget justification includes $2.7 billion for the federal TSO workforce represents an increase of about $80 million over fiscal year 2008. Of the $80 million increase, about $38 million is for cost of living adjustments, and about $42 million is for the annualization of the full-year cost of the Behavior Detection Officer and Aviation Direct Access Screening Program positions. According to the budget justification, the $2.7 billion includes funding for compensation and benefits of 45,643 full-

time equivalent personnel—approximately 46,909 TSOs and about 1,100 screening managers.[23] Table 3 identifies the total TSO and screening manager full-time equivalents and the funding levels for fiscal years 2005 through 2008, as reported by TSA.

Table 3: Passenger and Checked Baggage TSO and Screening Manager Full-time Equivalents and Actual Spending for TSO Personnel, Compensation, and Benefits, by Fiscal Year

Fiscal year	FY 2005	FY 2006	FY 2007	FY 2008[a]
Total TSOs and screening managers at airports nationwide	45,690	42,187	42,592	45,438
Actual spending (dollars in thousands)	$2,291,572	$2,251,503	$2,444,455	$2,636,104

Source: TSA

[a]Fiscal year 2008 figures represent TSA's budget in accordance with funds appropriated through Division E of the Consolidated Appropriations Act, 2008.

TSA Has Taken Steps to Strengthen Passenger Screening Procedures, but Could Improve Its Evaluation and Documentation of Proposed Procedures

In addition to TSA's efforts to deploy a federal TSO workforce, TSA has taken steps to strengthen passenger checkpoint screening procedures to enhance the detection of prohibited items. However, we have identified areas where TSA could improve its evaluation and documentation of proposed procedures. In April 2007, we reported that TSA officials considered modifications to its standard operating procedure (SOP) based on risk information (threat and vulnerability information), daily experiences of staff working at airports, and complaints and concerns raised by the traveling public.[24] In addition to these factors, consistent with its mission, TSA senior leadership made efforts to balance the impact that proposed SOP modifications would have on security, efficiency, and customer service when deciding whether proposed SOP modifications should be implemented. For example, in August 2006, TSA sought to increase security by banning liquids and gels from being carried onboard aircraft in response to the alleged terrorist plot to detonate liquid explosives onboard multiple aircraft en route from the United Kingdom to

[23]The TSA fiscal year 2009 budget justification includes about $151 million for the Screening Partnership Program.

[24] GAO, *Aviation Security: Risk, Experience, and Customer Concerns Drive Changes to Airline Passenger Screening Procedures, but Evaluation and Documentation of Proposed Changes Could Be Improved*, GAO-07-634 (Washington, D.C.: April 16, 2007).

the United States. In September 2006, after obtaining more information about the alleged terrorist plot—to include information from the United Kingdom and U.S. intelligence communities, discussions with explosives experts, and testing of explosives—TSA officials decided to lift the total ban on liquids and gels to allow passengers to carry small amounts of liquids and gels onboard aircraft. TSA officials also lifted the total ban because banning liquids and gels as carry-on items was shown to affect both efficiency and customer service. In an effort to harmonize its liquid screening procedures with other countries, in November 2006, TSA revised its procedures to allow 3.4 fluid ounces of liquids, gels, and aerosols onboard aircraft.

We further reported that for more significant SOP modifications, TSA first tested the proposed modifications at selected airports to help determine whether the changes would achieve their intended purpose, as well as to assess its impact on screening operations. TSA's efforts to collect quantitative data through testing proposed procedures prior to deciding whether to implement or reject them is consistent with our past work that has shown the importance of data collection and analyses to support agency decision making. However, we reported that TSA's data collection and analyses could be improved to help TSA determine whether proposed procedures that are operationally tested would achieve their intended purpose. Specifically, we found that for tests of proposed screening procedures TSA conducted from April 2005 through December 2005, including the removal of small scissors and small tools from the prohibited items list, although TSA collected some data on the efficiency of and customer response to the procedures at selected airports, the agency generally did not collect the type of data or conduct the necessary analysis that would yield information on whether the proposed procedures would achieve their intended purpose. We also found that TSA's documentation on proposed modifications to screening procedures was not complete. We recommended that TSA develop sound evaluation methods, when possible, to assess whether proposed screening changes would achieve their intended purpose and generate and maintain documentation on proposed screening changes that are deemed significant. DHS generally agreed with our recommendations and TSA has taken steps to implement them. For example, for several proposed SOP changes considered during the fall of 2007, TSA provided documentation that identified the sources of the proposed changes and the reasons why the agency decided to accept or reject the proposed changes. With regard to our recommendation to develop sound evaluation methods when assessing proposed SOP modifications, when possible, TSA reported that it is working with subject matter experts to ensure that the agency's operational tests related to

proposed changes to screening procedures are well designed and executed, and produce results that are scientifically valid and reliable. These actions, when fully implemented, should enable TSA to better justify its passenger screening procedure modifications to Congress and the traveling public.

Once proposed SOP changes have been implemented, it is important that TSA have a mechanism in place to ensure that TSOs are complying with established procedures. In our April 2007 report, we identified that TSA monitors TSO compliance with passenger checkpoint screening SOPs through its performance accountability and standards system and through local and national covert testing. According to TSA officials, the performance accountability and standards system was developed in response to a 2003 report by us that recommended that TSA establish a performance management system that makes meaningful distinctions in employee performance,[25] and in response to input from TSA airport staff on how to improve passenger and checked baggage screening measures. This system is used by TSA to assess agency personnel at all levels on various competencies, including, among other things, technical proficiency. During fiscal year 2007, the technical proficiency component of the performance accountability and standards system for TSOs focused on TSO knowledge of screening procedures; image recognition; proper screening techniques; and the ability to identify, detect, and locate prohibited items. In addition to implementing the performance accountability and standards system, TSA also conducts local and national covert tests to evaluate, in part, the extent to which TSOs' noncompliance with SOPs affects their ability to detect simulated threat items hidden in accessible property or concealed on a person. In our April 2007 report, we identified that some TSA airport officials have experienced resource challenges in implementing these compliance monitoring efforts. TSA headquarters officials stated that they were taking steps, such as automating the performance accountability and standards system data entry functions, to address this challenge. Since then, TSA has also implemented a new local covert testing program nationwide, known as the Aviation Screening Assessment Program. This program is intended to measure TSO performance using realistic and standardized test scenarios to achieve a national TSO assessment measurement. According to TSA's fiscal year 2009 congressional budget justification, this national baseline

[25]GAO, Transportation Security Administration: *Actions and Plans to Build a Results Oriented Culture*, GAO-03-190 (Washington, D.C.: January 2003).

measurement will be achieved by conducting a total of 48,000 annual tests. TSA plans to use the test results to identify vulnerabilities across screening operations and to provide recommendations for addressing the vulnerabilities to various stakeholders within TSA.

DHS and TSA Are Pursuing New Checkpoint Technologies to Enhance the Detection of Explosives and Other Threats, but Continue to Face Challenges

We reported in February 2007[26] that DHS S&T and TSA[27] were exploring new passenger checkpoint screening technologies to enhance the detection of explosives and other threats. However, we found that limited progress had been made in fielding explosives detection technology at passenger screening checkpoints, in part due to challenges DHS S&T and TSA faced in coordinating research and development efforts. TSA requested $103.2 million in its fiscal year 2009 budget request for checkpoint technology and checkpoint reconfiguration. Specifically, the request includes $91.7 million to, among other things, procure and deploy Advanced Technology Systems to further extend explosives and prohibited item detection coverage at category X and I checkpoints. The budget request identifies that equipment purchases may also include the Whole Body Imager, Bottled Liquids Scanner, Cast and Prosthesis Imager, shoe scanner systems, technology integration solutions, and additional units or upgrades to legacy equipment, and other technologies. TSA further requested $11.5 million to support the optimization and reconfiguration of additional checkpoint lanes to accommodate anticipated airport growth and maintain throughput at the busiest airport checkpoints.

Of the various emerging checkpoint screening projects funded by TSA and DHS S&T, the explosive trace portal and the bottled liquids scanning device have been deployed to airport checkpoints, and a number of additional projects have initiated procurements or are being researched

[26] GAO, *Aviation Security: Progress Made in Systematic Planning to Guide Key Investment Decisions, but More Work Remains*, GAO-07-448T (Washington, D.C.: February 13, 2007).

[27] DHS S&T is responsible for research and development of checkpoint technologies related to aviation security, managing the activities conducted at the Transportation Security Laboratory, and coordinating these efforts with TSA. TSA's Passenger Screening Program is responsible for evaluating and deploying systems to detect explosives and weapons concealed on persons or in carry-on items, while strengthening access control, improving screener performance, and reducing staffing requirements.

and developed.[25] Projects which have initiated procurements include the cast and prosthesis scanner and advanced technology systems. Projects currently in research and development include the checkpoint explosives detection system and the whole body imager. Table 4 provides a description of passenger checkpoint screening technologies that have been deployed as well as technologies that have initiated procurements or are in research and development. This list of technologies is limited to those for which TSA could provide documentation. TSA is planning to develop and deploy additional technologies. We are continuing to assess TSA's deployment of new checkpoint screening technologies in our ongoing work and expect to report on the results of this work later this year.

Table 4: Description of Passenger Checkpoint Screening Technologies Deployed, Procured, or in Research and Development as of January 2008

Technology	Description	Status
Explosives trace portals	Detects trace amounts of explosives on persons (will reduce the size of the current explosives trace portals at checkpoints).	TSA initiated deployment of 95 portals to airports. However, in June 2006, TSA halted the acquisition and deployment of the portals due to performance and maintenance issues. Currently, 114 portals are in storage, which were purchased at a total cost of over $20 million.
Bottled liquids scanners	Screens for liquid explosives.	During fiscal year 2007, TSA procured 200 units and deployed 185 of them to airports. For fiscal year 2008, TSA plans to procure 700 units.
Cast and prosthesis scanners	Provides a 2-dimensional image of the area beneath a cast or inside a prosthetic device.	TSA procured 34 units during fiscal year 2007 and expects delivery of the first unit in February 2008. TSA plans to deploy this technology to airports during 2008.

[25]Research and development projects generally fall within the following phases: (1) basic research includes all scientific efforts and experimentation directed to increase knowledge and understanding in the fields of science related to long-term national needs; (2) applied research includes efforts directed toward solving specific problems with a focus on developing and evaluating the feasibility of proposed solutions; (3) advanced development includes efforts directed toward the development of hardware for field experiments; and (4) operational testing includes evaluation of technologies in a realistic operating environment to assess the performance or cost reduction potential of advanced technology.

Technology	Description	Status
Advanced Technology Systems	TSA plans to replace the Threat Image Projection Ready X-ray machines currently used at category X airports with Advanced Technology Systems that are intended to improve detection capability and performance.	During 2007, testing was conduced on this technology, including operational testing at four airports. TSA procured 250 units during fiscal year 2007, and plans to procure 677 units and deploy 429 units during fiscal year 2008.
Checkpoint explosives detection systems	Creates a three dimensional image of bags to detect explosives and other nonmetallic items.	This technology is currently undergoing various types of testing, including operational testing. During fiscal year 2007, TSA procured 20 units to be deployed starting in 2008.
Whole body imagers	Provides two-dimensional, full-body images of all items on a passenger's body, including plastic explosives and concealed metallic, non-metallic, and ceramic or plastic objects.	TSA is conducting operational pilot testing of the whole body imager at three airports. If the testing is successful, TSA plans to procure and deploy the first units to airports during 2008.

Source TSA

Despite TSA's efforts to develop passenger checkpoint screening technologies, we reported that limited progress has been made in fielding explosives detection technology at airport checkpoints. For example, we reported that TSA had anticipated that the explosives trace portals would be in operation throughout the country during fiscal year 2007. However, due to performance and maintenance issues, TSA halted the acquisition and deployment of the portals in June 2006. As a result, TSA has fielded less than 25 percent of the 434 portals it projected it would deploy by fiscal year 2007. TSA officials are considering what to do with the portals that were procured and are currently in storage. In addition to the portals, TSA has fallen behind in its projected acquisition of other emerging screening technologies. For example, we reported that the acquisition of 91 Whole Body Imagers was previously delayed in part because TSA needed to develop a means to protect the privacy of passengers screened by this technology. TSA also reduced the initial number of the cast and prosthesis scanner units to be procured during fiscal year 2007 due to unexpected maintenance cost increases. Furthermore, fiscal year 2008 funding to procure additional cast and prosthesis scanners was shifted to procure more Whole Body Imagers and Advanced Technology Systems due to a change in priorities.

While TSA and DHS have taken steps to coordinate the research, development, and deployment of checkpoint technologies, we reported in February 2007 that challenges remained. For example, TSA and DHS S&T officials stated that they encountered difficulties in coordinating research and development efforts due to reorganizations within TSA and S&T. A senior TSA official further stated at the time that, while TSA and the DHS

S&T have executed a memorandum of understanding to establish the services that the Transportation Security Laboratory is to provide to TSA, coordination with S&T remained a challenge because the organizations had not fully implemented the terms of the agreement. Since our February 2007 testimony, according to TSA and S&T, coordination between them has improved.

We also reported that TSA did not have a strategic plan to guide its efforts to acquire and deploy screening technologies, and that a lack of a strategic plan or approach could limit TSA's ability to deploy emerging technologies at those airport locations deemed at highest risk. The Consolidated Appropriations Act, 2008, provides that, of TSA's appropriated funds for Transportation Security Support, $10,000,000 may not be obligated until the Secretary of Homeland Security submits to the House and Senate Committees on Appropriations detailed expenditure plans for checkpoint support and explosive detection systems refurbishment, procurement, and installation on an airport-by-airport basis for fiscal year 2008, along with the strategic plan for checkpoint technologies previously requested by the committees. The Act further requires that the expenditure and strategic plans be submitted no later than 60 days after the date of enactment of the Act (enacted December 26, 2007). According to TSA officials, they currently plan to submit the strategic plan to Congress by June 2008. We will continue to evaluate DHS S&T's and TSA's efforts to research, develop and deploy checkpoint screening technologies as part of our ongoing review.

TSA Has Taken Action to Strengthen Air Cargo Security, but Additional Efforts Are Needed

TSA has taken steps to enhance domestic and inbound air cargo security, but more work remains to strengthen this area of aviation security. For example, TSA has issued an Air Cargo Strategic Plan that focused on securing the domestic air cargo supply chain. However, in April 2007, we reported that this plan did not include goals and objectives for addressing the security of air cargo transported into the United States from another country, which presents different security challenges than cargo transported domestically.[29] We also reported that TSA had not conducted vulnerability assessments to identify the range of security weaknesses that could be exploited by terrorists related to air cargo operations, and recommended that TSA develop a methodology and schedule for completing these assessments. In response, in part, to our recommendation, TSA implemented an Air Cargo Vulnerability

[29] GAO, *Aviation Security: Federal Efforts to Secure U.S.-Bound Air Cargo Are in the Early Stages and Could Be Strengthened*, GAO-07-660 (Washington, D.C.: April 2007).

Assessment program and plans to complete assessments of all Category X airports by 2009. In addition, we also reported that TSA had established requirements for air carriers to randomly screen air cargo, but had exempted some domestic and inbound cargo from screening. To address these exemptions, TSA issued a security directive and emergency amendment in October 2006 to domestic and foreign air carriers operating within and from the United States that limited the screening exemptions. Moreover, based on our recommendation to systematically analyze compliance inspection results and use the results to target future inspections, TSA recently reported that the agency has increased the number of inspectors dedicated to conducting domestic air cargo compliance inspections, and has begun analyzing the results of these inspections to prioritize their inspections on those entities that have the highest rates of noncompliance, as well as newly approved entities that have yet to be inspected. With respect to inbound air cargo, we reported that TSA lacked an inspection plan with performance goals and measures for its inspection efforts, and recommended that TSA develop such a plan. In response to our recommendation, TSA officials stated that the agency formed an International Cargo Working Group to develop inspection prompts to guide inspectors in their examinations of foreign and U.S. air cargo operators departing from foreign locations to the United States.
In addition to taking steps to strengthen inspections of air cargo, TSA is working to enhance air cargo screening technologies. Specifically, we reported in October 2005 and again in April 2007 that TSA, working with DHS's S&T, was developing and pilot testing a number of technologies to assess their applicability to screening and securing air cargo. According to TSA officials, the agency will determine whether it will require the use of any of these technologies once it has completed its assessments and analyzed the results. Finally, TSA is taking steps to compile and analyze information on air cargo security practices used abroad to identify those that may strengthen DHS's overall air cargo security program, as we recommended. According to TSA officials, the agency reviewed foreign countries' models for screening air cargo, which is performed early in the supply chain by shippers and freight forwarders, when designing their Certified Cargo Screening Program. This program will assist TSA in meeting the requirement to screen 100 percent of air cargo transported on passenger aircraft by August 2010, as mandated by the Implementing Recommendations of the 9/11 Commission Act of 2007.[30]

[30] In fulfilling this mandate, DHS must provide for the screening of 50 percent of all cargo transported on passenger aircraft by February 2009, 18 months after enactment of the Act. See 49 U.S.C. § 44901(g).

TSA's Air Cargo Strategic Plan and Vulnerability Assessments Can Be Strengthened

DHS has taken steps towards applying a risk-based management approach to addressing air cargo security, including conducting assessments of the threats posed to air cargo operations. However, we have reported that opportunities exist to strengthen these efforts. Applying a risk management framework to decision making is one tool to help provide assurance that programs designed to combat terrorism are properly prioritized and focused. As part of TSA's risk-based approach, TSA issued an Air Cargo Strategic Plan in November 2003 that focused on securing the domestic air cargo supply chain. However, in April 2007, we reported that this plan did not does not include goals and objectives for addressing inbound air cargo security, or cargo that is transported into the United States from another country, which presents different security challenges than cargo transported domestically.[31] To ensure that a comprehensive strategy for securing inbound air cargo exists, we recommended that DHS develop a risk-based strategy to address inbound air cargo security that should define TSA's and CBP's responsibilities for ensuring the security of inbound air cargo. In response to our recommendation, CBP issued its International Air Cargo Security Strategic Plan in June 2007. While this plan identifies how CBP will partner with TSA, it does not specifically address TSA's responsibilities in securing inbound air cargo. According to TSA officials, the agency plans to revise its Air Cargo Strategic Plan during the third quarter of fiscal year 2008, and will incorporate a strategy for addressing inbound air cargo security, including how the agency will partner with CBP. TSA reported that the updated strategic plan will also incorporate the requirement that TSA develop a system to screen 100 percent of air cargo prior to its transport on passenger aircraft as required by the Implementing Recommendations of the 9/11 Commission Act of 2007.

In addition to developing a strategic plan, a risk management framework in the homeland security context should include risk assessments, which typically involve three key elements—threats, vulnerabilities, and criticality or consequence. Information from these three assessments provides input for setting priorities, evaluating alternatives, allocating resources, and monitoring security initiatives. In September 2005, TSA's Office of Intelligence completed an overall threat assessment for air cargo, which identified general and specific threats to both domestic and inbound air cargo. However, in October 2005, and again in April 2007, we

[31]See GAO-07-660.

reported that TSA had not conducted vulnerability assessments to identify the range of security weaknesses that could be exploited by terrorists related to air cargo operations, and recommended that TSA develop a methodology and schedule for completing these assessments.[32] In response, in part, to our recommendation, TSA implemented an Air Cargo Vulnerability Assessment program in November 2006. TSA officials reported that to date, the agency has completed vulnerability assessments at six domestic airports and plans to complete vulnerability assessments at all domestic Category X airports by 2009. Officials further stated that the results of these assessments will assist the agency with its efforts to collaborate with foreign governments to conduct joint assessments at foreign airports that will include a review of air cargo vulnerabilities.

TSA Is Working to Revise Inspection Exemptions, Enhance Its Compliance Inspection Acitivites, and Develop Technologies for Air Cargo

In October 2005 and April 2007, we also reported that TSA had established requirements for air carriers to randomly screen air cargo, but had exempted some domestic and inbound cargo from screening. We recommended that TSA examine the rationale for existing domestic and inbound air cargo screening exemptions and determine whether such exemptions left the air cargo system unacceptably vulnerable. TSA established a working group to examine the rationale for these exemptions, and in October 2006, issued a security directive and emergency amendment to domestic and foreign passenger air carriers operating within and from the United States that limited the screening exemptions.[33] The security directive and emergency amendment, however, did not apply to inbound air cargo. The Implementing Recommendations of the 9/11 Commission Act of 2007 requires DHS to conduct an assessment of screening exemptions granted under 49 U.S.C. § 44901(i)(1) for cargo transported on passenger aircraft and an analysis to assess the risk of maintaining such exemptions. According to TSA, the agency will propose a number of revisions to certain alternate means of screening for particular cargo types transported on passenger aircraft departing from both domestic and foreign locations in its assessment of current screening exemptions. Although this report was due to Congress by December 3, 2007, it has yet to be submitted.

[32] GAO, *Aviation Security*: Federal Action Needed to Strengthen Domestic Air Cargo Security, GAO-06-76 (Washington, D.C.: October 2005) and GAO-07-660.

[33] TSA also issued a security directive to passenger air carriers with flights operating from and/or within the United States in July 2007 further clarifying the air cargo screening exemptions. This security directive, however, did not apply to air carriers transporting cargo into the United States.

We also reported that TSA conducted compliance inspections of air carriers to ensure that they are meeting existing air cargo security requirements. However, in October 2005, we found that TSA had not developed measures to assess the adequacy of air carrier compliance with air cargo security requirements, or assessed the results of its domestic compliance inspections to target higher-risk air carriers or indirect air carriers for future reviews. TSA has since reported that the agency has increased the number of inspectors dedicated to conducting domestic air cargo inspections, and has begun analyzing the results of the compliance inspections to prioritize their inspections on those entities that have the highest rates of noncompliance, as well as newly approved entities that have yet to be inspected. With respect to inbound air cargo, we reported in April 2007 that TSA lacked an inspection plan with performance goals and measures for its inspection efforts, and recommended that TSA develop such a plan. In February 2008, TSA officials stated that the agency formed an International Cargo Working Group to develop inspection prompts to guide International Cargo Transportation Security Inspectors in their inspections of the various air cargo operations. According to TSA, using these prompts will allow the agency to evaluate both foreign and U.S. air cargo operators departing from foreign locations to the United States.

In addition to taking steps to strengthen inspections of air cargo, TSA is working to enhance air cargo screening technologies. Specifically, we reported in October 2005 and again in April 2007 that TSA, working with S&T, was developing and pilot testing a number of technologies to assess their applicability to screening and securing air cargo. These efforts included an air cargo explosives detection pilot program implemented at three airports; an EDS pilot program; an air cargo security seals pilot; the use of hardened unit-loading devices; and the use of pulsed fast neutron

analysis.[34] According to TSA officials, the agency will determine whether it will require the use of any of these technologies once it has completed its assessments and analyzed the results. As of February 2008, TSA has provided timeframes for completing one of these assessments, the EDS cargo pilot program. DHS officials added that once the department has determined which technologies it will approve for use for domestic air cargo, they will consider the use of these technologies for enhancing the security of inbound air cargo shipments. According to TSA officials, the federal government and the air cargo industry face several challenges that must be overcome to effectively implement any of these technologies to screen or secure air cargo. These challenges include factors such as the nature, type, and size of cargo to be screened; environmental and climatic conditions that could impact the functionality of screening equipment; slow screening throughput rates; staffing and training issues for individuals who screen air cargo; the location of air cargo facilities; the cost and availability of screening technologies; and employee health and safety concerns, such as worker exposure to radiation. According to TSA officials, there is no single technology capable of efficiently and effectively screening all types of air cargo for the full range of potential terrorist threats, including explosives and weapons of mass destruction.

TSA Has Taken Steps to Review Air Cargo Practices Used Abroad to Strengthen the Department's Overall Air Cargo Security Program

Our review of inbound air cargo security also identified some security practices that are currently not used by TSA but that could help strengthen the security of inbound and domestic air cargo supply chains. In April 2007, we recommended that TSA, in collaboration with foreign governments and the U.S. air cargo industry, systematically compile and analyze information on air cargo security practices used abroad to identify those that may strengthen the department's overall air cargo security program. TSA agreed with this recommendation and, since the issuance of our report, proposed a new program, the Certified Cargo Screening Program, to assist the agency in meeting the requirement to screen 100

[34] Specifically, the air cargo explosives detection program, implemented at three airports, tested the use of explosive detection systems, explosive trace detectors, standard X-ray machines, canine teams, technologies that can locate a stowaway, and manual screening of air cargo. The EDS pilot program tested the use of computer-aided tomography t o measure the densities of objectives in order to identify potential explosives in air cargo. Further, the air cargo security seals project is exploring the viability of potential security countermeasures, such as tamper-evident security seals. TSA is also testing the use of hardened unit-loading devices, which are containers made of blast-resistant material that could withstand an explosion onboard an aircraft. Finally, the use of pulsed fast neutron analysis, which allows for the identification of the material signatures of contraband, explosives, and other threat objects, is also being tested in the air cargo environment.

percent of air cargo transported on passenger aircraft by August 2010, as mandated by the Implementing Recommendations of the 9/11 Commission Act of 2007. According to TSA officials, the agency reviewed one foreign countries' model for screening air cargo, which is performed early in the supply chain by shippers and freight forwarders, when designing their Certified Cargo Screening Program. TSA officials stated that the intention of the Certified Cargo Screening Program is to allow large shippers and/or manufacturers, who are certified by TSA, referred to as TSA-Certified Cargo Screening Facilities, to screen air cargo before it leaves the factory. After screening, the cargo would be secured with a tamper resistant seal and transported to the airport for shipment. The air carriers will be responsible for ensuring that 100 percent of cargo that they accept for transport has been screened by the TSA-Certified Cargo Screening Facilities. The agency began pilot testing this program at one airport in January 2008 and plans to expand this pilot program to five other airports within three months. According to agency plans, TSA's proposed system for targeting specific domestic air cargo shipments, referred to as Freight Assessment, will also be incorporated into its strategy for screening 100 percent of air cargo. Specifically, the Freight Assessment System will identify elevated risk cargo at various points in the supply chain for additional scrutiny, which could include secondary screening. TSA is currently finalizing plans to pilot test this system. TSA, however, did not provide us with information on the duration of the pilot test or when the Freight Assessment System would be fully operational.

For fiscal year 2009, the President's budget includes a request of about $100 million for TSA's air cargo security program, Specifically, TSA is requesting $51.9 million for 450 air cargo inspectors, $26.5 million for 170 canine teams, and $15.9 million for the Certified Cargo Screening Program.[35]

[35]According to TSA, the funding requested for the Certified Cargo Screening Program could change if the agency has any contract activity in fiscal year 2008 for this program.

TSA Has Made Progress in Developing and Implementing the Secure Flight Program, but Can Further Strengthen Its Efforts

TSA has made substantial progress in instilling more discipline and rigor into Secure Flight's development and implementation since we last reported on the program in February 2007, but challenges remain that may hinder the program's progress moving forward. TSA developed a detailed concept of operations, established a cost and schedule baseline, and drafted key management and systems development documents, among other systems development efforts. TSA also has plans to integrate DHS's domestic and international watch-list matching functions, and has strengthened efforts to protect passenger information, including publishing a proposed rulemaking for the Secure Flight Program and privacy notices that address key privacy protection principles, consistent with our past recommendations. However, despite these successes, TSA continues to face some program management challenges in developing the program. Specifically, while TSA developed a life-cycle cost estimate and an integrated master schedule for Secure Flight, the program has not fully followed best practices that would help to ensure reliable and valid cost and schedule estimates, and the program schedule has experienced slippages. We also found that TSA can strengthen its systems development efforts by demonstrating that it has fully implemented its risk management plan, incorporated end-to-end testing[36] as part of the program's testing strategy, and more fully addressed system security requirements and vulnerabilities. We also found that DHS and TSA can strengthen their assessment of the current redress process for passengers who believe they were inappropriately inconvenienced during the watch-list matching process. TSA officials stated that they have considerably strengthened Secure Flight's systems development efforts, and have already taken or plan to take action to address the issues we identified.

TSA Has Made Progress in Strengthening Secure Flight's Development and Implementation

TSA has taken numerous steps to address previous GAO recommendations related to strengthening Secure Flight's development and implementation, as well as additional steps designed to strengthen the program.[37] TSA has, among other things, developed a detailed, conceptual description of how the system is to operate, commonly referred to as a concept of operations; established a cost and schedule baseline; developed

[36]End-to-end testing is conducted to verify that the entire system, including any external systems with which it interfaces, functions as intended in an operational environment.

[37]GAO, *Aviation Security: Secure Flight Development and Testing Under Way, but Risks Should Be Managed as System is Further Developed*, GAO-05-356 (Washington, D.C.: March 28, 2005); and GAO, *Aviation Security: Significant Management Challenges May Adversely Affect Implementation of the Transportation Security Administration's Secure Flight Program*, GAO-06-374T (Washington, D.C.: February 9, 2006).

security requirements; developed test plans; conducted outreach with key stakeholders; published a notice of proposed rulemaking on how Secure Flight is to operate; and issued a guide to key stakeholders (e.g., air carriers and CBP) that defines, among other things, system data requirements. Collectively, these efforts have enabled TSA to more effectively manage the program's' development and implementation.

TSA has also taken steps to integrate the domestic watch-list matching function with the international watch-list matching function currently operated by CBP. We previously reported that TSA was developing Secure Flight to conduct watch-list matching for passengers on domestic flights while, separately, CBP was revising its process for conducting watch-list matching for passengers on flights bound to and from the United States, with limited coordination in their efforts. We reported that this lack of coordination could result in a duplication of effort and conflicting results from domestic and international watch-list matching, as well as create burdens for air carriers who may have been required to operate two separate systems to conduct the domestic and international watch-list matching functions.[38] We recommended that DHS take additional steps and make key policy and technical decisions that were necessary to more fully coordinate these programs. TSA and CBP have since worked with DHS to develop a strategy called the One DHS Solution, which is to align the two agencies' domestic and international watch-list matching processes, information technology systems, and regulatory procedures to provide a seamless interface between DHS and the airline industry.[39] In line with this strategy, the agencies have agreed that TSA will take over international watch-list matching from CBP, with CBP continuing to perform, among other things, its border-related functions. Further, TSA and CBP have coordinated their efforts to facilitate consistency across their programs. For example, in August 2007, they jointly developed and issued a user's guide to the airlines and other stakeholders specifying the data that agencies will need to request from passengers in the future to minimize the

[38]See GAO-07-448T.

[39]In August 2007, DHS took two regulatory actions : (1) CBP issued the Advance Passenger Information System (APIS) pre-departure final rule, which requires air carriers to submit passenger manifest information for international flights departing from or arriving in the United States to CBP prior to securing the aircraft (72 Fed. Reg. 48,320 (Aug. 23, 2007)); and (2) TSA issued the Secure Flight Notice of Proposed Rulemaking (NPRM), which identifies DHS' plans to assume watch-list matching responsibilities from air carriers for domestic flights. (72 Fed. Reg. 48,356 (Aug. 23, 2007)).

impact on systems programming due to the integration of the two programs. TSA and CBP officials plan to pursue further integration as they progress towards developing and implementing the watch-list matching function for international flights.

TSA has also taken steps to address key privacy principles in plans to protect private passenger information for the Secure Flight program. We previously reported that TSA, as part of its requirements development process, had not clearly identified the privacy impacts of the Secure Flight system or the full actions it planned to take to mitigate them. Specifically, we reported that TSA had not made final determinations about its requirements for passenger data, and the program's systems development documentation did not fully address how passenger privacy protections were to be met and, as a result, it was not possible to assess potential system impacts on individual privacy protections. We also reported that TSA violated provisions of the Privacy Act by not fully disclosing its use of personal information during systems testing.[40] In March 2005, we recommended that TSA specify how Secure Flight will protect personal privacy.[41] In August 2007, TSA published, for public comment, the required privacy impact assessment[42] and system of records notice[43] that address key privacy protection principles. For example, these notices describe the information that will be collected from passengers and air carriers, as well as the purpose and planned uses of the data to be collected.[44] TSA also developed a Program Privacy Architecture describing key aspects of TSA's

[40]*See* GAO, *Aviation Security: Transportation Security Administration Did Not Fully Disclose Uses of Personal Information during Secure Flight Program Testing in Initial Privacy Notices, but Has Recently Taken Steps to More Fully Inform the Public*, GAO-05-864R (Washington, D.C.: July 22, 2005).

[41]See GAO-05-356.

[42]The E-Government Act of 2002 requires agencies to conduct privacy impact assessments (PIA). Pub. L. No. 107-347, § 208, 116 Stat. 2899, 2921-23 (2002). A PIA is an analysis of how personal information is collected, stored, shared, and managed in a federal system. Agencies are required to make their PIAs publicly available.

[43]The Privacy Act places limitations on agencies' collection, disclosure, and use of personal information maintained in systems of records and requires agencies to publish a public notice, known as a System of Records Notice (SORN), in the Federal Register. See 5 U.S.C. § 552a.

[44]TSA will not issue final notices until it completes its evaluation of public comments on notice of proposed rulemaking. The comment period for the Secure Flight rulemaking closed on November 21, 2007.

plans to protect private passenger information, such as embedding privacy experts into program teams, developing privacy requirements documentation, and implementing technical controls to protect privacy such as network security controls. We will continue to monitor their efforts as part of our ongoing work to ensure that privacy protections continue to be appropriately considered.

TSA Has Not Fully Followed Best Practices for Developing Reliable and Valid Cost and Schedule Estimates for Secure Flight

Although TSA has developed a life-cycle cost estimate and maintains an integrated master schedule for Secure Flight, the program has not fully followed best practices for developing reliable and valid cost and schedule estimates, and several program milestones have been missed or have slipped. The Office of Management and Budget (OMB) endorsed the use[45]of GAO's Cost Assessment Guide in the development of life-cycle cost and program schedule estimates.[46] The ability to generate reliable cost and schedule estimates is a critical function necessary to support OMB's capital programming process. Without adhering to these best practices in the development of its cost and schedule estimates, TSA is at risk of the Secure Flight program experiencing cost overruns, missed deadlines, and performance shortfalls.

Life-cycle cost estimate. We found that TSA has not fully followed best practices for developing a reliable and valid life-cycle cost estimate. Using our Cost Assessment Guide's 12-step process for creating cost estimates, we assessed the Secure Flight cost estimate against these best practices. The Guide outlines a 12-step process, which if followed correctly, should result in high quality, reliable, and valid cost estimates.[47] DHS's Cost -

[45]OMB's Capital Programming Guide (Supplement to Office of Management and Budget Circular A-11, Part 7: Planning, Budgeting, and Acquisition of Capital Assets) identifies that there are certain key criteria that OMB will look for in the justification of spending for proposed new capital assets including credible cost estimates. Appendix 9 of the guide identifies that following the guidelines in GAO's Cost Assessment Guide will help agencies meet most cost estimating requirements.

[46]See GAO, *Cost Assessment Guide: Best Practices for Estimating and Managing Program Costs, Exposure Draft*, GAO-07-1134SP (Washington, D.C.: July 2007).

[47] The 12 steps involved in developing a high-quality cost estimating process are 1) define the estimate's purpose, 2) develop the estimating plan, 3) define the program, 4) determine the estimating structure, 5) identify ground rules and assumptions, 6) obtain the data, 7) develop the point estimate and compare it to an independent cost estimate, 8) conduct sensitivity analysis, 9) conduct risk and uncertainty analysis, 10) document the estimate,

Benefit Analysis Guidebook, which TSA program officials stated that TSA used to develop the life-cycle cost estimate for Secure Flight, contains most of the best practices outlined in our Guide. TSA followed some of these practices in developing its cost estimate, including defining the purpose of the program and estimate purpose; identifying many program cost elements, including expenditures for facilities, hardware, and software; and identifying the numbers of staff, their pay, and associated travel and training costs, among other elements. However, it is unclear whether TSA followed other best practices or did not address the practices in developing its estimate. For example, it is unclear whether the cost estimate had been updated to reflect the current program because the detailed support for the estimate was produced between 2004 and 2006, and does not reflect the current program plan. In addition, the cost estimate does not capture all key costs. For example, the estimate does not capture costs beyond 2012 even though the system is expected to be operational beyond that date. Secure Flight's Acquisition Program Baseline states that life-cycle costs will run from FY 2002 through FY 2020 and assumes operations of the program through 2020. The cost estimate documentation also did not provide a step-by-step description of the cost estimating process, data sources, and methods used to develop the underlying cost elements consistent with best practices. Finally, TSA did not analyze the amount of certainty it had in its estimate and an independent cost estimate was not developed to assess the reasonableness of the estimate, consistent with best practices. TSA officials stated that the program's cost figures were updated in 2007 and continue to be updated as changes warrant. Officials further stated that their estimates were prepared in accordance with DHS and OMB guidance and were reviewed and approved by DHS and OMB. However, without adhering to the best practices discussed above, as recommended by OMB, TSA's cost estimate may not provide a meaningful baseline from which to track progress, and effectively support investment decision making.

Schedule estimate. We found that TSA also did not fully follow best practices for developing a reliable and valid schedule estimate. GAO's Cost Assessment Guide includes 9 best practices, which if followed correctly, should result in high quality, reliable, and valid schedule estimates.[48] Without a reliable schedule baseline and careful monitoring of

11) present estimate to management, and 12) update the estimate to reflect actual costs and changes.

[48]The 9 best practices are 1) capturing key activities, 2) sequencing key activities, 3) establishing the duration of key activities, 4) establishing the critical path for key activities,

its status, a program may not be able to determine when forecasted completion dates differ from planned dates. TSA has made progress in developing a reliable and valid schedule estimate, including capturing key activities and accounting for the development of program requirements and testing. However, TSA officials could not provide evidence that their scheduling software can produce a critical path (i.e., the longest path of sequential activities in a schedule) driven by discrete lower level tasks. Best practices call for the critical path to be generated using scheduling software. We also found that the schedule is not fully integrated because several lower level activities were not connected in a logical manner, as called for by best practices. As a result, the Secure Flight schedule estimate may not provide a meaningful benchmark from which to gauge progress, identify and address potential problems, and make informed decisions. For example, the inability to institute a reliable schedule could affect TSA's ability to effectively measure contractor performance in meeting deliverables. TSA officials stated that their scheduling software can create a critical path, and that lower level tasks in their schedule were logically linked together; however, they did not provide evidence that supported this.

Since TSA completed a re-baselining of the Secure Flight program, and began using its current schedule, the program has missed milestones and experienced schedule slippages. For example, while TSA reports that it has met most of its March 2007 schedule milestones to date, the August 2007 milestone for developing memoranda of understanding and other written agreements (e.g. service level agreements) with key Secure Flight stakeholders (e.g. CBP) was missed and has not yet been met. TSA officials attributed schedule slippages in part to an extension in the Secure Flight rulemaking comment period and underestimating the time needed to complete key activities. In addition, TSA has not conducted a schedule risk analysis to determine the level of confidence it has in meeting the system's completion date, and has not conducted a cost and schedule risk assessment, consistent with best practices. The cost and schedule risk assessment recognizes the inter-relationship between schedule and cost and captures the risk that schedule durations and cost estimates may vary due to, among other things, limited data, optimistic estimating, technical

5) assigning resources to key activities, 6) identifying "float time" between key activities, 7) distributing reserves to high risk activities (including conducting an independent cost estimate), 8) integrating key activities horizontally–to link products and outcomes associated with already sequenced activities–and vertically–to ensure that traceability exists among varying levels of activities and supporting tasks, and 9) completing schedule risk analysis.

challenges, lack of qualified personnel, and too few staff to do the work. Without these assessments, TSA has less assurance that it is effectively managing risk associated with Secure Flight's cost and schedule. We will continue to assess TSA's life-cycle cost and schedule estimates as part of our ongoing review of the Secure Flight Program.

TSA Has Made Progress in Strengthening Secure Flight's Development, but Can Further Strengthen Efforts

While TSA has taken numerous steps to strengthen the development of Secure Flight, additional challenges remain. These challenges include: 1) implementing the program's risk management plan, 2) planning and conducting end-to-end testing as part of their overall parallel testing strategy, and 3) addressing information security requirements and vulnerabilities.

Risk management. In October 2006, TSA issued a risk management plan for identifying, managing, and mitigating Secure Flight program risks that was consistent with relevant guidance and best practices. TSA also acquired an electronic tool to guide its risk management efforts. However, TSA has not yet provided us with evidence that it has implemented all aspects of the plan, including developing an inventory of risks and related information to demonstrate that its risk management tool has been populated and is being used to identify, prioritize, mitigate, and monitor risk. Federal guidance and related best practices recognize the importance of proactively managing risks during systems development and implementation,[49] and advocate a program's use of a risk management plan. However, although TSA developed a risk management plan, the agency only recently, in December 2007, established a risk management board to manage program risks as called for by the plan. TSA officials stated that the risk management board has met three times since December 2007, and, in January 2008, compiled an updated and consolidated inventory of all program risks, including ranking and mitigation strategies. However, TSA officials have not provided us with documentation identifying the board's activities and resulting risk inventory. Prior to December 2007, in lieu of a formal risk management board, program officials stated that each project team addressed risks as part of biweekly project management meetings. However, we found these efforts to be limited in that the risks discussed did not include priority rankings such as probability and impact, and many did not have mitigation strategies, as required by the program's risk management plan. In

[49]See, for example, Software Engineering Institute, *Capability Maturity Model Integration (CMMI) for Development, Guidelines for Process Integration and Product Improvement*, Second Edition, Version 1.2 (May 2007).

November 2007, TSA hired a risk management coordinator, a position that had been vacant since June 2007. According to program officials, the coordinator has been tasked with supporting the risk management board in implementing the risk management plan and has provided related training for its members. Secure Flight officials stated that although they have not fully implemented their risk management plan, they believe that they are effectively managing program risks through the methods previously discussed, and that over the past few months, have enhanced their risk management efforts. However, until the risk management plan is appropriately implemented, there is an increased chance that program risks will not be proactively mitigated and may result in program cost overruns and schedule and performance shortfalls. We will continue to assess TSA's efforts to mange risk as part of our ongoing review of Secure Flight.

End-to-end test planning. Secure Flight does not fully outline plans for end-to-end testing in its overall test and evaluation plan, or other test plans. Federal guidance and related best practices recommend end-to-end testing to verify that the systems that collectively support a program like Secure Flight will interoperate as intended in an operational environment, either actual or simulated.[50] We reported in March 2005 on the importance of Secure Flight end-to-end testing and recommended that TSA perform such testing.[51] TSA agreed with this recommendation. However, Secure Flight's current test and evaluation master plan only outlines plans for partner organizational entities (e.g., CBP for integration of international watch-list functions) to test their respective parts of the system on their own—rather than a coordinated end-to-end test involving all parties. TSA developed a preliminary working draft of an end-to-end testing strategy, called the parallel testing strategy. However, the plan does not contain provisions for (1) testing that ensures that supporting systems will operate as intended in an operational environment, (2) definitions and dates for key milestone activities and parties responsible for completing them, or (3) the revision of other test plans, such as the test and evaluation master plan, to reflect the performance of end-to-end tests. Secure Flight officials stated that they plan to conduct full end-to-end testing of the program, beginning in the Spring of 2008, and that they will reflect this testing in test

[50]Risks of testing in the production environment must be thoroughly analyzed and precautions taken to preclude damage to systems and data. See GAO, *Year 2000 Computing Crisis: A Testing Guide*, GAO/AIMD-10.1.21 (Washington. D.C.: November 1998).

[51]See GAO-05-356.

plans that are still under development. While we commend TSA's plans to conduct end-to-end testing, the draft of TSA's test plan that discusses end-to-end testing does not define a scope that extends to all aspects of the program. Until TSA has well-defined and approved end-to-end test plans and procedures, it will be challenged in its ability to demonstrate that Secure Flight will perform in a way that will allow it to achieve intended program outcomes and results. We will continue to assess TSA's testing strategy, to include end-to-end testing, as part of our ongoing review of the program.

Information security. While the Secure Flight program office has completed important steps to incorporate security into the system's development, it has not fully completed other steps to ensure security is effectively addressed. Federal standards and guidance identify the need to address information security throughout the life-cycle of information systems, and specifies a minimum set of security steps needed to effectively incorporate security into a system during its development.[52] The Secure Flight program has performed several steps that incorporate security into the system's development, including performing a security risk assessment, identifying and documenting recommended security control requirements, and testing and evaluating security controls for the system and incorporating identified weaknesses in remedial action plans. However, other steps pertaining to ensuring that security requirements are tested, preparing security documentation, and conducting certification and accreditation activities were not adequately completed.[53] For example, security requirements planned for Release One did not always trace to test activities for this release.[54] Program officials stated that some security requirements were deferred until future releases due to delays in funding for acquiring specific hardware and other requirements require

[52]National Institute of Standards and Technology (NIST), Technology Administration, U.S. Department of Commerce, *Security Considerations in the Information System Development Life-Cycle*, NIST Special Publication 800-64 (Gaithersburg, Md: June 2004).

[53]OMB requires that agency management officials formally authorize their information systems to process information and accept the risk associated with their operation. This management authorization (accreditation) is to be supported by a formal technical evaluation (certification) of the management, operational, and technical controls established in an information system's security plan. See GAO, *Information Security: Although Progress Reported, Federal Agencies Need to Resolve Significant Deficiencies*, GAO-08-496T, (Washington, D.C.: February 14, 2008).

[54]These activities include 1) system testing performed as part of software development, and 2) security test and evaluation performed as part of certification and accreditation.

coordination with the information system security official to verify whether they were tested as part of security test and evaluation. In addition, security documentation contained incorrect or incomplete information. To illustrate, the systems security plan did not identify all interconnecting systems that Secure Flight will interface with, such as those operated by the DHS Watch-List Service, the organization that will transmit the watch-list to Secure Flight. Program officials stated that security documentation was outdated or incorrect because there was insufficient time to update the documentation for changes in the computing environment and security requirements.

Furthermore, program officials granted an authorization to operate—one of three possible accreditation decisions made in the certification and accreditation process—although the system had 46 known vulnerabilities, including 11 high-risk and 27 moderate-risk vulnerabilities and the controls had not yet been implemented.[55] Federal guidance as well as DHS policy provide for an interim authority to operate accreditation when significant restrictions or limitations exist and certain deficiencies and corrective actions need to be addressed within a specified period. Although security officials identified plans of actions and milestones for addressing the vulnerabilities within 60 and 90 days for the high and moderate risks, respectively, given their significance, an interim authorization to operate would be the more appropriate determination. In addition, hardware components used to implement controls over user identity and account management (i.e., authentication, logins and passwords, and user roles and privileges), as well as the alternate processing site had not yet been implemented. Once implemented, the security controls over these components could have an impact on the information security and, therefore, may require a re-accreditation. Program officials chose the authority to operate accreditation because they asserted that the DHS Chief Information Security Officer does not allow interim authorizations. If these security activities are not completed, there is an increased risk that key security controls and requirements may not be fully developed, tested, implemented or documented.

[55]TSA defines high-risk vulnerabilities as those where there is a strong need for corrective measures, the probability of serious incident is likely and risks are not normally acceptable, corrective action plans must in place as soon as possible, and the authorization to operate may be receded or not granted. Moderate-risk vulnerabilities are those where the probability of incident is elevated, with increased probability of unauthorized disclosure or disruption of operations, and risks are probably not acceptable.

DHS and TSA Lack Performance Measures to Fully Evaluate the Effectiveness of the Redress Process, But Plan Additional Measures under Secure Flight

DHS and TSA have not developed a complete set of performance measures to assess the effectiveness of the redress process for passengers inconvenienced as a result of watch-list matching.[56] Measuring performance allows organizations to track the progress they are making toward their goals and gives managers critical information on which to base decisions for improving their programs. DHS and TSA are developing additional measures for the redress process that they plan to implement when Secure Flight becomes operational.

TSA, supported by the Terrorist Screening Center, provides opportunities for airline passengers to seek redress in cases where they experienced inconveniences during the check-in and screening processes due to the possibility they have been misidentified as being on or wrongly assigned to the terrorist watch-list.[57] The redress process enables these individuals to file an inquiry to have erroneous information corrected in DHS systems that may prevent future delays and inconveniences at the airport. In February 2007, DHS established the Traveler Redress Inquiry Program (TRIP) to serve as the central processing point within the department for redress inquiries. TSA's Office of Transportation Security Redress (OTSR) is responsible for reviewing redress inquiries submitted by air passengers through TRIP. According to a DHS official, in addition to handling redress applications, TRIP officials review, attempt to address, and respond to written complaint letters received from individuals who have gone through the redress process but are still experiencing screening issues.

TRIP and OTSR's redress program goals are to process redress applications as quickly and as accurately as possible. However, to measure program performance against these goals, TRIP and OTSR currently track only one measure for redress related to the timeliness of case completion, and do not track any performance measures related to program accuracy. Previous GAO work identified that agencies successful in evaluating performance had measures that used attributes from GAO's best practices.[58] Specifically, our previous work identified that agencies

[56]In general, performance measures are indicators, statistics, or metrics used to gauge program performance.

[57]The term "misidentified" refers to a person initially matched by a screening entity to a name on the watch-list, but upon closer examination, the person is found to not match any watch-list record.

[58]GAO, *Tax Administration: IRS Needs to Further Refine Its Tax Filing Season Performance Measures*, GAO-03-143, (Washington, D.C.: November 22, 2002).

successful in evaluating performance had measures that demonstrated results, covered multiple priorities, provided useful information for decision making, and successfully addressed important and varied aspects of program performance. TRIP and OTSR officials stated that they do not plan to develop additional performance measures, such as measures related to accuracy of the redress process, but rather are awaiting the implementation of Secure Flight to determine the program's impact on the redress process before creating additional measures. Secure Flight is intended to reduce the inconveniences experienced by air passengers by taking over from air carriers the responsibility for prescreening passengers in order to ensure consistent and effective use of the cleared list,[59] which should impact the effectiveness of the redress process.[60]

In addition to TRIP and OTSR's performance measures for the redress process, the Secure Flight program office is working with OTSR to develop redress performance measures for the Secure Flight Program. As we reported in February 2007, Secure Flight will use the TSA redress process that is currently available for individuals affected by the air carrier identity-matching processes. Secure Flight is coordinating with OTSR to determine how this process will be integrated with other Secure Flight requirements. Secure Flight and OTSR are jointly developing a set of performance measures and targets covering multiple priorities for redress that are to be implemented when Secure Flight becomes operational, and officials told us that they will follow best practices in the development of these measures.

While we commend TSA for developing redress performance measures for the Secure Flight Program, since the program is not scheduled to be implemented until January 2009, DHS and OTSR's current redress process lacks a complete set of measures with which they can assess performance and make program improvements. Since measures are often the key motivators of performance and goal achievement, the program's overall success is at risk if all priorities are not addressed and information is not

[59]The cleared list contains the names and other personal identifying information of individuals who have gone through the redress process and have been checked and cleared as being persons not on the No Fly or Selectee lists.

[60]Under Secure Flight, as described by TSA's notice of proposed rulemaking, TSA plans to introduce a unique redress number that would enable Secure Flight to "pre-clear" individuals who have previously been misidentified, have gone through the redress process, and who provide additional identifying information when making a reservation. TSA expects this to reduce the likelihood of travel delays at check-in for those passengers.

obtained to make future adjustments and improvements to the program. By developing and implementing measures that address all program goals now, to include measures related to program accuracy, DHS and TSA would have performance data that would allow them to better manage the redress process in place today, identify and correct any weaknesses, and help to ensure accountability towards the traveling public that the process is effective. Moreover, such performance data would provide a baseline against which to benchmark Secure Flight's progress and planned improvements to the redress process.

Conclusions

DHS and TSA have undertaken numerous initiatives to strengthen the security of the nation's aviation system, and should be commended for these efforts. More specifically, TSA developed processes to more efficiently allocate and deploy the TSO workforce, strengthened screening procedures, is working to develop and deploy more effective screening technologies, strengthened the security of air cargo, and improved the development of a program to prescreen passengers against the terrorist watch-list. However, opportunities exist to further strengthen these efforts, in particular in the areas of risk management and program planning and monitoring. Our work has shown—in homeland security and in other areas—that a comprehensive risk management approach can help inform decision makers in the allocation of finite resources to the areas of greatest need. We are encouraged that risk management has been a cornerstone of DHS and TSA policy, and that TSA has implemented risk-based decision making into a number of its efforts. Despite this commitment, however, TSA will continue to face difficult decisions and trade-offs—particularly as threats to commercial aviation evolve—regarding acceptable levels of risk and the need to balance security with efficiency and customer service. We recognize that doing so will not be easy. In implementing a risk-based approach, DHS and TSA must also address the challenges we identified in our work related to program planning and monitoring. Without rigorous planning and monitoring, and knowledge of the effectiveness of aviation security programs implemented, DHS and TSA cannot be sure that they are focusing their finite resources on the areas of greatest need, and that security programs implemented are achieving their desired purpose.

One area in which TSA has made considerable progress is in the development and implementation of the Secure Flight Program. Since we last reported on the program in February 2007, TSA has instilled more discipline and rigor into the systems development, and has completed key development and privacy protection activities. Despite this progress, however, it is important that TSA continue to work to strengthen the management of the program. TSA needs to take immediate and strong

actions to keep the program on track and increase the likelihood that it will successfully implement Secure Flight on time, within budget and meeting all performance expectations. We found that TSA did not fully follow best practices for developing Secure Flight's life-cycle cost and schedule estimates. The ability to generate reliable cost and schedule estimates is a critical function necessary to support the Office of Management and Budget capital programming process. Without adhering to these best practices in the development of its cost and schedule estimates, TSA is at risk of the Secure Flight Program experiencing cost overruns, missed deadlines, and performance shortfalls. In order to help inform management's decisions regarding the program and assist them in providing effective program oversight, it is also important that TSA fully implement the provisions in the program's risk management plan to include developing an inventory of risks and reporting the status of risks to management. TSA should also work to plan for complete end-to-end testing of the system to ensure that all interrelated components operate as intended, and strengthen key security controls and activities for the program, including ensuring that security requirements are tested and implemented, and that security documentation is maintained and updated. It is also important that TSA ensure that security risks are addressed in action plans, and that security risks are appropriately monitored so that the system is protected from unauthorized users and abuse. Finally, with respect to passenger redress, DHS and TSA should more thoroughly assess the effectiveness of the current redress process, to include the development of additional performance measures that assess program accuracy, a key goal of the program.

Recommendations for Executive Action

To assist TSA in further strengthening the development and implementation of the Secure Flight program, we recommend that the Secretary of Homeland Security direct the Assistant Secretary of the Transportation Security Administration to take the following three actions:

- Fully incorporate best practices into the development of Secure Flight life-cycle cost and schedule estimates, to include:
    - updating life-cycle cost and schedule estimates;
    - demonstrating that the Secure Flight schedule has the logic in place to identify the critical path, integrates lower level activities in a logical manner, and identifies the level of confidence in meeting the desired end date; and
    - developing and implementing a plan for managing and mitigating cost and schedule risks, including performing a schedule risk analysis and a cost and schedule risk assessment.

- Fully implement the provisions in the program's risk management plan to include developing an inventory of risks with prioritization and mitigation strategies, report the status of risks and progress to management, and maintain documentation of these efforts.

- Finalize and approve Secure Flight's end-to-end testing strategy, and incorporate end-to-end testing requirements in other relevant test plans, to include the test and evaluation master plan. The strategy and plans should contain provisions for:

    - testing that ensures that the interrelated systems that collectively support Secure Flight will interoperate as intended in an operational environment; and
    - defining and setting dates for key milestone activities and identifying who is responsible for completing each of those milestones and when.

We further recommend that the Secretary of Homeland Security direct the TSA Chief Information Officer to take the following three actions regarding information security for the Secure Flight Program:

- coordinate with Secure Flight program officials to ensure security requirements are tested and implemented;

- maintain and update security documentation to align with the current or planned Secure Flight computing environment, including interconnection agreements, in support of certification and accreditation activities; and

- correct identified high and moderate risk vulnerabilities, as addressed in remedial action plans, and assess changes to the computing environment to determine whether re-accreditation of the system is warranted.

Finally, to ensure that DHS is able to fully assess the effectiveness of the current redress process for passengers who may have been misidentified during the watch-list matching process, we recommend that the Secretary of Homeland Security and the Assistant Secretary of the Transportation Security Administration re-evaluate redress performance measures and consider creating and implementing additional measures that, consistent with best practices, demonstrate results, cover multiple priorities, and provide useful information for decision making. These measures should

further address all program goals, to include the accuracy of the redress process.

Agency Comments and Our Evaluation

We provided a draft of information included in this statement related to our recently completed work on Secure Flight to DHS and TSA for review and comment. We incorporated technical changes to this statement based on TSA's comments. In commenting on this information, DHS and TSA generally agreed with our recommendations.

Contacts and Acknowledgements

For further information on this testimony, please contact Cathleen A. Berrick at (202) 512-3404 or berrickc@gao.gov, or Gregory C. Wilshusen at (202) 512-6244 or wilshuseng@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement.

In addition to the contacts named above, Don Adams, Idris Adjerid, Kristy Brown, Chris Currie, Katherine Davis, John DeFerrari, Joe Dewechter, Jennifer Echard, Eric Erdman, Randolph Hite, James Houtz, Anne Laffoon, Thomas Lombardi, Gary Malavenda, Steve Morris, Sara Margraf, Vernetta Marquis, Vickie Miller, Gary Mountjoy, David Plocher, Jamie Pressman, Karen Richey, Karl Seifert, Maria Strudwick, Meg Ullengren, Margaret Vo, and Jenniffer Wilson made contributions to this testimony.

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Mr. PRICE. Thank you, very much. Mr. Bennett.

STATEMENT OF MR. JAMES E. BENNETT, PRESIDENT AND CEO, METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Mr. BENNETT. Thank you, Mr. Chairman, Mr. Rogers, and members of the subcommittee. I appreciate the opportunity to offer the views of the airport community here today.

Today's hearing is timely, given the situation thats exist at airports, as TSA struggles to make its current labor-intensive passenger and baggage screening model work in the face of growing passenger levels. The strains are clearly showing.

With an additional 300 million travelers expected to take to the skies in the near future, putting a band-aid on today's screening system simply cannot work in the long term. The problems today are not only an inconvenience for the traveling public, but they also represent a serious security threat. Long lines in airport terminals and at the screening checkpoint do not equal better aviation security.

In the view of airport professionals, rapidly deploying enhanced technology for baggage and passenger screening and resisting the urge to expand the mission of the federal government into inherently local security responsibilities at airports are key in the ongoing efforts to enhance efficiency and accuracy in aviation security. In the checked baggage arena, the benefits of moving explosive detection equipment from crowded airport lobbies into the integrated in-line systems are evident.

This subcommittee has long supported funding for in-line projects and airport professionals are grateful for your leadership. Unfortunately, we are literally billions of dollars in necessary investments away from having optimal systems in place at all airports where they make sense. The longer we wait, the more expensive these projects get. Cost estimates at Washington-Dulles airport alone run at nearly $237 million, some $115 million more than just a few years ago, thanks to increased construction material costs and other factors. We need more funding for in-line projects. Additionally, we need Congress to insist that a portion of those funds be distributed via the multi-year letter-of-intent mechanisms included as part of the 9/11 Act signed into law last year.

Multi-year LOIs enable TSA to spur airports to leverage their resources to begin in-line projects with a promise of federal reimbursement. In-line systems in major airports, including Denver, Atlanta, and Seattle, were all built under LOIs signed in 2002 and 2003. At many larger facilities, like Washington-Dulles, the LOI approach is one of the few viable options that exist for moving forward for in-line systems. Yearly grants from TSA simply don't offer enough funding certainty. I urge you to insist that the TSA issue LOIs to airports, as required by the 9/11 Act. This issue is too important to allow OMB to thwart the will of Congress.

Moving to passenger screening, there are two programs that merit particular attention and support. The first is the Registered Traveler program, which holds great promise in allowing TSA to more effectively focus scarce resources on those who pose the greatest threat to the aviation system. We appreciate the support TSA has offered in moving this program forward to this point. However,

more can be done to improve the RT's program effectiveness as a security tool.

In addition, the checkpoint of the future concept also merits support with one cautionary warning. Airports must be involved in the rollout of new technology as soon as possible in the process. As past experiences with initial deployment of checked baggage screening systems proved, a lack of consultation with airport operators will increase long-term costs and potentially hamper the efficient deployment of critical technology. TSA must be prepared to quickly pay for any terminal modifications that may be necessary to support this program.

Finally, I want to emphasize the importance of keeping TSA focused on its primary mission of passenger and baggage screening. Unfortunately, some have suggested expanding the reach of TSA to include responsibilities that have been performed by airports, as local public entities, for more than 30 years, including perimeter security, incident response, credentialing, and access control to secured areas. Expanding TSA's already daunting mission into inherently local security responsibilities will diminish security and divert scarce federal resources. Airport personnel involved in these functions are highly-trained public safety professionals with first responder responsibilities. The best approach moving forward from a security perspective is to maintain local control backed by federal standards, federal oversight, and federal resources.

Before closing, I would like to briefly mention the issue of airport employee screening, given the interest of the subcommittee on that topic. Several years ago, I was part of a small group of airport professionals that traveled to the U.K. with DHS and TSA officials to look at the European model of screening employees. After a considerable study and debate, a decision was made by DHS and TSA to reject plans to implement a European-type system of physically screening U.S. airport workers, because of the unique nature of the U.S. aviation system and the astronomical cost of building the infrastructure necessary to meet that requirement.

Airport professionals agree with the decision and believe that 100 percent physical screening of airport workers would result in the diversion of billions of dollars of scare resources with little, if any, security benefit. In our view, the best approach to addressing the insider threat, while improving the aviation security environment, is through the deployment of sustainable approaches, including enhanced background checks for workers, increased random physical inspections, and additional technology in the field. Airport professionals are committed to the continued improvement of security at their facilities. We pledge our continued support to TSA and this subcommittee in achieving our shared goals of a more secure and efficient aviation system.

Thank you, Mr. Chairman. I look forward to answering any questions.

[The information follows:]

House Committee on Appropriations
Subcommittee on Homeland Security

Witness Disclosure Form

Clause 2(g) of rule XI of the Rules of the House of Representatives requires non-governmental witnesses to disclose to the Committee the following information. A non-governmental witness is any witness appearing on behalf of himself/herself or on behalf of an organization other than a federal agency, or a state, local or tribal government.

Your Name, Business Address, and Telephone Number:
James E. Bennett
President and Chief Executive Officer
Metropolitan Washington Airports Authority
1 Aviation Circle
Washington, D.C. 20001-6000
T – (703) 417-8610

1. Are you appearing on behalf of yourself or a non-governmental organization? Please list organization(s) you are representing?

I appeared on behalf of the American Association of Airport Executives (AAAE) and the Metropolitan Washington Airports Authority before the House Appropriations Subcommittee on Homeland Security on February 28, 2008.

2. Have you or any organization you are representing received any Federal grants or contracts (including any subgrants or subcontracts) since October 1, 2004?

Yes No

Yes, the Metropolitan Washington Airports Authority has received Federal grants since October 1, 2004.

3. If your response to question # 2 is "Yes", please list the amount and source (by agency and program) of each grant or contract, and indicate whether the recipient of such grant or contract was you or the organization(s) you are representing.

Please see attached Schedule of Federal Grants/OTA for the Period October 2004 through February 2008.

Signature: Date: 4/9/08

Please attach a copy of this form, along with your curriculum vitae (resume) to your written testimony. Fax this form to the subcommittee office at (202) 225-9069.

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY
SCHEDULE OF FEDERAL GRANT / OTA
FOR THE PERIOD OCTOBER 2004 THROUGH FEBRUARY 2008

DIRECT / PASS-THROUGH GRANTOR PROGRAM PROGRAM / AWARD NUMBER / TITLE	AWARD INFORMATION CFDA Program Number	DIRECT OR PASS-THROUGH	Amount
I. DIRECT AWARDS			
U.S. DEPARTMENT OF TRANSPORTATION			
Federal Aviation Administration (FAA)			
Airport Improvement Program			
3-51-0083-18 - DCA - Conduct Noise Compatibility Plan II	20.106	D	$ 341,841
3-51-0083-21 - DCA - Security Enhancements I	20.106	D	$ 1,943,924
3-51-0083-22 - DCA - Security Enhancements II	20.106	D	$ 2,500,000
3-51-0083-26 - IAD - Security Infrastructure	20.106	D	$ 3,450,000
3-51-0083-27 - IAD - Construct Northwest Parking Apron	20.106	D	$ 156,301
3-51-0083-28 - IAD - Security Enhancements I	20.106	D	$ 2,500,000
3-51-0083-30 - IAD - Install Taxiway Lighting/SMGCS	20.106	D	$ 3,481,606
3-51-0083-31 - IAD - Rehabilitate Runway 12/30	20.106	D	$ 7,342,069
3-51-0083-32 - IAD - Runway 1L/19R EIS III	20.106	D	$ 1,022,127
3-51-0083-33 - IAD Rehabilitate Taxiway K	20.106	D	$ 4,460,779
3-51-0083-34 - IAD Expand Tier 2 South Apron	20.106	D	$ 3,284,049
3-51-0083-35 - IAD Construct Runway 1L/19R	20.106	D	$ 36,913,573 ±
3-51-0083-36 - IAD - Runway 1L/19R EIS III	20.106	D	$ 26,662,414 ±
DCA RSA Environmental Study			
3-51-0082-023 - DCA			$ 658,373
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			**$ 94,716,858**
U.S. DEPARTMENT OF HOMELAND SECURITY			
Transportation Security Administration (TSA)			
National Explosives Detection Canine Team Program			
DTSA20-03-H-00992 - Cooperative Agreement (IAD & DCA)	97.072	D	$ 1,701,150
Law Enforcement Officer Reimbursement Agreement Program			
DTSA20-03-P-01442 - DCA - Cooperative Agreement	97.090	D	$ 2,699,540
HSTS01-04-A-LEF-036 - IAD - Cooperative Agreement	97.090	D	$ 1,202,704
HSTS0208HSLR070 - DCA - Cooperative Agreement	97.090	D	$ 674,832 #
HSTS0208HSLR170 - IAD - Cooperative Agreement	97.090	D	$ 393,674 #
Contract Baggage Handling Demonstration Program			
HSTS05-06-A-AOP344 - Cooperative Agreement	97.000	D	$ 800,000
In-Line Baggage Project			
HSTS094-07-A-DEP224 - IAD	07.460	D	$ 33,000,000
Airport Perimeter Security Enhancement Program			
HSTS04-07-A-CTO026 - IAD		D	$ 241,186
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			**$ 40,913,087**
U.S. DEPARTMENT OF JUSTICE			
Bureau of Justice Assistance (BJA)			
Bulletproof Vest Partnership Program			
BVP06 - FY '06 Funding		D	$ 924
Executive Office for Asset Forfeiture			
Equitable Sharing Program			
EQSHJ2650 - Memorandum of Understanding		D	$ 200,509
TOTAL U.S. DEPARTMENT OF JUSTICE			**$ 201,433**
U.S. CUSTOMS AND BORDER PROTECTION			
Drug Seizure Program			
Equitable Sharing Program			
EQSHJ2650 - Memorandum of Understanding		D	$ 573,526
TOTAL U.S. DEPARTMENT OF JUSTICE			**$ 573,526**
U.S. DEPARTMENT OF TREASURY			
Executive Office for Asset Forfeiture			
Equitable Sharing Program			
EQSHT2652 - Memorandum of Understanding		D	$ 15,682
TOTAL U.S. DEPARTMENT OF TREASURY			**$ 15,682**
U.S. DEPARTMENT OF ENERGY			
Clean Cities Program			
CCCCSCNG - Clark Street CNG Station	87.000	PT [4]	$ 35,000
TOTAL U.S. DEPARTMENT OF ENERGY			**$ 35,000**
TOTAL DIRECT AWARDS			**$ 136,455,585**

(continued on next page)

JAMES E. BENNETT, A.A.E.

Mr. Bennett was selected by the Board of Directors of the Metropolitan Washington Airports Authority (Authority) as the President and Chief Executive Officer on May 2, 2003. The Authority operates Ronald Reagan Washington National and Washington Dulles International Airports. Mr. Bennett plans and directs all Authority programs, focuses on long-term business strategies to support high quality, broad-based air service to the metropolitan Washington area and retains the Authority's strong financial posture.

Mr. Bennett joined the Authority in 1996 as Executive Vice President and Chief Operating Officer. He planned and directed Authority operations, including the support elements to deliver high quality customer service. He was responsible for airport management at Reagan National and Dulles Airports as well as Authority-wide public safety, business administration, human resources and technology activities.

Prior to joining the Authority, Mr. Bennett served as Assistant Aviation Director at Sky Harbor International Airport in Phoenix, Arizona. In that capacity, he oversaw the operations, business affairs, finance, planning and maintenance of the airport.

Mr. Bennett has also served as the Director of the Shreveport, Louisiana, Airport Authority, the Director of Aeronautics for the City of Flint, Michigan, and the Manager of Technical Services for Airport Operators Council International (currently, ACI-North America). He has served in leadership roles within ACI-North America, AAAE and the IAAE.

Mr. Bennett is a graduate of Auburn University (B.A., Aviation Management, 1978) and the University of Michigan (M.P.A. 1986). He holds the designation of Accredited Airport Executive from the American Association of Airport Executives.

JAMES E. BENNETT

PROFESSIONAL/COMMUNITY AFFILIATIONS

- Board Member, Loudoun County Economic Development Commission
- Secretary/Treasurer, American Association of Airport Executives (AAAE)
- Past Chairman, International Association of Airport Executives (IAAE)
- 2003 Campaign Chairman, Arlington United Way
- 2001 Chairman, Leadership Arlington
- 2000 Chairman, Arlington Chamber of Commerce
- Former Chairman, ACI Air Services Committee
- Executive Committee, Greater Washington Initiative (GWI)
- Vice President, Aero Club of Washington

Statement of James E. Bennett, A.A.E.
President and CEO, Metropolitan Washington Airports Authority
On Behalf Of
The Metropolitan Washington Airports Authority
And
The American Association of Airport Executives
House Appropriations Subcommittee on Homeland Security
"Improving the Efficiency and Accuracy of Aviation Security"
February 28, 2008

Chairman Price, Ranking Member Rogers and members of the subcommittee, thank you for inviting me to offer the views of the airport community on improving the efficiency and accuracy of our nation's aviation security apparatus. I have been involved in pursuing improvements to airport security for over 20 years in leadership positions at airports in Phoenix and in Washington, D.C. and as an active member of the American Association of Airport Executives (AAAE), which represents the men and women who manage primary, commercial service, reliever, and general aviation airports.

I currently serve as President and CEO of the Metropolitan Washington Airports Authority (Airports Authority), which operates and maintains Ronald Reagan Washington National Airport and Washington Dulles International Airport. I also serve on the executive committee of AAAE and am chairman of AAAE's Airport Legislative Alliance, the organization's legislative advocacy organization, which is composed of top-level professionals from airports from all parts of the country, representing an important voice for America's airport system.

As you know, airports play a unique and critical role in aviation security, serving as a critical partner to the Transportation Security Administration in helping the agency meet its core mission of passenger and baggage screening. The significant changes that have taken place in airport security over the past six-plus years with the creation of the TSA, and its assumption of all screening duties, have been aided dramatically by the work of the airport community, and we will continue to serve as a critical local partner to the agency as it seeks to improve the efficiency and accuracy of its operations.

In addition to partnering with TSA to meet its core mission, airports as public entities with public safety as a familiar mission, also perform a number of inherently local security-related functions at their facilities, including incident response and management, perimeter security, employee credentialing, access control, infrastructure and operations planning, and a myriad of local law enforcement and public safety functions. These critical public safety duties have long been local responsibilities that have been performed by local authorities in accordance with federal standards under federal oversight.

Airport operators meet their security-related obligations not with an eye on profit or loss but with a sharp focus on the need to secure public safety, which remains one of their fundamental missions. The public safety professionals that perform these duties at airports are highly trained and have the first responder duties that I know each and every member of this subcommittee, the Congress, and the country value immensely. From a security and resource perspective, it is critical that these inherently local public safety functions remain local with federal oversight and backed by federal resources when appropriate.

Improved Security and Efficiency Go Hand-in-Hand

Over the past six years, airport executives have placed a great emphasis on TSA efficiency to improve the experience of passengers at airports. Improved customer service is clearly an important consideration. In our view, improving the efficiency of the screening process goes hand-in-hand with the goal of enhancing the security and safety of airport facilities and the aviation system. Long lines and poor customer service

do not equate to better aviation security. To the contrary, long lines in airport terminals and at security screening checkpoints are targets for terrorists as past experiences prove.

Unfortunately, the challenges TSA currently faces in meeting its passenger and baggage screening mandates are becoming ever more acute as more and more travelers head to the nation's airports – a fact that every member of this subcommittee may know full-well as a frequent traveler. The heavy volume of travelers combined with problems inherent in today's labor intensive screening system have placed great strains on TSA's passenger and baggage screening capabilities as is evidenced by increasing wait times at passenger screening checkpoints and growing problems with checked baggage screening. Without changes to the aviation security model in use today, the system will not be able to cope with the additional 300 million passengers the Federal Aviation Administration estimates will be added to today's crowded aviation system within the next decade.

While additional screening resources may ease the situation at some airports in the short-term, we all understand that the realities of the federal budget situation and the myriad of competing homeland security priorities make it highly unlikely that significant new funds will appear to deploy additional screeners. And, while a number of airports have a genuine need for more screeners, it is clear that applying band-aid solutions on the existing, personnel-dependent screening system will not work in the long-term. The deployment of better technology holds great promise in allowing TSA to meet the long-term challenges on the horizon

Improving the Efficiency and Accuracy of Checked Baggage Screening – In-Line EDS Systems
The in-line installation of explosive detection equipment for baggage screening is one area in particular that offers enormous advantages in terms of enhanced security, increased efficiency, and dramatically reduced TSA personnel requirements.

The case for expediting the deployment of in-line EDS systems was perhaps best expressed by 9/11 Commission Chairman Thomas Kean during a congressional hearing on the Commission's report:

> "The Commission supports an effort to move explosives units out of airport lobbies and into a secured area where they can be integrated into the process of moving the bags from the check-in counter to the loading area in a seamless in-line process. This will promote greater security because: screening machines will not be exposed to the public; screeners will be able to focus on screening bags rather than moving them; and fewer people will be congregating around machines in the public area. Moreover, processing bags from checking to loading through an in-line system is functionally more efficient making travel more convenient as well as more secure."

As you know, the House Appropriations Committee also made a strong case for in-line systems last year during consideration of the Iraq emergency supplemental spending bill. The original House version of that legislation sought to provide $1 billion in additional funding for the procurement and installation of EDS systems in airports. The report accompanying that measure (H.Rept. 110-060) stated that:

> "Both TSA and the Government Accountability Office have reported that in-line baggage screening: (1) reduces security risks at airports nationwide, (2) is more efficient because the number of checked bags screened could more than double when systems are placed in-line, (3) reduces the number of bags that require labor intensive secondary screening, (4) lowers life-cycle costs, and (5) significantly reduces injuries. The recently released baggage screening investment study noted that 'without expedited capital investments, the life-cycle replacement requirements for initially deployed screening systems will impede investments in new optimal systems, slowing deployment of additional EDS equipment to additional airports and increasing costs'."

As the last sentence in the report points out, the federal government faces the choice of investing in efficient in-line systems or unnecessarily wasting scarce resources fixing aging systems that were haphazardly put in place immediately after 9/11 to meet the deadline to screen all checked baggage by electronic means. The fact that the FY 2009 budget requests more than $250 million for EDS maintenance, and the recent growth in that budget item, illustrate the choice we face between maintaining the old inefficient system or investing in modern efficient in-line systems. From a security, efficiency, accuracy, and convenience standpoint, it is clear that investing in in-line systems makes the most sense.

Mr. Chairman, we realize we are preaching to the choir on the need to move forward with in-line systems. Since 2002, this subcommittee has been at the forefront of efforts to encourage the deployment of in-line systems and other technology in airports. Airport executives are grateful for the leadership role you and members of this subcommittee have played to provide funding for optimal baggage systems in airports.

Despite your good work, we still have a long way to go before all airports have optimal screening systems in place. The baggage screening investment study referenced in the committee report above estimated last year that there was close to $4 billion in unmet needs at airports across the country for in-line systems. While resources have been appropriated for EDS purchase and installation since the release of that report, it is clear that billions of dollars in needs remain. Rapidly increasing construction costs across the country have exacerbated the problem.

At Washington Dulles International alone, cost estimates for an integrated in-line system run as high as $236,502,066. Our initial cost estimate several years ago when we had hoped to receive a TSA letter of intent (LOI) was $121,245,000. Over time, construction material costs, inflation and other factors have caused costs to rise considerably, which points to the urgent need to move forward with these projects at airports as quickly as possible.

Airport executives are gratified that the President's budget request for fiscal year 2009 seeks to make the expedited deployment of in-line baggage systems at airports a priority by proposing to devote increased resources toward that goal. What is evident with the budget request is that there is general agreement that additional resources must be devoted to bringing in-line systems to airports in FY 2009. Unfortunately, a significant amount of the proposed funding – some $425 million – is contingent upon congressional approval of a $0.50 increase in the $2.50 passenger security fee, which many view as a long-shot at best given past opposition to proposed fee increases by the Congress and air carriers.

In addition to growing the amount of money available for optimal baggage screening systems at airports through the annual appropriations process, airport executives believe strongly that the Administration must follow the mechanisms in place for releasing those funds as dictated as part of the 9/11 Commission recommendations legislation that was signed into law last year.

The 9/11 Act provides that a minimum of $200 million annually be set aside for multi-year "letters of intent" (LOIs) to airports. By signing multi-year agreements with airports, the federal government can spur airport operators to leverage their resources to begin in-line projects with a promise that they will be reimbursed by the federal government over a set period of time into the future. Under this approach, $200 million in annual funding can leverage billions of dollars worth of projects almost immediately. In-line systems in Boston, Denver, Atlanta, Las Vegas, Phoenix, Seattle, Los Angeles, and Dallas were all built under LOIs signed in 2002 and 2003.

At many larger facilities that face costly and complex in-line projects, including Washington Dulles International, the LOI approach is one of the few viable options that exists for getting those systems in place. Yearly grants from TSA simply don't offer enough funding or enough certainty to allow larger airports to move forward.

Despite the strong support of this approach from Congress and the very clear direction provided in existing law, the Administration has proposed ignoring current law and has instead asked for authority in its budget request to distribute funding approved by Congress "in any manner deemed necessary to ensure aviation security."

If approved, this language – which seeks to circumvent an important provision that was signed into law less than a year ago with broad bipartisan support – will result in further delays in moving forward with critical in-line systems and miss the opportunity to immediately begin projects at airports across the country. We urge Congress to reject this request and insist on the issuance of multi-year LOIs to airports for in-line projects as soon as possible. This issue is too important to improving aviation security and efficiency to allow OMB to thwart the will of the Congress.

Additionally, we would ask for the assistance of the subcommittee in ensuring that the resources you provided for FY 2008 are provided consistent with the law with a minimum of $200 million being utilized to sign multi-year letters of intent with airports.

Improving the Efficiency and Accuracy of Checkpoint Operations
Moving to passenger screening checkpoints, there are two programs aimed at enhancing efficiency and accuracy and that merit the continued support of this subcommittee and the Congress.

The first is the Registered Traveler program, which holds tremendous promise in allowing the TSA to more effectively focus scarce resources on those individuals who pose the greatest threat to the aviation system. We appreciate the fact that TSA has supported the deployment of the program to this point. Nearly 20 airports serving more than 15 percent of all enplaned passengers in the U.S. currently participate in the program.

Unfortunately, TSA has been slow to embrace the promise of improved security the RT program might provide and has been reluctant to offer program participants any demonstrable benefits beyond an opportunity to move to the front of a screening line. The lack of support from TSA is a missed opportunity in our view to dramatically improve the efficiency, accuracy, and effectiveness of checkpoint operations

The growth of the RT program and its popularity with the traveling public make it all the more important that TSA reevaluate its future. As you know, the Airports Authority recently awarded a contract for a firm to offer the program at the two Washington area airports, adding to a growing list of major airports where the program will soon be operational.

It is important to note that the program operates at the highest levels of security, adhering to all applicable federal security standards. Additionally, the Registered Traveler program is the first interoperable, biometric-based network of its kind, and could pave the way for other opportunities, including biometric-based access control systems. AAAE is taking a proactive role – as it did with the establishment of the RT program itself – in working with airports and TSA to make some of those promises a reality for the betterment of airport security across the country.

The second program that merits additional support is the "Checkpoint of the Future" effort that we understand is well underway within TSA to deploy explosives detection equipment at screening checkpoints. As is the case with checked baggage, airport professionals fully support the expedited deployment of new technology at passenger screening checkpoints because of the promise new technology holds in improving security and efficiency and reducing TSA personnel requirements.

We do, however, offer a word of caution on this effort. Airport professionals must be involved in the roll-out of technology at the checkpoints as soon as possible. As the experience with the agency's initial improper deployment of checked baggage screening systems at airports proved, a lack of consultation

with airport operators will increase long-term costs to the federal government and potentially hamper the efficient deployment of critical technology.

I would also point out there is a high level of concern airport executives have about the possible expansion of the passenger screening footprint as part of this effort. As you know, many existing checkpoints at airports across the country are incredibly space constrained, meaning that expansion would likely necessitate major and costly terminal modifications. As TSA develops its deployment plan, the agency must be prepared to either factor in those space constraints to its modeling or be prepared to step up to the plate immediately with any resources that may be required for airport terminal modifications. As past experiences prove, the agency has a healthy appetite for space in airports, an appetite that can be kept in check only by requiring TSA to pay for its construction and utilization.

Again, airport professionals have a unique understanding of their facilities and should be counted on as a resource as TSA seeks to deploy technology at checkpoints or other areas of an airport. In addition to our expertise as facility managers, airport professionals share the same public safety mission as the federal government and should be relied on as a full partner in these efforts.

TSA Must Remain Focused on Core Missions of Passenger and Baggage Screening
As is evident by today's hearing, TSA has an enormous mission with passenger and baggage screening and has many future challenges to tackle. In our view, there are many who would like to grow TSA's already daunting mission into areas of local responsibility I mentioned earlier such as perimeter security, access control, and airport employee credentialing.

For many reasons, airport executives believe that it would be a grave mistake to continue the push to federalize key local security functions. Chief among those reasons is security. Given the complexity of its existing security-related tasks, it is difficult to imagine how the federal government could possibly be in a better position than local law enforcement to perform inherently local security duties. Airport personnel are trained professionals with more than three decades of history, operational expertise and local knowledge at their disposal. The best approach moving forward from a security perspective is to maintain local control backed by federal standards, federal oversight, and federal resources.

The existing local/federal model ensures the highest levels of security and efficiency by empowering and providing responsibility to local airport operators, which can make use of their unique local experience and expertise to manage their facilities and the complex operations of their tenants. Who better than the local airport operator to police the nearly 23 miles of fence line that exists as Dallas/Fort Worth International Airport or the nearly 12,000 acres at Washington Dulles International? Who better than the local airport operator to understand the nature of multiple, complex, and ever-changing construction projects at their facilities; to know intimately the population of employees working in sensitive areas at a particular facility; or to respond to an incident at a perimeter gate? Who better than the local airport operator to understand unique local security challenges and develop tailored solutions to solving those issues?

Airport professionals have a duty and responsibility to the communities they serve to constantly enhance public safety and security, and I assure you that not a day goes by that airport professionals aren't actively working to achieve that goal. In the past year, for example, airport professionals have been at the forefront of efforts to more effectively screen airport workers, to promote the deployment of biometric-based access control systems, and to improve the employee background check and badging process.

Growing the mission of the federal government to areas traditionally performed by local governments also threatens to divert attention from the agency's primary mission and further dilute scarce resources. How ean TSA be expected to invest in technology to improve the efficiency and accuracy of its existing passenger and baggage screening responsibilities if its mission is further expanded to include costly and complex tasks such as securing airport perimeters, physically screening all workers and goods at airports

prior to their entry into secure areas, or credentialing the million-plus employees who work at the nation's airports?

Airports Have Taken a Proactive Approach to Addressing Key Security Issues
Because we take our public safety and security role seriously, airports have led the way in recent years in tackling a number of key issues that I know are cause for particular concern for members of this subcommittee, including the "inside threat."

Early last year, AAAE brought together more than a dozen airport directors from across the country along with the leadership of other industry groups and the TSA to develop a plan to address airport employee screening. The result of that initial meeting and a number of subsequent meetings was a well thought out and multi-faceted plan that we believe will lead to the implementation of sustainable measures to effectively screen airport workers through behavior recognition programs, security awareness training for employees, targeted physical inspection of airport workers, enhanced access control, increased vetting of employees, and the deployment of additional technology.

The goal of these efforts, which were conducted in close collaboration with TSA, was to develop sustainable approaches to screening workers at airports. In our view, it is simply not realistic nor effective from a security perspective to physically screen all employees at all airports prior to their entry into secure or sterile areas – a requirement that Boeing, through the United States Civil Aviation Partnership, estimates would cost anywhere from $60 billion to $130 billion, not to mention the far-reaching operational implications of such a move.

While the $60 billion to $130 billion figure may sound extreme, we believe it accurately reflects the immense infrastructure changes that would have to be made at U.S. airports in order to meet a 100 percent physical screening mandate. At the Washington airports, a move to require the 100 percent physical screening of all airport workers would require significant investments for additional employee screening checkpoints and other infrastructure. At Dulles airport, for example, we would likely have to design a separate and costly transportation system exclusively for airport employees who travel to and from the secure areas of the airfield.

Without those types of investments in necessary infrastructure for employee screening, the more than one million workers at airports – many of whom travel from secure to non-secure areas multiple times daily in order to perform their jobs – would be forced to utilize existing passenger screening checkpoints. With checkpoints already struggling to accommodate the two million passengers who utilize the U.S. aviation system in a given day, it is not difficult to image what would happen if TSA's workload were to double or triple as airport employees were added to the mix. Such a move would undoubtedly overwhelm the workload of screening checkpoints system-wide, cripple their operation, and result potentially in a less secure environment.

We believe 100 percent physical screening of airport workers would result in the diversion of scarce resources with little security benefit – a fact long ago recognized by DHS and TSA as they rejected efforts to implement a European-type system of physical screening of airport workers. They did so because of the unique nature of the U.S. aviation system and the astronomical costs associated with doing so. I was part of a small group of airport professionals who traveled to Europe several years ago to take a detailed look at their approach to employee screening, and I can tell you, without reservation, that the model would be difficult to replicate without billions of dollars in investment and thousands of new TSA employees. I would also hasten to note that the Europeans are very interested now in replicating the work we do in this country to perform vigorous background checks on potential employees at airports.

In our view, the best approach to employee screening as we move forward is one that enhances and builds upon the existing system of background vetting for workers at airports, increases the random physical screening of employees at airports across the country, and encourages the deployment of new technology

including the utilization of biometrics for airport access control. We are confident that the pilot program that the TSA will soon undertake at seven airports across the country will verify that view, and we look forward to continuing our work with Congress and TSA to implement necessary changes.

Before concluding, Mr. Chairman, I want to take a moment to complement Assistant Secretary Kip Hawley and his team at TSA for their work over the past several years in making the agency more effective, efficient and responsive. I have the utmost respect for Assistant Secretary Hawley personally and believe he has done an admirable job in reaching out to airports and the aviation industry and in steering a complex organization such as the TSA in a new and positive direction. While TSA operations and many of the systems and procedures we have in place now at airports are far from perfect as the testimony I have provided here makes clear, the agency and the country are much better off having had Kip Hawley's leadership over the years.

Thank you for allowing me to testify today. I look forward to your questions.

Mr. PRICE. Thank you. Ms. Sterling.

STATEMENT OF MS. PEGGY E. STERLING, VICE PRESIDENT FOR SAFETY AND SECURITY, AMERICAN AIRLINES

Ms. STERLING. Good morning, Chairman Price, Ranking Member Rogers, and members of the Subcommittee. Thank you for the opportunity to testify on efforts to improve the accuracy and efficiency of aviation security. As the Vice President of Safety and Security for the nation's largest airline, let me assure you that we, at American Airlines, have the safety and security of our passengers as our top priority. We fly more than 250,000 passengers on over 4,000 daily flights. We could not meet this challenge as successfully without the leadership of Assistant Secretary Kip Hawley. While we may not always agree on the best way to tackle a particular challenge or should pay for a given government mandate, his unwavering dedication should be applauded.

My testimony today focuses on where we believe the accuracy and efficiency of the air security system can be improved. I do not speak for the entire industry, but rather offer one carrier's perspective. Overall, when the industry has been allowed to provide input into pending security changes and has been afforded an adequate and reasonable implementation period, TSA has achieved better results.

Let me begin with the topic of watch list and Secure Flight. Almost seven years after the attacks on 9/11, compiling a comprehensive accurate and manageable watch list, as well as an automated real-time passenger vetting system, has continued to challenge DHS. Under significant congressional pressure, DHS has recently taken a more systematic and coordinated approach to the creation and management of a single terrorist watch list and a name check system across the department. In particular, we applaud DHS for combining CBP's APIS Quick Query system with TSA's Secure Flight initiative to the maximum extent possible. While we support both initiatives, the cost to the airlines in reprogramming our reservation systems is significant. Reprogramming to conform CBP's requirements will require increased staff and cost American Airlines over $1.7 million. As DHS moves to implement Secure Flight, we urge that it consider the magnitude of programming involved and not publish an unrealistic implementing deadline.

Our customers' perception of TSA are formed by their experience at the checkpoint. How TSA performs is dependent upon its staffing levels at a particular airport and on the deployment and adequate maintenance of technology. We fully realize that TSA does not have endless resources. TSA has made progress in developing a staffing allocation model. It is important for TSA to prioritize efforts at those airports where staffing is inadequate to meet passenger demand. In contrast to other hubs, Miami has consistently experienced customer wait times, missed flights, and passenger dissatisfaction. We have been in discussions with TSA on ways to best meet the hiring challenges it faces in Miami.

More broadly, deploying new technology will continue to increase TSA's efficiencies. At those airports that now have in-line EDS, we have experienced substantial gains in baggage throughput and a reduction in staffing demands on TSA. This Subcommittee has

been a long advocate for the rapid installation of in-line EDS through multi-year LOIs. On behalf of American Airlines, we thank you. Miami has applied for a multi-year LOI to fund an in-line system. We strongly support this application.

In light of the overall staffing challenges TSA continues to face, we, also, believe that 100 percent physical screening of airport employees is both unrealistic and counterproductive. Simply put, funneling employees through passenger checkpoint lines only serve to put more hay in the proverbial haystack. Instead, TSA should develop and fund a mandatory federal airport ID badge. The current piecemeal approach to security badges is simply not acceptable. Under a uniform system, TSA could develop credentialing, background check standards, and a continuous monitoring process that would, for example, allow free movement of flight crews from airport to airport.

Turning to air cargo, in order to ensure that 100 percent screening regime actually adds to the level of security intended, with minimal disruption and operational impact, we believe the following three key points need to be considered and addressed.

Number one, TSA must continue to work in consultation with all stakeholders to develop effective and realistic operating procedures.

Number two, TSA's proposed certified cargo screening program must be implemented in a fashion that spreads the 100 percent screening requirement across the supply chain. Without this, 100 percent cargo screening will fall solely on the carriers, which will require and create major disruptions in service, impede the flow of cargo at acceptance, and significantly increase carrier's costs.

Number three, TSA must continue to support and develop technology that is effective for cargo screening. Absent new technology, TSA must develop protocols that will allow the use of existing technology for more effective screening of bulk and palletized cargo.

The last topic I would raise is one that is not currently under TSA's responsibility, but we believe should be. We support the long-standing congressional mandate regarding U.S. VISIT Exit. Congress has repeatedly expressed that this system be a governmental responsibility. However, DHS informed the airlines without prior consultation that we would be required to collect biometric information for U.S. VISIT Exit. This is contrary to the legislative history of this program, is highly inefficient, and is not the best security and privacy approach.

In conclusion, I would simply highlight the fact that the airline industry continues to grapple with the devastating financial impact of $100 plus a barrel of oil. American lost $69 million last quarter. As you might imagine, we are extremely sensitive to anything that increases the hassle factor on our customers or imposes costly unfunded government mandates. Since we and our customers are the ones that pay the price for any inaccuracies and inefficiencies in the security system regime, we are extremely motivated to work with TSA to ensure that the system is as accurate, efficient, and effective as possible.

Mr. Chairman, that concludes my statement and I would be happy to answer any questions that you or the members of the Subcommittee may have. Thank you.

[The information follows:]

House Committee on Appropriations
Subcommittee on Homeland Security

Witness Disclosure Form

Clause 2(g) of rule XI of the Rules of the House of Representatives requires non-governmental witnesses to disclose to the Committee the following information. A non-governmental witness is any witness appearing on behalf of himself/herself or on behalf of an organization other than a federal agency, or a state, local or tribal government.

Your Name, Business Address, and Telephone Number:

Peggy E. Sterling, Vice President Safety, Security & Environmental
American Airlines, 4333 Amon Carter Blvd.
Ft. Worth, TX 76155
Phone: 817.967.2312

1. Are you appearing on behalf of yourself or a non-governmental organization? Please list organization(s) you are representing.

American Airlines, Inc.

2. Have you or any organization you are representing received any Federal grants or contracts (including any subgrants or subcontracts) since October 1, 2004?

Yes No

3. If your response to question #2 is "Yes", please list the amount and source (by agency and program) of each grant or contract, and indicate whether the recipient of such grant or contract was you or the organization(s) you are representing.

See attachment A.

Signature: Peggy E. Sterling Date: 4/7/08

Please attach a copy of this form, along with your curriculum vitae (resume) to your written testimony. Fax this form to the subcommittee office at (202) 225-9069.

Attachment A

General Description	Federal Agency	Year(s)	Amount
Discounted air passenger transportation for official (taxpayer funded) federal government travel	General Services Administration	Program began 28 years ago.	FY05 - $346.33M FY06 - $445.91M FY07 - $429.41M
Civil Reserve Air Fleet (CRAF)	US Transportation Command (USTRANSCOM) under Department of Defense (DOD)	Program initiated during the Korean War (1951).	FY05 - $42.50M FY06 - $28.58M FY07 - $23.77M
United States Postal Service Contract 5AAIMT-CAIR-06 for the air transportation of mail within the US	United States Postal Service	August 2006 - September 2011	Approx. $65MM/year
COUNTER-MANPADS – AA is a sub-contractor to BAE for various phases of a program to develop, install, and evaluate a missile defense system for commercial aircraft. (OTA # HSSCHQ-04-C-00342)	Department of Homeland Security	2005 - Current	2005 – $2.28M 2006 - $1.52M 2007 - $794K 2008 YTD - $103K
Navy C-40 CLS (Contractor Logistics Support) contract – AA is sub-contractor to L3 Communications to support the Navy C-40 (737 derivative aircraft) fleet.	United States Navy	2005 - Current	2005 - $916K 2006 - $1M 2007 - $909K 2008 YTD - $232K

Statement of Peggy E. Sterling

Vice President-Safety, Security, and Environmental

American Airlines

before the
Subcommittee on Homeland Security
Committee on Appropriations
U.S. House of Representatives

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Chairman Price and Ranking Member Rogers, thank you for the opportunity to testify today on our collective efforts to improve the accuracy and efficiency of aviation security. Today's hearing is important and timely. The predicted increase in airline passenger traffic in the near future will mean that the challenges that the Transportation Security Administration (TSA) faces today in deploying limited resources will be that much greater tomorrow. As a result, TSA, the airlines, and the Congress must continue to work together in this regard to ensure that the flying public has the most effective and efficient security system.

At the outset, as the vice president of safety and security for the nation's largest airline, let me assure the Subcommittee that we at American Airlines day in and day out have the safety and security of our passengers as our number one priority. We fly more than 200,000 passengers on over 4,000 flights each day and our network spans 250 cities in over 40 countries, so this is no small task. We could not meet this challenge as successfully without the shared dedication and strong leadership of Assistant Secretary Kip Hawley and his team. While we may not always agree on the best way to tackle a particular challenge or who should pay for a given government mandate, Assistant Secretary Hawley's unwavering commitment over the last several years to ensure the security of the air transportation system in this country should be applauded.

My testimony today focuses on where we at American believe the accuracy and efficiency of the air security system can be improved. I do not speak for the entire U.S. airline industry but rather offer one carrier's perspective on government initiatives, requirements, and costs we work with and encounter every day. To be sure, given the ever growing demand for air travel, expanding international component of our industry, precarious financial condition of the industry, and pressing constraint on federal resources, the need for TSA to meet the security challenges in the most accurate and efficient way possible will only increase.

Consider this fact: the Federal Aviation Administration forecasts that in 2015 one billion passengers will be enplaned on U.S. airlines. Approximately 744 million passengers were enplaned in 2006. In other words, one-third more passengers will be screened in little more than seven years. Similarly, air cargo shipments have increased steadily as our

nation's economy has grown. TSA's ability to screen efficiently 33 percent more passengers by the middle of the next decade, as well as effectively meet greater air cargo screening requirements will be key determinants of the future of air transportation in America, the wellbeing of air travelers, and quite frankly the economic health of the airline industry.

In this context, I would like to offer American's observations and, where appropriate, suggestions for improvement to Department of Homeland Security (DHS) and TSA programs and initiatives ranging from the vetting of individual travelers via the government's watchlists and the long planned Secure Flight program to the physical screening of individuals at the checkpoints to technology deployment to the screening requirements governing air cargo shipments. As you will see in my testimony, we strongly believe that where the industry has been allowed to provide input into pending security changes and been afforded an adequate and reasonable implementation period, TSA has achieved a more effective security regime while at the same time imposed the least impact on our customers and the operation.

Improving the Accuracy of Passenger Name Checks and Risk Assessment

Seven years after the attacks on 9/11, as this Subcommittee knows, compiling a comprehensive, accurate, and manageable watchlist as well as an automated, real-time passenger vetting system has continued to challenge DHS. We are all familiar with the multitude of watchlists from different federal agencies as well as the failed attempt at an improved computerized passenger risk analysis system known as CAPS II. Over the past year, however, we believe that DHS has made some progress in these areas.

Under significant Congressional pressure and mandates, DHS has taken a more systematic and coordinated approach to the creation and management of a single terrorist watchlist and a name check system across the Department. While DHS still has some work to do in these areas, we believe it is headed in the right direction. In particular, we applaud DHS for combining the Customs and Border Patrol's (CBP) APIS Quick Query (AQQ) system with the TSA's Secure Flight initiative to the maximum extent possible. Under both programs, airlines will be required to receive an electronic clearance before printing boarding passes.

While we strongly support both initiatives in order to achieve the highest possible level of security, we also would like the Subcommittee to be aware that the costs to the airlines in reprogramming our reservations systems for these programs is quite significant. For American alone, reprogramming our current reservations system to conform to CBP's AQQ requirements will require increased staff resources and cost us over $1.7 million.

Moreover, based on our review of the Secure Flight requirements in the Consolidated User Guide for AQQ and the information provided in DHS's recent Secure Flight notice of proposed rulemaking (Docket TSA-2007-28572), American will have to perform additional reservation system reprogramming. As DHS moves to a final rule on and implementation of Secure Flight, we would urge that the agency take into consideration

the magnitude of airline programming involved and not publish an unrealistic implementing deadline.

Finally, as I noted earlier, under both the AQQ and Secure Flight programs, airlines will be required to receive an electronic clearance before printing a boarding pass for a passenger. However, irregular airline operations due to major weather events, system outages, and slow response times will create unique challenges on any given day. In this regard, American suggests that CBP and TSA work with airlines to implement a system-wide contingency plan that will prevent long customer lines from forming at airports – thereby creating an airport crowd that terrorist could use to their advantage and that will not further delay flight segments that are already delayed due to the irregular operation.

Enhancing TSA's Efficiency and Effectiveness at the CheckPoint

For our customers, of course, their perceptions of TSA are formed by their experience at the checkpoint. This is where the rubber meets the road and how TSA performs is dependent upon both TSA staffing levels at a particular airport and on the deployment and adequate maintenance of technology. Depending upon these factors, American has experienced mixed results and customer feedback across our network that includes hubs in Dallas/Fort Worth, Chicago O'Hare, New York JFK, and Miami International.

We fully recognize that TSA does not have endless resources to draw upon in staffing its checkpoints. The agency must make the optimal use of the resources it has. In this regard, I believe Assistant Secretary Hawley and his team have made progress in developing a staffing allocation model in order to hire and retain an adequate number of screeners from airport to airport to ensure that security is maximized and passenger wait times minimized.

Making progress in the staffing area does not happen overnight. We recognize it is a continuing challenge. Having said that, it is important for TSA to prioritize efforts at those airports where staffing is chronically inadequate to meet passenger demand, thereby increasing passenger wait times. For American, the prime example of this is at Miami International. In contrast to the other hubs in our system, Miami has for some time now consistently experienced longer customer wait times, missed flights, and passenger dissatisfaction. To be fair to Assistant Secretary Hawley and his team, we have been in discussions with TSA on ways to best meet the hiring and retaining challenges it faces in Miami, particularly with part-time workers, and we look forward to continuing this dialogue. Indeed, working with TSA to improve the check-in and screening process for AA customers in Miami is a high priority in 2008.

Deploying new technology has and will continue to increase TSA's efficiency and reduce the agency's staffing pressures. At those airports that now have in place in-line explosive detection systems (EDS), we have experienced substantial gains in baggage thru put and a reduction in staffing demands on TSA. This Subcommittee has long been an advocate for the rapid installation of in-line EDS through multiyear letters of intent. On behalf of American, thank you. Indeed, the robust funding you provided TSA for in-line EDS

deployment for fiscal year 2008 is a remarkable demonstration of congressional intent in this area and validation of the benefits that in-line systems yield.

In this context, the Miami-Dade Aviation Department has applied to TSA for a multiyear, $62 million letter of intent to fund the construction on an inline system for Miami's new North Terminal. Given the challenges we continue to face at Miami and the fact that Miami is one of the most critical points of entry into this country, we strongly support Miami's application and believe that such a system will greatly improve TSA's operation in Miami and alleviate its staffing challenges over the long term.

As for technology related to the screening of passengers, American believes TSA is moving in the right direction with the suite of new security technologies currently being piloted at checkpoints. Specifically, we believe TSA's recent award of $52.3 million in new contracts to deploy and pilot technologies at the nation's airports is a step in the right direction. Many of these technologies had been waiting for approval. Going forward, we would urge that a more timely approval process to pilot these technologies be put in place so that the most effective equipment can be expeditiously and strategically deployed to airports where checkpoint wait times remain a problem.

We are particularly encouraged by the deployment of advanced x-ray technologies. Our strong hope is that TSA can broadly deploy this equipment with protocols that would allow passengers to keep their laptops inside their carry-on bag during the screening process. Similarly, we suggest that trace portals and whole body imaging (backscatter and millimeter wave) technologies currently being piloted for secondary screening also be piloted for primary screening to more quickly determine customer acceptance and evaluate its effectiveness in helping to solve checkpoint wait time challenges.

Indeed, in light of the staffing challenges TSA continues to face, we believe that 100% physical screening of airport employees is unrealistic and quite frankly counterproductive. Simply put, funneling airport employees through passenger checkpoint lines only serves to put more hay on the proverbial haystack. Instead, the insider threat and threat of an imposter gaining access to secured airport areas is best addressed with a uniform and enhanced physical access control system across the nation's airports.

Specifically, we believe that TSA should develop, fund, and implement a mandatory federal airport ID badge that would govern airline and airport employee access to the secure side of airports. The current piece meal approach to security badges that exists because each airport wants to retain control of their existing local system is simply not acceptable. Under a uniform system, TSA could develop credentialing and background check standards and a continuous monitoring process regarding ID badges that would, for example, allow the free movement of flight crews from airport to airport. We know that the technology exists. Such a uniform, interoperable system is long past due, and we urge TSA not to abdicate its authority and responsibility to over 400 different airports.

Ensuring True, Industry-wide Air Cargo Security

We know that improving air cargo security has been important to this Subcommittee so I would like to go into some detail concerning it. American has consistently believed that the best way to secure the supply chain is through a combination of a risk-based cargo assessment and physical cargo screening. Having said that, we recognize that 100 percent cargo screening is inevitable. In order to ensure that such a regime adds the level of security intended with minimal disruption and operational impact, we believe the following key points need to be considered and addressed:

1. TSA must continue to work in consultation and collaboration with all stakeholders to effectively implement and ensure compliance with the screening regulations. This must be achieved by establishing working groups and subject matter experts who can discuss in detail the requirements and help develop effective and realistic standard operating procedures.

2. TSA's proposed Certified Cargo Screening Program must be implemented in a fashion that spreads the 100% screening requirement across the supply chain. Without this, the 100% cargo screening will fall solely on the carriers which will create major disruptions in service, impede the flow of cargo at acceptance, and significantly increase carriers' costs.

3. TSA must continue to develop and fund technology that is effective for cargo screening and does not impede the flow of cargo. Currently there is limited technology that can effectively screen large pieces and palletized cargo.

4. The screening protocols for existing technology must be enhanced for more effective screening of large cargo shipments in bulk and palletized configurations. As cargo screening percentages increase, the limited TSA-approved screening technology available to the industry that is effective for screening large pieces and palletized cargo will further restrict cargo through put. As a result, absent new technology, TSA must develop clear and concise screening protocols that will allow the use of existing technology to screen large volumes of cargo.

5. There must be better coordination between the TSA and Foreign Country Security Programs to eliminate redundancy and requirements to re-screen cargo that has been screened or flown.

To date, TSA should be commended for its continued use of common-sense pilot programs which has eased the immediate financial impact of acquiring screening equipment and allowed air carriers to provide input into the overall effectiveness of the technology. This is particularly true because, as we have experienced, canine teams have proven to be very effective for cargo screening but their availability on a consistent and timely basis creates operational challenges and can not be counted on as a reliable means to achieve higher percentage of screening.

The Certified Cargo Screening Program is a critical part of achieving the congressionally mandated 100% screening of air cargo on passenger aircraft by 2010. At this point, airlines do not know how many shippers and indirect air carriers will participate and actually be certified by TSA. Poor participation or an ineffective program will put increased screening requirements on airlines which will cause cargo delivery delays and unfairly shift market share to all cargo carriers. To be blunt, we are concerned that the cost of additional screening technology and staffing will be forced onto the airlines and not spread across the supply chain. As a result, airline involvement is critical to encourage shippers and indirect air carriers to apply for the Certified Cargo Screening Program and to ensure the supply chain can be secured in an effective and efficient manner without disrupting commerce.

We at American know that ensuring air cargo security has been a priority for this Subcommittee for many years now. In many ways, this Subcommittee has helped to improve security in this area while at the same time recognizing the real world constraints both the industry and TSA confront in reaching increased screening mandates. Going forward, the industry will encounter these constraints as the screening percentages increase as a result of limited screening technology, practical constraints relative to the ground movement of cargo, aggressive Certified Cargo Screening Program implementation timelines, additional documentation requirements, limited automation, and the possible elimination of alternative screening methods.

In this context, it is vital that security protocols in this area allow for industry input and a reasonable implementation period to help minimize the impact to our operation and also to ensure compliance with the new regulations. For example, the implementation period of the current rules allowed for the industry comments and a reasonable implementation period of 90 days, which in our view helped minimize operational impact and ensure compliance. In contrast, the implementation period of the most recent security directives has not allowed for the industry to provide input nor a reasonable implementation period. As a result, there were major impacts to the operation and it also took longer to implement the new regulations.

Before leaving this topic, I would be remiss if I did not highlight our concern that the implementation of air cargo rules should be consistent across passenger and all cargo carriers as well as foreign flag carriers. To do otherwise will not ensure the highest possible level of security and at the same time impose an unjustified, disproportionate financial impact on U.S. passenger carriers. We know that is not what TSA intends but because of the current unleveled playing field and focus on U.S. passenger carriers, many of our customers will likely shift to all-cargo carriers if the TSA does not apply similar risk measures as they apply to passenger carriers that fly cargo.

Implementing an Effective and Efficient US-VISIT/Exit Program

The last point I would raise to the Subcommittee's attention is one that is not currently under TSA's responsibility, but we strongly believe should be. As with the rest of the airline industry, we at American support the long-standing congressional mandate of the

executive branch to develop a system to record the entry and exit of foreign visitors. Indeed, Congress has repeatedly expressed the importance in half-a-dozen laws since 1996 that this system was to be a governmental responsibility. The Air Transport Association's June 2007 testimony before the House Subcommittee on Border, Maritime, and Global Counterterrorism of the Homeland Security Committee does an excellent job outlining in detail that legislative history and clearly demonstrates that DHS does not have a congressional mandate to force airlines to assume a function that Congress for over a decade has intended federal border control authorities to perform.

Indeed, until only a few months ago, DHS had acted accordingly. As ATA correctly points out, the indications of that have been unmistakable. US-VISIT/Entry, which was implemented in early 2004, is an entirely governmental program. Moreover, the recently concluded US-VISIT/Exit Pilot Program was also exclusively governmental.

However, DHS has now informed the airline industry that it has decided, regrettably without prior consultation, to require airlines to collect the biometric information for US-VISIT/Exit. We strongly oppose this move by DHS to offload costs and responsibilities onto the airlines and view it as contrary to the legislative history of this program, as highly inefficient, and, quite frankly, not the best security and privacy approach.

Over the past decade, American and other airlines have worked day and night to reduce our costs. This includes the use of technology to streamline the check-in process for our customers--truly a win-win for the airlines and for passengers. Specifically, we and our competitors have increasingly offered our customers the opportunity to check in before they get to the airport through online and other communications technology. Customers appreciate the ease of pre-airport check in and, consequently, airlines are working to minimize airport-based transactions.

This is 21st century customer service – more precisely, customer-demanded service. Today, approximately 30 percent of passengers check in online and that proportion is growing. Because of its popularity and efficiency, airlines are implementing procedures and spending significant revenue to expand their off-airport check-in capabilities to include the use of PDAs and cell phones.

Injecting an at-airport physical process, which the DHS decision will do, into this customer-driven, electronic environment will be a costly step backward for both passengers and airlines. This will create longer lines at airline check-in counters and kiosks, which will mean more delays for customers, irrespective of their citizenship.

DHS says that collection of the biometrics at check in will only add one or two seconds to the check-in process. This calculation does not track with the experience of collecting biometrics during the Entry process, which takes between 10 to 15 seconds when it is being preformed by a trained CBP officer. Outbound air travelers, of course, will not possess that expertise. Finally, and perhaps more importantly, the U.S. government will be abdicating its role in the immigration/security process and, thereby, jeopardizing the integrity of that process.

Unfortunately DHS now envisions turning back the clock through a system of continued airline physical interaction with every customer at the airport. This is not where the airline industry is headed, and the gulf between the capabilities of emerging technology and the retarding effect of DHS policy will only widen over time. The industry should not be forced to abandon its broadening efforts to harness technology that promises to ease the air traveler's experience and lower our costs.

We strongly believe that the airlines should not be involved in the collection of biometric data for the exit element of this program. That position is faithful to a decade-long congressional design that the government be responsible for both exit and entry information collection, and quite frankly, we are very uncomfortable being thrust into the collection and storage of this personal data. We would suggest that the Congress, at a minimum, press the privacy office at DHS to review DHS' new approach and assess the privacy and accuracy risks involved.

As a possible alternative, we would respectfully suggest that at some point in the security screening at the airport of a departing foreign visitor offers the most logical location for collection of biometric information. TSA has been responsible for screening for over six years; the agency has complete control over it. TSA has presumably examined the most efficient ways to adjust that process. Adding biometric information collection to that process can be accomplished seamlessly. Indeed, TSA's plan to assume control of identification document and ticket verification at airport security checkpoints now makes that point the logical place to facilitate the speedy processing of passengers subject to the US-VISIT/Exit Program.

Conclusion

As you know Mr. Chairman, the airline industry continues to grapple with the devastating financial impacts of $100+ a barrel oil. Because of the dramatic rise in fuel costs, American lost $69 million last quarter. In this context, as you might imagine, we are extremely sensitive to anything that increases the hassle factor on our customers or imposes costly, unfunded government mandates. Since we and our customers are the ones who pay the price for any inaccuracies and inefficiencies in the security regime, we are extremely motivated to work with TSA to ensure that the system is as accurate, efficient, and effective as possible.

In closing, I should note that this Subcommittee has without question a long track record of recognizing the challenges and pressures the airline industry faces. It has done so while rightly demanding of us and TSA the highest level of security. We at American look forward to continuing this dialogue and very much appreciate the opportunity to testify today.

Mr. Chairman, that concludes my statement. I would be happy to answer any questions that you or Members of the Subcommittee may have.

Mr. PRICE. Thanks, Ms. Sterling. Thanks to all of you for some very useful testimony. We will put your full statements in the hearing record. Now we will proceed with questions.

AIRPORT PASSENGER WAIT TIMES FOR SCREENING

I want to turn to the question of screeners and wait times, perhaps not surprisingly. I would say that is a subject right up there with campaign finance reform that every Member of Congress features himself or herself an expert in, simply because we encounter screening each week, as we come and go. My weekly encounter is not only with your airline, Ms. Sterling, or U.S. Airways, but also with the TSA screeners at Raleigh-Durham and at Washington National. And I must say that based on that experience, and everybody has their own anecdotal experience, based on my experience, I have seen great improvements in recent years in terms of the efficiencies of those operations, and apparent employee morale. Mr. Hawley, I know you work on that very hard and this Member's experience tends to confirm that you are making some good progress. However, the progress on wait times is uneven. And Mr. Rogers consistently stresses the personnel levels that we are dealing with in this agency. But, it is also true that many airports are looking for more screeners and for more ability to cover peak times. Traffic levels have risen. More people are traveling than ever before. The levels are above the pre-9/11 figures in many instances.

Most airports do not have lengthy average security lines. I think the average is now around five percent. But some do still have long times and the travelers are often affected by this and are often unhappy about it.

I want to include for the record, at this point, a table representing the longest average peak wait times in February of this year, ranging from Miami International at 23.6 minutes, through Las Vegas at almost 20 minutes, Atlanta Hartsfield at 19.1 minutes and so forth. So, there are still some real problems here.

[The information follows:]

Miami International Airport	23.63 minutes
Las Vegas McCarran Airport	19.76 minutes
Atlanta Hartsfield International Airport	19.10 minutes
Charlotte/Douglas International Airport	18.85 minutes
San Juan Luis Munoz Marin International Airport	18.43 minutes
Newark International Airport	18.22 minutes
Seattle-Tacoma International Airport	17.75 minutes
John Wayne Airport	17.39 minutes
San Diego International Airport	17.16 minutes
Tampa International Airport	17.02 minutes
Philadelphia International Airport	17.01 minutes

I know, Mr. Bennett, that the D.C. airports have had problems with long screening lines and you have been very vocal about your need for additional screeners. You are no longer on the top 10 list, in terms of wait times. I do not know if you ever were. The longest wait times at National and at Dulles are in a more reasonable range now. You do have peak screening wait times of more than 10 minutes, though, at both facilities.

In the past year, TSA has added additional screeners to check documents and to look for suspicious behavior, in addition to the way they were previously deployed. Do you see any effect on wait

times of these additional security resources? I would appreciate your assessment in general of the wisdom and effectiveness of those additions, but, in particular, I am also asking you about any discerned impact on wait times.

Mr. BENNETT. Mr. Chairman, thank you for that question. We have not observed any addition to or degradation of service associated with the document checkers. I actually think that is a good program and it appears to be working very well. But, we do, as you noted, still experience some delay issues with screening lines, not at Reagan National, but at Dulles. It is a very complicated environment and it does not happen every day. But, for instance, in the month of January this year, we had 58 percent of the days where Dulles exceeded the average daily wait times that TSA posts. And the peak afternoon wait time at Dulles, the longest wait time, 52 minutes was our longest peak wait time during the month of January. February is a little better, as they continue to try to address that challenge. Only 35 percent of our days in February have we exceeded the peak wait times, and the peak wait time that we have had so far at Dulles in February has only been 35 minutes, which is an improvement. But, as we move into the peak travel season, January, February, some of our lower travel months, as we move into the peak season, actually starting next month as spring break commences, and then we move into the summer travel times, we are somewhat concerned that those wait times will continue to grow.

Mr. PRICE. Well, where do you look for solutions? Is it simply a matter of more personnel?

Mr. BENNETT. There are two complicating—there are two issues at Dulles. One is the physical environment at Dulles. As the chairman, I am sure, is aware, we are in a massive reconstruction of Dulles and one of the features of that construction will be two very large new security mezzanines that will give TSA an opportunity to install their check point of the future. We have been working very closely with them to get sign off on the design of those checkpoints of the future and those will preview at Dulles in 2009.

But, the other is staffing issues and trying to make sure that all of the lanes that we do have available are open in anticipation of the peaks. Once you get behind, if you cannot get the lanes open in time, once you get behind, you never recover and that is unfortunately what happens from time to time.

Mr. PRICE. Ms. Sterling, I know your airline serves Miami——

Ms. STERLING. Yes.

Mr. PRICE [continuing]. With a number of flights each day and you singled out Miami for what you refer to as the longer customer wait lines, the missed flights, and the passenger dissatisfaction. You note that the wait times are the worst nationwide, well above the five-minute average. I wonder if you could just take Miami as an example or if you want to choose another example, that is fine. But, what, from your viewpoint, needs to be done to improve the situation? Again, is it personnel? Is it other factors that you believe need to be addressed?

Ms. STERLING. Let me just say that I work very closely with the TSA. I would like to recognize the fact that through their manning allocation model and through some of the new initiatives that they

are putting in place, I think that there is progress being made. They are looking at full-time employees with split shifts. They are looking at additional part-time hiring. And as they proceed down that road, I think it is going to help the airline industry to be able to cover the peak hour demand at the checkpoints. Additionally, I think there are some efficiencies to be gained, in terms of how the checkpoints are actually managed and the process itself. I know that the TSA optimization team has spent many hours in Miami with our team sorting through how we could collectively improve that process.

So, I think that with all of the efforts that are joining together in a place like Miami, where we have facility challenges, we have limited throughput capability, but we, also, work together to make sure that we are addressing the staffing issues that we have there. Hiring in the Miami area is a challenge for a lot of corporations. I think that being focused on gaining part-timers, will result in a change in the wait time in Miami. Initially they were at two percent. They are now at 20 percent and they are moving towards 30 percent part-time employees.

So, from my recommendation, and I was just in Miami two or three weeks ago working with the TSA on improvements and redesign of what they have there, we are working with the optimization team to make that happen. Part-time employees are an essential piece of peak hour coverage and staffing.

Mr. PRICE. Mr. Hawley, the Miami case does raise the question of the way wait times figure in your determination of where to assign screeners, because, as you know, Miami actually has had a significant reduction in screeners in the last couple of years. According to our figures, Miami had 1,698 screeners in 2005, has only 1,167 now. Any obvious explanation to that, particularly as it relates to what we have been discussing?

Mr. HAWLEY. Sure. First off, security is our top priority and our job is to stop attacks that would be in progress, disrupt those that might be being planned, and that is the focus that we have our security officers on. I think it is important when we are looking at the wait time discussion to understand what the mission is here and that is our mission. And I have said to our TSOs, it is our job at the senior management level to get the right staffing and get the process right. It is your job just to focus on your security assignment. And so, it is very important that we keep that message clear.

The second is, in terms of expectations, we are talking here about average peak wait times, peak wait times in the 20-minute range. And if you could turn the clock back a couple of years and think that we would be sitting here in a hearing room discussing how hard—you know, what a bad situation it is to have a peak wait time in 20 minutes, I would say that is very good performance. And then you have to ask yourself, what would it take and what would it cost if you wanted to move those peaks down significantly below that. So, I would argue that, and I think the point that you made, Mr. Chairman, is dead on, that as a system, we have the process management down pretty well and that, in fact, and Jim Bennett is exactly correct, if we get behind in an individual circumstance, we will get those peaks. So, that is what we have to work on, is staying on top of the unexpected thing where

we are caught without the checkpoint open early. So, I think that is a valid criticism. But, the overall level of wait times in the U.S. are, I would say, exemplary.

Mr. PRICE. Yes. Let me clarify, if I did not before. The figures I was citing for Miami and these other airports is the longest average peak wait time. Nonetheless, it is, of course, not as good as it should be and it does raise the question about the relationship of this data to your allocation decisions.

Mr. HAWLEY. Well, we have gone to, as Peggy Sterling mentioned, we have changed our workforce from only 10 percent part-time to about a quarter or above part-time and split shift, which allows us to have the folks there for the peaks and not have to pay for billing the church for Easter Sunday. So, those are a particular mechanism that we have done. And I would also like to add in that the additional security of the Behavior Detection Officer and the Travel Document Checker, those are additional levels of security, very significant additional security measures that are in place today that were not in place three years ago and we have done that without interrupting the wait times. So, I think that is something from the management side of which we are very proud.

Mr. PRICE. Well, you make an important point about the additional deployment of part-time people. The figures I cited for Miami are FTE figures.

Mr. HAWLEY. Yes.

Mr. PRICE. If you could furnish for the record, it would be significant to know how many bodies we are talking about here and how many are full and part-time. The FTE figures could mask some significant changes.

Mr. HAWLEY. Yes. And I think on Miami, that is when you look at what issues are in Miami. And I agree, that is one of the airports that is most difficult, because of a lot of reasons that Peggy Sterling mentioned, and we do lag the national average in terms of our part-time and split shift in Miami. And it is due to the workforce environment there and that is one of the solutions to the problem. Also, we are working very closely with the airport to streamline the process and to do some of the innovation I mentioned in these other airports, bring that to Miami and see if we can improve things that way.

Mr. PRICE. Let me elaborate the request and ask that you could take these top dozen airports with the longest average peak wait time and give us that kind of deployment figure in terms of the trend in full-time and part-time employees and not just the FTE total from 2005 to 2008. I think that would be illuminating now.

Mr. HAWLEY. Yes. I think that is a great question and we will do it.

[The information follows:]

Airport	FTE		2008 Headcount		
	2005	2008	FT	PT	Total
Miami International Airport	1698	1171	952	355	1307
Las Vegas McCarran Airport	1079	1019	941	132	1073
Atlanta Hartsfield International Airport	161	890	711	281	992
Charlotte/Douglas International Airport	266	360	297	98	395
San Juan Luis Munoz Marin International Airport	415	428	349	137	486
Newark International Airport	1281	1113	888	347	1235

Airport	FTE		2008 Headcount		
	2005	2008	FT	PT	Total
Seattle-Tacoma International Airport	1000	787	636	242	878
John Wayne Airportt	267	281	227	83	310
San Diego International Airport	562	561	444	173	617
Tampa International Airport	585	539	462	122	584
Philadelphia International Airport	777	889	719	276	995
Total	8991	8038	6626	2246	8872

From FY 2005 to FY 2008, the number of TSA FTEs declined frm 45,000 to 43,000. Since small airports must operate with a fixed number of FTE comprising the minimum number of TSOs necessary to operate a checkpoint and screen baggage, that decline was largely absorbed by increases in efficiency at the largest airports in the country. All of these airports, with the exception of Charlotte/Douglas have installed optimal baggage screening systems and realized those efficiencies.

Mr. PRICE. Okay, thank you, sir. Mr. Rogers?

Mr. ROGERS. Mr. Hawley, you have done a remarkable job during your tenure at TSA. The chairman alluded to it and I do, too. It is been a remarkable management job of which you are an expert. But, I want to congratulate you on the good work that you have done and are doing and the way that you are handling it. Having said that——

Mr. HAWLEY. First of all, thank you.

EFFICIENCY AT SCREENING CHECKPOINTS

Mr. ROGERS. I have a couple of questions, mainly about the workforce, because as I alluded in my opening statement, in my estimation, in my calculation, TSA has now exceeded the former 45,000 FTE cap that no longer exists, but, nevertheless, it exists in my mind. It is a virtual cap. You exceed that by 438 FTEs in fiscal year 2008, 643 in 2009. Now, I know, and you conversed with me about this, that you do not think you have exceeded that number, strictly using people on the front line. But, if you put back in the managers, which, in my mind, they are a part of TSA, and the other categories that you have not called something else, nothing can take away from the fact that your total FTE does exceed the cap. And I will give you time in a moment to respond to that.

But let me tie it then with the reason I think that is important, the cap, a cap, and the purpose of the cap at the outset was to put some sort of pressure on TSA and DHS to bring on line and bring into place machinery, which is more capable, in many instances, of screening people than the human touch, not to mention the cost. So, that was the purpose of the cap in the first place, was to try to drive down the cost and buildup the effectiveness of what we were doing checking people through airports. And so, that gets me to the decrease in EDS procurement and installation that is in your budget proposal of decrease, a 48 percent from last year in the amount of money that you are requesting out of the appropriated funds, to go toward buying machinery for airports. So, we are digressing, receding from doing the right thing, in my judgment, in getting machinery into the airports, whether it be in-line or whatever.

Now, I know you say, well, no, that is not exactly true, because you are not counting, you say, the $426 million that would go toward that purpose, that would come from the mandatory passenger security fees that you are proposing. However, as we all, I think, have indicated, the likelihood of that taking place is very, very low

and I do not want to see us gambling on that taking place with something as important as getting machinery in airports to check baggage and check people, and your budget from appropriated funds falls way short of that. So, let me give you now time to respond to these questions.

Mr. HAWLEY. Yes, thank you. And I will break them up into the passenger checkpoint screening and the checked baggage screening. And I do understand your point about, hey, I thought we were going to be buying a lot of technology and that would allow us to make it less dependent on large numbers of people.

The issue with the passenger checkpoint is that the threat from the person, somebody carrying something with them, is going to be solved by technology when we have something that will screen the individual in a privacy friendly way and fast enough to be able to keep up with the throughput. And we are now just entering that period where we are going to be operationally deploying the millimeter wave portal that we have been testing. And, still, that is not going to be an efficiency accelerator. It still takes a long—well, a relatively long time, 20 seconds, say, to process a person going through that. So, the technology curve is still too far away to get the effective screening we need and accelerate to be able to reduce the number of people at checkpoints.

We are investing in the AT x-ray. One of the features of the AT, in addition to being extraordinarily better than what we have today, is that it will allow TSOs to make a very quick resolution and, in fact, have fewer bag checks. When we get to the point of the computers being able to do it automatically, that would be the next step.

On the baggage screening, I agree with you. That is the opportunity we have to deploy technology and reduce our headcount requirement.

The difference we have on the funding is with—the reason that we went with a fee in this budget or the surcharge is that if you look—the problem, I think, we agree is money. We need to get a lot of money, as fast as we can get it, and apply it to this problem. And, in our judgment, pumping in $400 million in cash, above the $400 million available appropriated funds every year for the next four years was a shot of cash that would buy down that risk and, in fact, complete the baggage rollout that we put in our strategic plan. So, from our perspective, the budget that we sent forward, in addition to the $400 million of available funds with another $400 million of these fee funds in cash would allow the airports to move immediately to do the deployment.

Then the issue of whether it is going to pass or not, I do understand that difference. But I think we agree that this is the opportunity to achieve headcount efficiencies through technology.

Mr. ROGERS. Well, I hear you and understand you and appreciate what you are saying, and I appreciate all along your determination to get more money into procurement of machinery in the airports, which everyone admits is woefully inadequate, dangerous even.

FUNDING FOR IMPROVED SCREENING TECHNOLOGY

I guess what we are saying up here is the likelihood of that surcharge is probably really low. My concern is: What if it does not happen? How will we make that up?

Mr. HAWLEY. We are going to work as hard as we can to get that surcharge in place.

We are very mindful of the provisions in the 9/11 Act that discuss multiyear LOIs, and that is certainly something in the business model which we will explore, as required.

Our judgment is that we want to first get after the cash right away. That would be the best solution. If we have to go to other solutions, we will work that, too.

Mr. ROGERS. Well, as to the LOIs, I have been an advocate of those from day one, for years. After a while, OMB allowed us to allow us to have a few, I have forgot the number. Essentially, which is to allow airports to use monies that they expect to receive from the government for renovations for safety.

To receive that money up front, allow them to construct the improvements and then pay back the bond, if you will, over a period of years. Then OMB clamped down and says no, no more, about a couple or three years ago.

But it is the only way in my judgment to allow the huge expenditures needed in these airports to go online behind the wall, admittedly the most efficient, safest way to check bags. I do not know how you get the kinds of billions of dollars that we are talking about without some sort of bonding practice which this really is. I hope that OMB would see fit to allow that to happen.

If your proposed passenger security fee does not materialize, which I think is the extreme likelihood, then we are left with nothing except the possibility of LOIs. Is that right?

Mr. HAWLEY. That is correct.

Mr. ROGERS. That is the end of the line. If you cannot get the fee, and OMB says no more LOIs, what are you going to do about expanding and fixing airports?

Mr. HAWLEY. Well, the legislation in the last year has put aside the 20-year targeting of the $250 million a year, so we do know that we have an assured base level of support for this going forward. And, that is, I think, a very good thing.

Working with OMB, we have had a very good productive business relationship on this particular topic. And the fact that we are able, in our budget, to put $826 million cash on the table for EDS right now, I think is something you would not have expected out of OMB perhaps. But, that we are working with them to get the best business solution.

We are mindful of what is moral, we are mindful of the subcommittee's position and direction; and we are pursuing what we consider to be the best way to solve the problem, which is: provide the most money as fast as we can.

Mr. ROGERS. Well, I know your priority is the fee, and we understand that. But I am sitting here saying you are bucking up the tree where the squirrel has already gone, and we are going to have to find another way.

Mr. ROGERS. Well, the 911 Act requires an allocation of no less than $200 million annually for letters of intent. And fund the cost shares of up to 90 percent, so it is in the law. I would hope that we could get it done.

DEVELOPMENT OF OPTIONAL IN-LINE SCREENING TECHNOLOGY AT AIRPORTS

Finally, and quickly, how many of the top 30 airports have optimal in-line systems in place now?

Mr. HAWLEY. I would say 19 off the top of my head, but I will——

Mr. ROGERS. Nineteen.

Mr. HAWLEY. Out of the top 30?

Mr. ROGERS. Yes.

Mr. HAWLEY. Yes, out of the top 30.

Mr. ROGERS. And passenger levels?

Mr. HAWLEY. Yes.

Mr. ROGERS. And beyond the top 30, how many airports that are appropriately suited for in-line systems are still waiting for federal investments in those projects?

Mr. HAWLEY. We have that all in our strategic plan, so I do not have that off the top of my head. But I think we are well over 40 total in the in-line system.

Mr. ROGERS. That what—40 what?

Mr. HAWLEY. Forty airports, 40 major airports with in-line.

Mr. ROGERS. That have in-line now?

Mr. HAWLEY. I believe so.

Mr. ROGERS. Yes. Well, the bottom line is: most all the larger airports do not have in-line? I am not talking about the top 30, top 50. I am talking about the top 200?

Mr. HAWLEY. Yes, right, that is correct.

Mr. ROGERS. That are appropriately suited for in-line?

Mr. HAWLEY. Exactly.

Mr. ROGERS. So there is a backlog. How much money would it take, roughly, to fix those airports, let us say in the top 200?

Mr. HAWLEY. That is about a $1.7 billion, and that is what we have in the—I will get to the squirrel. But the $436 million times 4 is about what we would figure would cover that top 200 airports with the optimal systems.

Mr. ROGERS. Well, thank you.

Mr. PRICE. I thank you.

Mr. Farr.

Mr. FARR. Thank you, Mr. Chairman. Thank you, Mr. Hawley, for doing your job. I am very proud to represent you. Perhaps Ms. Sterling could help us out by just getting a direct flight from Washington to Monterey.

Mr. PRICE. Yes.

Mr. FARR. And we would not have to have the nine-hour-a-week travel time.

TSA'S ABILITY TO ADJUST STAFFING TO ACCOMMODATE WEATHER DELAYS

I have several questions. But I would like to follow-up on the Chairman and Peggy Sterling's comment that TSA's opinion is

formed by passengers at the checkpoint. And that checkpoint is not only outgoing, but it is incoming if you are coming in from an international travel.

So my questions are related to that. One is this, and I have talked to you about this beforehand when we had been talking about wait times. Let me just tell you what the passengers formed their opinion on January 18th. It was a Friday. It had snowed the night before and it was at Dulles.

The west coast flights leave early in the morning, all around 7:30. But I see that every week and I have never seen the kind of lines and backup.

In talking with the United personnel, they indicated that because of the cancellations the night before, they had all their staff come in early and process passengers. Because before you even get to the TSA check line, you have already had to get your boarding pass, so there has been time spent on that.

What really triggered my complaint to you was when I got through the line, because I was a frequent flyer, I can get through the faster line. But when I entered the plane with my boarding pass, I asked: How many passengers that are not, and I was there at just the 15-minute closing period, she said 80 passengers have not yet checked in.

And a TSA staff person responded right away, and I really appreciate that, but here is what he said, and remember you had a snowstorm the night before. Additionally, we had gone back and crunched the numbers, and you had a lot of sick calls in, and you had one of the gates were closed because of a leak.

We had gone back and done the crunch numbers. The airlines predicated 6,200 passengers for this morning's bank. In fact we screened 7,039 passengers due to re-bookings, cancellations, et cetera. This is a 25 percent spike increase over the projections.

Moreover, we noted a difference in the type of traveler. Both yesterday and today, due to a three-day weekend, off-peak fares, et cetera, many families are traveling with small children, strollers, carseats, and various carry-ons, winter coats, scarves, hats, gloves, boots, all of which have to be removed and screened.

In addition, they have liquids, gels, baby bottles, et cetera. All this tends to slow down the through point. My point there is that you are blaming the passenger. And those passengers are not thinking about that their an over-burden. They want the government to be responsive.

The one thing interesting about your Agency is that there are only like two things that people think about with the federal government: One is when they have got to pay their taxes; and the other is when they have to get on an airline.

So their opinion of the government is softened by—and I think you do an excellent job, and have certainly gotten a lot better. What my questions go to: I would love to see the point where TSA works itself out of a job. What we have done is we have secured cockpits, we have gone into all of these other types of things, things that you cannot carry on.

In the process, we have also created a two-tier system. If you fly private air, or you fly, as Congress members do, on CODEL, they do not check whether your liquids are in a bag, and you know they

are not limited to size, and they do put the bags through a screen, but nobody complains about anything in there, or that you cannot take water through, whatever that is.

So you have this one system that is sort of a private that is sort of the private system, the VIP system, and then you have the commercial system. The burden is in the commercial system, so that day what you pointed out, and your records show, that at 6:30, there was a 44-minute wait flight.

At 7:30, there was a 40 minute. At 7:30, it had gone down to 32 minutes; by 8:00, it was 30 minutes. At 8:30, it was four minutes. Well, you had opened up other screening ins. I think the point I am trying to make is that everyone knew that this was going to be a horrible day.

The intel on that should have said: Okay, we have got to be prepared. This is an exception and we have got to bring in extra personnel, and we have got to do it a lot faster. Because the airlines pay the price in this thing. These 80 passengers that did not check in, and whether they all got on the flight, I do not know. They were delayed because a lot it was also—they had to de-ice. I missed my connection when I got to San Francisco.

My question is, and sort of the broader train, but more specifically because I know you have been involved, and I appreciate that, in the Naval Post-Graduate Center for Homeland Security. What I recommend is that you continue that kind of training and maybe the whole DHS Department do it, that we also take a network approach.

We asked about that last year that perhaps this in-line process would do it. John Porter and I are chairs of the Congressional Tourism Caucus. We are interested in the international business arrivals, and whether you will engage in being a part of the team in the model ports of entry, which would reduce a lot of—we have these model ports, but I understand TSA is not being involved in that.

You ought to be a key player in that. And Customs and border patrol and other airport authorities are involved in it. That is my line of questioning. I know time is limited because we have been called for a vote.

Mr. PRICE. We do have limited time. Mr. Hawley, if you could respond as efficiently as possible. We want to get in some questions here before we have to leave.

Mr. HAWLEY. Yes, sir.

Mr. PRICE. We will return after the votes. But I know that Ms. Granger, in particular, needs to get her question in.

Mr. HAWLEY. The short answer on the Dulles story, the ball game is one that at 4:00 in the morning, and if we get the lanes open with enough folks early, we manage it. If we do not, it backs up and does not get done.

It appears, without personally looking at it, that you just described a failure of having the right amount of people, the lanes open; and that does occasionally happen, but you are right, the staff worked very close with the airlines when there is a snowstorm or any of that stuff to know how many people are rolling over to the next day.

So, system wide, we are supposed to be able to handle those. I do not know specifically what went wrong there.

On the NPS, yes, we are continuing to engage within the network thinking that they do theirs, which is extremely valuable. As to the model ports, I thought we were involved, but I will look into it to make sure that we are, in fact, involved.

Mr. FARR. The naval postgraduate school is a question of getting all the rest of DHS. You know the value of that. Perhaps you can talk to your colleagues in the other departments.

Mr. HAWLEY. Yes, sir.

Mr. PRICE. Thank you.

Ms. Granger.

Ms. GRANGER. Thank you so much. I appreciate it, Mr. Chairman and I appreciate all of you being here. I would like especially to say hello to Peggy Sterling. She is a constituent of mine. She has been overseeing Americans' excellent safety and security operations for many years. She does not look like it, but she has been in the aviation industry for 30 years. America is a huge corporate citizen in our district from Ft. Worth, so I appreciate that.

AIR CARGO SCREENING

I am going to go from white lines with passengers to cargo. Secretary Hawley, I just have a couple of questions. It has to do with the Certified Cargo Screening Program. It should play a key role in cargo screening. I know that the 911 Commission created the 100 percent Cargo Screening Law, and I supported that.

Currently, though, TSA's approved screening technology for the industry for screening large pieces of cargo is limited. I am concerned about the availability of that technology to the carriers for screening. So my question is: Since the program is voluntary, what are TSA's plans for supporting the passenger airlines as they screen those very large shipments without adversely impacting the supply chain?

Mr. HAWLEY. We are doing the fast answer. The point you raise on the large screening equipment is a very good one. Our answer to it is: Do not screen everything at the airport when the pallets are all built up. Try to do the screening earlier in the process, and exactly as Peggy Sterling said, have other participants in the supply chain do the screening when the packages are smaller, and then secure the passageway to the airport.

That is how we plan to do it, and we do plan to meet the deadline in about a year from now in February 2009 for 50 percent.

Ms. GRANGER. Okay, as a follow-up, and I understand your plan, but what if that does not happen and the airline gets these large shipments and they show up and they have not been screened? What is TSA, what is their help then at the airline dock?

Mr. HAWLEY. I think we agree with the airline industry that trying to do the screening at the airport will not work for 50 percent or 100 percent of packages. The only way to get there from here is to get further back into the supply chain. Having said that, they are working on the science and tech side to get the machines to be able to do the pallets as well. Our plan just does not depend on that technology being deployed in the next year.

Ms. GRANGER. But you think you can meet the deadline?

Mr. HAWLEY. Yes, ma'am.

Ms. GRANGER. Thank you, Mr. Chairman.

Mr. PRICE. Thank you, Ms. Granger. You are raising a very important set of questions. We will resume in this vein after the break.

Mr. Carter, we will work you in here.

REGISTERED TRAVELER PROGRAM

Mr. CARTER. Thank you, Mr. Chairman. Real quickly, I have signed up for that registered travel thing and that has been the biggest waste of time I have ever been involved in.

I have got my retina scan and my thumb done and all that stuff. It took three hours in Houston to do it, and I found out that it gets me past that first lady, who does not even work for TSA, at least in the airports that I fly out of. She is a contractor. But I assume, through all the other hassle, is there going to be anything that moves that faster than just getting past the first lady?

Mr. HAWLEY. There is no full background check with Registered Traveler today. As we have seen in terrorist arrests, including six or eight plots disrupted this year, all having people who have clean records in them, you cannot rely on the absence of a criminal record, or being on the watch list, to let somebody onto a plane without checking very fully.

So we have made it a private sector program. We said, on January 20, 2006: If you do a private background check, like you do in the securities industry, the financial services industry, if you do that, we will give you better security and we will make it faster for you security-wise.

If you put approved technology in, we will let you keep your shoes, coats, laptops. None of that has happened. It is a cut to the front of the line program, and we are so focused on our security program. We are not devoting government resources to go figure out a way for the Registered Traveler Program to get off the ground.

So the Registered Travelers need to step it up and invest, if they are going to get additional security benefits. Otherwise, it will participate with the whole rest of the checkpoint process to try to make everybody's trip fast.

Mr. PRICE. Thank you. We have got other things we have got to do right now. We will recess and go to the floor and be back as soon as we can possibly make it. Thank you.

[Whereupon, a short recess was taken.]

[Hearing room sound turned off; inaudible portion.]

Mr. PRICE. Mr. Hawley, how will you ensure that, once physical screening has been completed and the pallet has been sealed, it is not tampered with later on in the process. Is there anything in particular that you want to say about that?

IMPLEMENTATION OF PROCESS TO MEET 100 PERCENT AIR CARGO SCREENING MANDATE

Also, the air-cargo screening mandate calls for air cargo to receive "a level of security commensurate with the level of security for the screening of passenger-checked baggage."

Is that a standard that you can meet? I am thinking particularly here of one of your proposals to screen air cargo with advanced checkpoint technology systems that do not specifically look for explosives. Is that a degradation of security compared to the checked baggage?

So those two questions, if you will.

Mr. HAWLEY. On the second question, we are working right now on the standards of what constitutes commensurate with checked-baggage screening under the law as to exactly what the requirements are for the machinery that can accomplish that.

So, I would expect in the spring that we will have that released, and then that will show the glide path for the rest of the year of what we have to buy, and what others have to buy, to enable that screening to occur off the airport.

And there was a question on: How do you secure the supply chain from where the screening occurs to the aircraft? That is the linchpin of the program.

The guidance that we will put out on that, will indicate that the screening would have to be in certain controlled areas, and then on trucks with drivers who are vetted to seal, the tamper-evidence seal technology that would enable you to quickly tell if something had been tampered with after the screening, is all part of it.

So, I think as you may have mentioned in the opening, that we are doing right now, in San Francisco, Philadelphia and Chicago, pilot programs to work out all of those details.

Mr. PRICE. I would like to give the rest of you an opportunity to comment on this subject, not just the questions I have just raised, but also on the broader plan that Mr. Hawley has outlined and the way the 9/11 Act mandate is going to be met.

Maybe we start with you Ms. Berrick.

Ms. BERRICK. Sure, thank you.

I have just one comment on the Certified Screening Program that Mr. Hawley is talking about to push the screening down further in the supply chain, I wanted to mention that a similar program is already in place in the United Kingdom. In fact, it is working pretty well for them.

And I think TSA has coordinated with the UK in learning from their experiences in working this out. Some of the work that we have done on air-cargo security, where GAO has looked at this, is that there are some practices in foreign countries that could potentially be applied in the United States, and this was one of them.

Another point on air cargo that we found is that there has been a lot of focus on cargo transported domestically within the United States, but less of a focus on cargo coming into the United States from foreign countries.

For example, we had recommended to TSA that they develop a strategy on how they were going to ensure security for cargo coming into the United States. Because even though they have measures in place to ensure the security of that cargo, it is not as stringent as for measures in place of domestic cargo, so we think more can be done in that area.

Then, a third area related to air cargo has been talked about this morning as technology. We think that DHS S&T, primarily working with TSA, is still in the early stages of this. And there is lots

of technology that they are pursuing that is in the pipeline right now.

There is not a lot of time frames for when they expect to complete pilot testing and moving the technologies forward. So I think it would be good to see more planning in terms of those technologies, and time frames as to when they hope, S&T primarily, can move those through the chain.

Mr. PRICE. Thank you, Ms. Berrick.

Mr. Bennett.

Mr. BENNETT. Mr. Chairman, the concept of moving much of the screening downstream is very welcome in the airport community for air-cargo purposes.

The air cargo at most of the major airports is really not designed to accommodate a very large screening system, or screening systems in the air-cargo facilities, and would probably face increasing challenges as we would try to accommodate those very similar to end-line baggage screening challenges at the airports as we develop facilities; and change the way that freight flows on the airport from the trucks when it arrives to the point that it gets on the airplane.

So the concept of having that cargo, as it arrives at the airport, already screened and gone through those formalities is a very welcomed approach to that issue.

Mr. PRICE. Ms. Sterling.

Ms. STERLING. I agree with everything that has been said. I would just add that until the technology arrives, as I said in my testimony, TSA must develop clear- and concise screening protocols that will allow the use of existing technology to screen the large volumes of cargo.

In addition, I think there is an opportunity between TSA and foreign country security programs to eliminate redundancies and requirements to re-screen cargo that has been screened or flown.

ALTERNATIVE SCREENING FOR LARGE PALLET AIR CARGO SHIPMENTS

Mr. PRICE. What would you say about these large pallet-sized shipments? There is no TSA-approved screening technology currently available, for those. In your view, what alternative methods of screening might be most effectively implemented for palletized shipments?

Ms. STERLING. Again, American has stated in the testimony that we advocate that the best way is through the supply chain, up-line. We know that there is a large amount of volume in cargo, and we know that the shipments are large. Clearly, moving it upstream to the supply chain is the way to go.

Mr. PRICE. All right. Let me, just briefly, revisit the topic Mr. Carter brought up: the Registered Traveler Program.

I think, Mr. Hawley, for better or for worse, you expressed your view of that program's progress thus far, indicating, as I understood you to say, that you did not think it had lived up to its security billing, in terms of making possible an abbreviation of the screening process. Also, saying, as far as TSA is concerned, that you are content to leave the development of this program with the private sector and with the airports.

Mr. Bennett, it is your testimony that perhaps most directly addressed this. I wonder what you would have to say about the cur-

rent state of registered travelers, as you see it; and what you think TSA's role should be in moving this program forward?

Mr. BENNETT. Mr. Chairman, Mr. Carter's comments were correct. The Registered Traveler Program is, as it exists today, really nothing more than getting you, hopefully, to the head of a line, and getting you through security a little earlier. So if you are experiencing the 45-minute peak-time waits that Mr. Farr referenced from a January day out at Dulles, if he had been a participant in the Registered Traveler, ideally, he would have been able to avoid that lengthy delay.

But, from the airport perspective, we think that Registered Traveler, if done correctly, offers a tremendous benefit to improving the security environment, and actually taking the opportunity to reduce the size of the haystack.

From an airport perspective, we would welcome being able to work with the Registered Travelers vendors, as well as the TSA, and establish what additional requirements might be necessary so that we could improve the benefits of the program and make it a more effective tool in improving the security environment for aviation.

Mr. PRICE. Well, the development of these programs seems to be somewhat stalled. So beyond that general expression of a willingness to cooperate, what kind of steps would you hope to see in the near term?

Mr. BENNETT. We would be supportive of expanding the background investigations to expand it to have criminal-history-record checks, and to bring commercial financial data bases.

Many of us, as employers, today, when we hire employees, we do all of those investigations on employees before we put them on the payroll. It is very easily done; and it can be done, I think, with not too intrusively, and protect the privacy of those people who are applying to be participants in the Registered Traveler Program.

If we are able to come to a way to stand that type of program in investigations up, and if it meet with TSA's approvals, then, hopefully, we would be able to have security lanes dedicated at our airports for the registered travelers.

Mr. PRICE. With what kind of screening procedures, presumably abbreviated-screening procedures?

Mr. BENNETT. That would be up to TSA to be able to determine what their level of comfort would be for an abbreviated or modified-screening protocols.

We are not of the opinion that the people should be allowed to not have screening. We think screening is very important. But we do think that if we have an in-depth knowledge of who these individuals are, that there could be a modified-screening protocol that would meet TSA's requirements.

Mr. PRICE. It sounds, though, like you are placing more stock in the background check than you are in improved technology, for example, to permit shoes not to be removed or something of that sort.

Mr. BENNETT. Well, the technology would be a very important piece of that puzzle. But, right now, I am not sure that there is a technology available that is ready to roll out not the screening environment that would, for instance, allow the shoes not to be taken off.

But I do think that there may be other benefits that could be just procedural benefits within TSA's protocols that would benefit the through put for registered traveler lines.

Mr. PRICE. Mr. Hawley, is there anything that you would like to add?

Mr. HAWLEY. I think that Mr. Bennett captured it very well. The crux of the matter is: once you make the policy decision that this is going to be a private-sector-led program, then it is the private sector who comes up with the risk capital, and puts up the effort to go figure out all the requirements of essentially a financial-services background check.

I suggested that on January 20, 2006. And we also proposed that there would be dedicated lanes for the Registered Traveler, and the Registered Traveler community shot that down and said: No, we do not want to add that to the fee that would allow that to happen to be in there.

So, essentially, we are waiting on those vendors to come forward with something that will allow us to change the security. It is a private-sector market. And, if there is not the market to do that, then it will stay where it is.

But we have to keep our eye on the ball with security. As soon as we find a technology that we could deploy that will allow folks to keep their shoes on, we will be certainly discussing, with the Subcommittee, the opportunity we might use to buy that for all passengers.

Mr. PRICE. As you know, the Committee in the 2008 bill, did address the issue of double identification. There may be other aspects that we will want to work on in the near term, but for now, I think we will leave it at that.

And I will turn to Mr. Rogers for any questions he has on this concluding round.

Mr. ROGERS. Thank you, Mr. Chairman.

CHALLENGES TO MEETING THE AIR CARGO SCREENING MANDATE

Let me get back to air-cargo screening. The question is directed to anyone who would like to respond. About 23 billion pounds of cargo is shipped annually in the U.S., and about a quarter of it is shipped via passenger aircraft. That is an astounding amount of poundage. I suspect a big chunk of the revenue of an airline.

What percent of your revenues do you think come from your cargo on passenger planes?

Ms. STERLING. I do not have that statistic with me, but I can certainly furnish it to you.

Mr. ROGERS. Give me a guess.

Ms. STERLING. I would imagine that it is probably about 5 percent.

Mr. ROGERS. Yes. So this is a very important piece of——

Ms. STERLING. Yes, it is.

Mr. ROGERS [continuing]. Whether or not you are going to operate?

Ms. STERLING. Yes.

Mr. ROGERS. The 9/11 Act mandates that we screen 100 percent of air cargo carried on passenger aircraft by August 2010. I opposed that because it was impractical. We just could not get there at that

time, but I found myself in the minority and it passed. It is the law now.

Then, we have been told, Mr. Secretary, that development of full-screening technologies to meet that directive may be five to seven years away from now. Is that correct?

Mr. HAWLEY. It could be, if it is done at the airport for the large-size pallets.

Mr. ROGERS. I am sorry?

Mr. HAWLEY. For the large-size pallets, the technology does not exist today. It could well take five to seven years for that to be deployed.

Mr. ROGERS. In order for you to say you are screening 100 percent?

Mr. HAWLEY. At the airport, which is why our solution is to not do it at the airport because the technology does not exist for that.

CERTIFIED SHIPPER PROGRAM

Mr. ROGERS. So you are relying upon the Certified Shipper Program?

Mr. HAWLEY. Yes, sir.

Mr. ROGERS. And you are saying that the certified Shipper Program meets the requirement of 100 percent screening, or it can be called screening?

Mr. HAWLEY. It will meet the requirements of the law, and what we are developing now is exactly what the requirements are to meet the law.

Mr. ROGERS. Well, that is open for debate, whether or not the Certified Shipper Program can be called, as the law calls for screening of cargo for passenger aircraft.

I want to believe, and I would like to believe that what you are saying is correct. I am sure it is. If you can give us chapter and verse of whether or not a Certified Shipper Program satisfies the requirement of the law we passed requiring 100 percent screening of cargo on passenger aircraft, then I will feel better.

But I remain unconvinced at this point, and I am not looking for it today. If you have some time one of these days, perhaps you could get us something on that.

A Certified Shipper Program, though, depends on so many intangibles out there, going all the way back to the manufacturing of the product, and the integrity of the protection of that product all the through its many hands into the belly of the craft. It is a lot like when I used to be a prosecutor you had to establish the chain of evidence, having everyone who touched it along the way come and testify: I had it from January 1 to January 5th. It was in my hands all the time. It was never touched by anyone else, that type of a process.

I do not know whether Certified Shipper meets those requirements even yet or not or whether or not a Certified Shipper Program satisfies the law requiring 100 percent screening. What do you think?

Mr. HAWLEY. The proof of the pudding is when we produce the standards that dictate exactly this is how we do it, with what technology, and we have not provided that data for you, so you do not have the basis to judge. But, the burden is on us to demonstrate,

and I said we would do it this spring, that we would say here are the technologies that could do it.

Now, just some attributes of the industry that I think that make it easier to do is that 66 percent of all that tonnage you are talking about is concentrated in 18 airports and that drives the size down. And, then the other piece of it is that by having certified places to do the screening, it changes from 10,000 known shippers that we have to have our inspectors go to, where we will have 400 inspectors and they will be able to concentrate on far fewer locations to do the inspections. And, we also have 170 canine teams for air cargo. So, we have quite a few resources lined up to do it, and the model, the air cargo model is very concentrated.

We, today, at all of the small airports run 100 percent of the air cargo through exactly the same technologies we do for checked bags. So we have a head start, probably more so than most people think, but the whole ballgame is going to come down to exactly what those standards of what is the approved technology that can constitute screening under the 9/11 Act.

[The information follows:]

The air cargo screening provision, 49 U.S.C. § 4490(g), added by section 1602 of the Implementing Recommendations of the 9/11 Commission Act of 2007, P.L. 110–53, 121 Stat. 266 (August 3, 2007), explicitly permits the Administrator of the Transportation Security Administration to fulfill the mandate of screening cargo carried aboard passenger aircraft using a certified cargo screening program under which the screening is performed by shippers. The provision states, in part: "Such additional cargo screening methods may include a program to certify the security methods used by shippers . . ." Under § 44901(g), cargo must be screened by either physical examination or non-intrusive methods to assess whether it poses a threat to transportation security; the methods of screening may include any of the methods explicitly named in the statute *or* another method approved by the Administrator. A method approved by the Administrator may include a program to certify the security methods used by shippers. Furthermore, the method of screening may not consist *solely* of performing a review of information about the contents of cargo or certifying the identify of a shipper of the cargo, but allows use of this method in conjunction with other methods. Overall, the level of security must be commensurate with that provided for checked passenger baggage.

The certified cargo screening program (CCSP) that TSA is developing to meet the 100% screening requirement of the 9/11 Act will provide a level of security commensurate with the level of security for the screening of checked passenger baggage. Employees and authorized representatives with unescorted access to cargo in a certified cargo screening facility (CCSF) must each successfully undergo a Security Threat Assessment. The CCSF at an airport must also undergo an audit of the security measures of the facility by a TSA-approved auditor and must be approved by TSA. The CCSF at an airport must:

—screen cargo intended for transport on a commercial passenger aircraft using only TSA-approved methods.

—implement stringent physical access control measures to ensure that there is no unauthorized access to the cargo once screened.

—adhere to strict chain of custody measures, including tamper evident technology, to ensure the security of the cargo throughout the supply chain prior to tendering it for transport on commercial passenger aircraft.

The multilayered approach of the CCSP upon full implementation will meet all of the requirements of 49 U.S.C. 44901(g).

RESPONSIBILITY TO FUND AIR CARGO SCREENING PROGRAM

Mr. ROGERS. Now are you anticipating the airlines would pay the equivalent of a passenger fee for this service?

Mr. HAWLEY. No. What we are anticipating, the airlines will certainly be a participant as they are today in the screening, but we do not think it is the right answer to have them bear the entire

burden for a variety of reasons, including the operational ones of it would not work piling everything up at the airport. And, I think the other point on my understanding of the air cargo industry is that it is a significant part of the profitability picture for airlines and, therefore, it is very important networkwide to have a profitable airline system and that a vibrant air cargo industry plays into that.

Mr. ROGERS. Well, I agree with that. I mean, it is self-evident that they must have this, but the government is going to a huge expense to ensure the safety of that cargo that is passive and is the reason for the airlines' way to make profit. Should they not bear some more of the expense of what we are doing?

Mr. HAWLEY. I think the supply chain should in fact bear—it should be shared among the airlines and the other participants in the supply chain. And at the end of the day, it is the person who makes the product who is going to pay the bill in that if it is a computer manufacturer, they are going to pay what it costs to get their computer to their customer, and they will have the incentive to, therefore, set up screening at the manufacturing location and then it is far easier at that point to secure the chain of custody, as you described, than perhaps hitting it at other points in the supply chain.

So, we think the market incentives will drive some of the manufacturers to do it at the point of manufacture. The large freight consolidators, I expect, will have a significant portion of this, and we are expecting them to participate in the cost of this ongoing that would not be subsidized entirely by the government.

CERTIFIED SHIPPER PROGRAM STATUS

Mr. ROGERS. Where are you today on this certified shipper program?

Mr. HAWLEY. We have three efforts underway. San Francisco, we have been in San Francisco for about a month, and in Philadelphia and Chicago, I think we started this week. So, we will be adding additional pilots, I believe six more, in March and then further as we go.

Mr. ROGERS. And when do you anticipate putting out certified shipper standards?

Mr. HAWLEY. This spring.

Mr. ROGERS. And will there be a notice of rulemaking with the opportunity to comment and so on?

Mr. HAWLEY. We are working through those, what the legal vehicle is to get that done. Our hope is that we will get the standards out and then we will get some participants to step up and accept those and implement them right away. But, certainly it will follow up with a requirement of some sort.

Mr. ROGERS. Well, we will be watching that with interest as we go along here. You say spring, meaning what?

Mr. HAWLEY. By June 20. [Laughter.]

Mr. ROGERS. June 20?

Mr. HAWLEY. Yes, sir.

Mr. ROGERS. All right. Let me set my clock. [Laughter.]

Mr. HAWLEY. It is the longest day of the year.

AIRPORT EMPLOYEE SCREENING PROGRAM PILOTS

Mr. ROGERS. Lastly, Mr. Chairman, let me quickly ask about the airport employee screening pilot. Now where do we have a pilot or pilots going on security screening of airport employees?

Mr. HAWLEY. We have announced that we will be doing seven pilot programs. Again, we do not have the exact date, but our expectation is that they are 90-day pilots that will be concluded by, I would say, the fall, such that we would have results to be able to report to Congress in this calendar year. And, three of the pilots will be full employee screening, physical screening of employees coming to work. Four will be of alternative methods of providing security. And then, we will have a third party evaluate the results and then report to Congress.

Mr. ROGERS. Well, according to a 2007 report, nearly 700,000 airport employees across the country, including cleaners, maintenance workers, catering, and ramp workers and others, hold what is called secure identification display area badges, SIDA, which allow them access in the proximity of passenger aircraft on the ground. Often and I am sure perhaps all the time these are the lowest-paid workers at the airport. They are not routinely screened, unlike the flight crews that have to pass through a regular security screening.

It just seems to me that despite the efforts of the airports, and we praise them for that, that it is still not up to where we would like to see it. Do you agree with that?

Mr. HAWLEY. Yes. I believe more can be done, which is why we have our program. We have put up to our folks and then the Congress and this committee has supported dedicating up to, I think, it is 1,200 employees full-time in Fiscal Year 2008 and 1,600 total in 2009, and that is to get at it regardless of what the pilots show, that we are already doing that today.

Mr. ROGERS. So, at the pilots, at least at three airports you are going to have 100 percent employee screening.

Mr. HAWLEY. Correct.

Mr. ROGERS. And the other four will be random screening?

Mr. HAWLEY. Yes, random, neighborhood watch, things like that.

Mr. ROGERS. And then three of the seven will include vehicular screening.

Mr. HAWLEY. I believe they all will involve vehicular screening. The three would be the 100 percent. The others would be something else.

Mr. ROGERS. What kind of screening will that entail?

Mr. HAWLEY. There would be a couple of options. One would be the visual inspection. Another one would be canines. And, we have portable explosive detectors that could be used in those as well.

Mr. ROGERS. You are talking about the vehicular?

Mr. HAWLEY. Yes, sir.

Mr. ROGERS. And what about the employees?

Mr. HAWLEY. Well, you could use the same technology on the passenger, but you would add a handheld magnetometer.

Mr. ROGERS. Yes. So we will get the report when?

Mr. HAWLEY. By the end of the calendar year, 2008.

Mr. ROGERS. Yes. Well, in closing, let me congratulate you, Mr. Hawley, for a terrific job. It is a tough, tough job you have, one of

the toughest in the government I think, and you have brought an expertise to that job that you have that was right for the job. We appreciate your service and dedication to the country.

Mr. HAWLEY. Thank you.

Mr. ROGERS. And the same to all of you.

Mr. PRICE. Ms. Lowey I know needs to leave, so I want to give her a chance.

Mr. ROGERS. She wanted to respond.

Ms. BERRICK. Yes. I am sorry. Excuse me, Mr. Chairman. I just wanted to mention the two questions you had related to air cargo and the certified shipper program and employee access screening. GAO has ongoing work looking at both of those areas and are going to be reporting out later this year, and we would be happy to come and talk to you about our results and brief you on those.

Mr. ROGERS. We would love to hear it.

Mr. PRICE. Good. Thank you. Ms. Lowey.

Ms. LOWEY. I want to first thank the Chairman for holding this hearing and apologize, but as we all know, there are probably a dozen Appropriations hearings going on. Otherwise, I would have loved to be here. And I would like to follow up for a moment with Mr. Rogers's compliments, because Assistant Secretary Hawley is really a pleasure to work with, and your answers are always direct. You do not talk around the issue. And although we may have some slight disagreements, it is not without a great deal of respect that I ask you all these questions, so I thank you very much.

100 PERCENT SCREENING FOR AIRPORT EMPLOYEES

I want to follow up on Mr. Rogers's line of questioning for a moment because, Mr. Sterling and Mr. Bennett, both of you say in your testimony categorically that 100 percent screening of airport employees is not reasonable. Yet we know it works at some of the busiest airports in the world, Heathrow, Charles de Gaulle. Piloting these measures as I have been advocating and this committee recently required can only provided us with more knowledge of our aviation security measures.

Frankly, I find it hard to believe, and when I read your statements, I find it hard that you said it is not reasonable because it has never been tried on a wide-scale level in the United States. And at the airports that perform some level of employee screening, Miami and Orlando, it appears effective. If it is not, I would love to hear about it. There are other problems with Miami. I was there not too long ago and waited about an hour and a half on a line, but that is another story. It had nothing to do with the workers.

So Secretary Hawley, while we may disagree on the merits of 100 percent employee screening, I am very pleased that TSA has moved quickly to comply with the intent of Congress, and I really do look forward to the results of these pilot programs.

And by the way, I would just say after I ask another question, Ms. Sterling and Mr. Bennett, if you want to backtrack on that comment in your report and not say it is not reasonable, you certainly would have an opportunity to respond.

I am puzzled as to why you, Secretary Hawley, and some of the witnesses who are here today have expressed reluctance to implement the 100 percent screening pilot program in the past. I would

be very interested to know how many airports have expressed an interest in participating in the pilot program.

Mr. HAWLEY. We have volunteers. The seven that we have are volunteers. I have to say they were motivated, I think, perhaps thinking that there would be federal funds to cover some of the costs of the pilots, which there are. They will have some expense of their own.

Ms. LOWEY. Any way you can motivate them is just fine, right?

Mr. HAWLEY. Well, we need to get the data. And, I think to your point, and I appreciate your kind words and, I think we do in fact disagree on this topic, but I think this——

Ms. LOWEY. You are coming along, though. [Laughter.]

Mr. HAWLEY. Well, on the pilots, I think it will go a long way to giving us data on which we can say here is what we found out, and we will certainly go where the data takes us.

IDENTIFICATION BADGES FOR AIRPORT EMPLOYEES

Ms. LOWEY. Now, Ms. Sterling, your testimony advocates for more tamper-proof ID badges at our airports but still does not seem to get the fundamental issue of protecting aircraft from employees who wish to cause destruction. So, under the proposal you mentioned, what assurances are there that an employee properly vetted and badged is not carrying a gun or IED into the secure sterile area?

Ms. STERLING. I think my focus in my testimony was more on the badging process. And in my testimony, I stated that the current piecemeal approach to security badge that exists because airports want to retain control over their existing local system is simply not acceptable. And what I mean by that, if you can imagine where you have crew members traveling the United States, they require access to the secure side, and having to have 15 or 20 different ID badges to be able to do that would be quite cumbersome for them to do so. So what we are advocating is that there be a system approach to ID badging and credentialing, which we believe makes a lot of sense.

At no time in my testimony would I ever take away from added security measures that we have in place today, that TSA has in place today by randomly checking people who are on the AOA. I support that, and we agree with that 100 percent.

Ms. LOWEY. But where we disagree is you are talking random checking, and they do not randomly check members of Congress. It is 100 percent. So we just think it should be 100 percent, but I gather we disagree on that one.

Secretary Hawley, in light of the various criminal incidents involving airport and airline workers last year, the COMAIR incident in Orlando, the Russell Defreitas arrest connected to JFK, the SIDA badge bust at O'Hare, is TSA taking any additional steps to better account for personnel within secure and sterile areas and limit workers to only the areas of an airport they are permitted to be in?

Mr. HAWLEY. Yes. In addition to what we call ADASP, which is the random, unpredictable screening that we do every day at every airport and now have dedicated 1,200 folks to do, we have done additional work with our colleagues at ICE in establishing the reli-

ability of the underlying documents establishing the identity of the person who then goes over to the airport badging office.

So, in other words, Peggy Sterling has been talking about the badging process. That is a critical part. There is an additional critical part prior to that, which is to establish the validity of the person. Let us say they come to a cleaning company and apply to the cleaning company and say who they are. We need to check that those are the correct documents and that those are valid.

So we have done over the last several months, three times in fact, a surge on SIDA badge instection, whether people are displaying them properly. We followed it up with 10 airports where we have gone in and gone back to the cleaning company level, and we have found some areas that need to be improved, and that is something that we are working with. Not only the airports, we are on the same side with airports. It is just they want to know too they are the right people, but, how do we ensure that we have the correct chain of custody, as Mr. Rogers was saying, of the individual's validity from the point of application to the company all the way through to the SIDA badge.

Ms. LOWEY. Thank you very much. And I know my time is up. I thank the Chairman, and I will submit the rest of the questions for the record.

Mr. PRICE. Thank you. Before turning to Mr. Farr, I do want to briefly turn to Mr. Bennett, since your testimony has been referenced several times, to see if you want to briefly elaborate.

FREQUENCY OF AIRPORT EMPLOYEE SCREENING

Mr. BENNETT. I would enjoy elaborating. Thank you for the opportunity. What the airport community proposes in lieu of 100 percent screening we feel is actually more effective and improves the security environment more than 100 percent screening of employees. One hundred percent screening of airport employees does little towards understanding whether any of those individuals has an intent to do harm to the aviation system.

And the program that we have proposed of more robust background investigations, the randomness of the program that is in place today of screening individuals, putting the biometric identification mediums on those individuals and limiting the number of those individuals that have that unrestricted access to certain areas of the airport, we believe that a combination of those measures is actually more effective than 100 percent screening because we need to remember that airports are very complex environments, and even though you may be screening 100 percent of those employees before they go to their work station, as a routine of their daily job, they are working with equipment and tools and chemicals and devices that are just as destructive as any gun or bomb may be. And screening those employees as they go to work does not keep them from having access to that equipment as part of their daily job. And our proposal is we are trying to establish whether any of those employees would have the intent to do harm with those devices.

Mr. PRICE. All right. Thank you.

Ms. LOWEY. Mr. Chairman, I just want to thank you for pursuing that question, and I thank you for your thoughtful response, al-

though I respectfully disagree, respecting your experience in this area, because not everybody who may do harm has the intent to do harm or the background which reflects any indication that they could do harm, and it seems to me that we should keep our minds open, and I look forward to the pilot program because we have seen these incidents in Orlando and elsewhere where there were those who did harm or could have done harm when they may not have had a biography, a resumé that reflected the fact that they may do harm. So thank you very much.

Mr. PRICE. Thank you. The discussion will continue. Mr. Farr.

INTELLIGENCE ANALYSIS AND INFORMATION SHARING

Mr. FARR. Thank you, Mr. Chairman. Just to follow up on that concept, in the IED area in Iraq I know and Afghanistan, we have spent billions of dollars trying to detect these things, and now we are spending some good money on trying to deal with the psychology of why do people want to do this in the first place, go to the individual intent. I think that is smart intelligence, and I know we have to do that.

And what, Mr. Hawley, I want to ask you about is I know TSA has major challenges in building the intelligence capabilities that are necessary for our transportation system, and I know that those challenges are strengthening your own in-house capabilities personnel with analytic expertise, but it is also the ability to coordinate the data systems that are collected by all these government agencies and allow you to have those data systems interoperable.

So I wonder what programs do you have underway to help build your intelligence analysts and also to make the information system interoperable? And in your opinion, what are the most important TSA intelligence areas that the next Administration needs to focus on, and where are we going?

Mr. HAWLEY. I think those are really critical questions because the way to stop attacks is to get them before they are launched, and the Department of Homeland Security has a Chief Intelligence Officer, Charlie Allen, who at the Department level has created a university, if you will, for taking new people into the intelligence business and training them up as analysts and then having them be provided to the DHS entities, and I think that is an excellent long-term program and will have long-term benefits.

We have the benefit of a very professional intelligence staff at TSA. Mr. Allen helped us recruit those individuals. And we are daily participants with the counterterrorism community that is called together by the National Counterterrorism Center. NCTC, every day, has a briefing, an interactive briefing. I personally participate every day, including today. And, that is, I think, the best way for us to keep both the intelligence that is going on and the tactical response and understand what the FBI is doing, what TSA is doing, other DHS components. We do that on a daily basis. I think that is the best thing.

On the interoperability of systems, the Terrorist Screening Center holds the watch list, and that is I think the most important part of the information interoperability of getting those watch lists right both in terms of the right people and the protection of that data so that we are not inconveniencing individuals who are not

meant to be on those watch lists. So, that is a focus of ours with the Terrorist Screening Center, and we are very close with them in terms of going through every individual file to make sure that there is not a mistake and that the most information we have on that individual is there and accurate so it sorts away from people who should not be involved.

The longer-term issue is cyber, and I think it was very instructive. Secretary Chertoff in the end of 2007 looking ahead to 2008 listed it as one of his top four worries. I think as we go as a country, that is going to be a very central issue. Information protection and integrity is going to be a national priority. I think it will be right at the top going forward.

And, I would add, you mentioned earlier the Naval Postgraduate School, and they have a Center of Excellence in this area, and we have participated with them, and they are, in fact, now talking to the Department about using the resources that they have and the learning that they have developed in this to quickly make that available to the DHS effort.

MODEL PORTS OF ENTRY AT AIRPORTS

Mr. FARR. Thank you. I also had a question that this committee appropriated $40 million to expand the model ports of entry program to the top 20 international in-bound airports, and I wondered whether you could access some of that funding to improve the TSA screening process in those designated model ports of entry.

Mr. HAWLEY. I do not know the answer to that, but I will follow up to make sure that we are engaged with the model ports of entry. And whether or not we have access to the dollars associated there, we will participate and be a good partner with that.

[The information follows:]

The $40 million appropriated for the Model Port of Entry program was provided to U.S. Customs and Border Protection. Nevertheless, with the Committee's support, TSA has an aggressive program in fiscal year (FY) 2008, and continued in FY 2009, to deploy new technologies, practices, and procedures to the security checkpoint that will enhance overall security while information all passengers and improving the traveler experience.

Mr. FARR. The one thing that I ran against, Nita just talked about, Ms. Lowey, about Miami Airport. When I recently went through there, Dade County, which owns the airport, has employed 12 professional greeters because that airport has so many VIPs from diplomats, members of parliaments and so on from around the world coming through there as a port of entry, and I know they work closely with TSA. But it really does expedite.

And one of the things we have heard on our side from visitors from other countries, our colleagues who are in Zuma and Russia was the one that really he came and he said he had been here 12 times, this was in this building, and he indicated he was never coming back because of the way he was treated at his port of entry. That was not Miami. I mean, we have never put into the values of this whole situation of what about those local assets, local ability to have people employed at the ground level to sort of do that kind of stuff. It is a value to that airport, but other airports of entry do not have those kinds of offices.

I do not know what I am saying other than the local government seems to be able to do in some cases, put on that extra value, that other airports perhaps ought to be doing.

WORKING WITH PARTNERS TO IMPROVE AIR TRAVEL

The last question if I can get into it is USA Today reported yesterday on the findings of the six-month investigation into the effectiveness of TSA's security procedures. They reported that the hype and the hassles are not balanced by effective procedures at TSA. The report's findings along with continued flight delays, of outdated traffic control systems and record levels of lost passenger luggage have made us all keenly aware the domestic air travel system is getting worse, not better.

And I wondered if you would agree that TSA should participate in a comprehensive plan to tackle this problem along with relevant public and private sector stakeholders such as at the table? I mean, none of these problems is all within one jurisdiction. It is sort of this question of interoperability that seems to be the appropriate word these days of getting everybody regardless of how they get there to the table to work on making these systems work systematically. I was shocked to hear that you have got to have all these different IDs depending on the airport you are in. It just does not make sense. So are you all working towards that?

Mr. HAWLEY. Certainly at DHS, we are very definitely. I mentioned at the very beginning when I said we are doing VIP programs, we do those in conjunction with CBP and ICE. When we talk about the credentialing, those we also do with CBP and ICE in terms of assuring the accuracy. And, I think your point about the system nature of it, having all parties working together is exactly right on, and it is something that it is a shared responsibility, and the degree to which we work well together it does better.

So, I am not familiar with the report you cite, but the issues are familiar. I know at DHS, a large part of what Paul Schneider, who is our Acting Deputy Secretary, does. And, yesterday is an example, we meet every week as component heads with the Deputy Secretary to go over operational integration opportunities. So, it is something that has the personal attention of every component head at DHS.

CHECKPOINT OF THE FUTURE

Mr. FARR. Do you think we can ever get to the point where we eliminate the lines, that we do not have to have the individual screening because we will have all of the process in place so that you do not have to open every bag and take off your shoes? You mentioned that in your testimony. I wondered how long it would take us to get there.

Mr. HAWLEY. Yes. And I think it is a future Administrator who will get to tell you how to do it. [Laughter.]

Mr. FARR. But it is doable?

Mr. HAWLEY. Sure. Conceptually. I do not have the equipment, and I am not sure it exists on Earth quite yet, but a millimeter wave has a way of—you can put them in sensors that will be more standoff—and I think when they are accurate as a standoff, then you can have more of a walkthrough-type screening process and

more distributed identity verification. It clearly is possible. It just has not been put together, either the technology or operationally, but it is absolutely possible.

Mr. PRICE. With that, we will bring the hearing to a close. I want to thank all of you for being here, for your patience with our delay and with the unique information each of you brought to the table. We are very grateful, and we will be in touch as we put our bill together. Thank you.

TRANSPORTATION SECURITY ADMINISTRATION HEARING
QUESTIONS FOR THE RECORD
FROM CHAIRMAN PRICE
FEBRUARY 28, 2008

Fiscal Year 2009 Budget Request

1. The 2009 request significantly rearranges programs, projects, and activities with TSA's budget and establishes new programs, such as law enforcement and human capital. Please explain why you believe this new budget structure is necessary and what TSA cannot do under the current budget structure.

ANSWER: The Transportation Security Administration (TSA) Budget reflects three major changes to budget structure. These include:

- Proposed consolidation of like functions;
- Realignment of functions between PPAs to more closely mirror current organizational structure (i.e., align operational program and personnel funding under same PPA, as well as align support operating funds with personnel funding); and
- Integration of the Federal Air Marshals Service (FAMS) into the Aviation Appropriation.

Under the current budget structure, Assistant Administrators frequently share funds control of a PPA with up to four different organizations. In addition, the transfer constraints resulting from a separate appropriation for the FAMS makes it difficult for the organization to augment that program with even the minimal amounts of funding that may be needed to respond to emergent threats such as the bottled liquid/gel challenges in fiscal year 2006.

While TSA remains firmly committed to leveraging the full capability of its financial accounting systems to continue to report to Congress in the desired level of detail for each operational and support initiative, TSA is confident that the proposed restructuring will enhance program accountability, simplify financial management, and maximize the ability of the FAMS to respond to emergent threats.

2. For the record, please provide a crosswalk of the fiscal year 2009 budget request (both funding levels and FTEs) in the 2008 programs.

ANSWER: Please see the following chart.

Program Project & Activity	FY09 Pres Request FTE	FY09 President's Request ($K)	FY09 FTE in FY08 Structure	FY09 Budget in FY08 Structure ($K)
AVIATION SECURITY				
Screening Partnership Program	-	151,272	-	151,272
Screener Personnel, Compensation. and Benefits	45,643	2,716,014	45,643	2,716,014
Screener Training and Other	54	197,318	-	203,801
Human Resource Services	-	-	-	185,373
Checkpoint Support	40	127,683	10	110,569

EDS/ETD Procurement and Installation	106	153,894	17	141,291
EDS/ETD Purchase	-		-	-
EDS/ETD Installation	-		-	-
Screening Technology Maintenance and Utilities	-	310,625	-	310,625
Operation Integration	-	21,481	23	24,389
Aviation Regulation [and Other Enforcement]	1,407	209,991	1,054	246,368
Airport Management & Support [Airport Management, IT & Support]	1,878	373,010	2,044	651,231
Federal Flight Deck Officer and Flight Crew Training	-		24	25,033
Air Cargo	-		610	104,111
Airport Perimeter Security	-		-	-
Implementing Requirements of P.L. 110-53	-		-	-
Federal Air Marshals	-	786,000	-	-
Law Enforcement	567	242,247	-	-
Sub-Total (Appropriated)	**49,695**	**5,289,535**	**49,425**	**4,870,075**
Discretionary Fees				
Aviation Security Fees	**2**	**275**	**2**	**275**
General Aviation at DCA - Fee	-	75	-	75
Indirect Air Cargo - Fee	2	200	2	200
Total (Gross Discretionary)	**49,697**	**5,289,810**	**49,427**	**4,870,350**
Mandatory Fees				
Aviation Security Capital Fund (ASCF)	-	676,000	-	676,000
Sub-Total (Gross Discretionary and Mandatory)	**49,697**	**5,965,810**	**49,427**	**5,546,350**
Less: Adjustments for Other Funding Sources				
Aviation Fees - Discretionary	**-**	**(2,328,942)**	**-**	**(2,328,942)**
Aviation Passenger Security Fees (less ASCF)		(1,880,667)		(1,880,667)
Aviation Security Infrastructure Fee (ASIF)		(448,000)		(448,000)
General Aviation at DCA - Fee		(75)		(75)
Indirect Air Cargo - Fee		(200)		(200)
Aviation Fees - Mandatory				
Aviation Security Capital Fund		(676,000)		(676,000)
Total Aviation Security (Net Discretionary)	**49,697**	**2,960,868**	**49,427**	**2,541,408**
SURFACE TRANSPORTATION SECURITY				
Surface Transportation Security Staffing and Operations	134	25,397	179	26,897
Surface Transportation Security Inspectors [Rail Security Inspectors & Canines]	96	11,603	134	22,103
Total Surface Transp. Security (Net Discretionary)	**230**	**37,000**	**313**	**49,000**
TRANSPORTATION THREAT ASSESSMENT & CREDENTIALING				
Secure Flight	74	82,211	74	82,211
Crew Vetting	-		40	14,934
Other Vetting Programs [Screening Administration and Operations]	65	50,807	25	35,873
Sub-Total (appropriated)	**139**	**133,018**	**139**	**133,018**
Discretionary Fees				

Registered Traveler Program - fees	12	10,000	12	10,000
TWIC - fees	15	9,000	15	9,000
Hazardous Material (HazMat) CDL - fees	17	18,000	17	18,000
Total (Gross Discretionary)	**183**	**170,018**	**183**	**170,018**
Mandatory Fees				
Alien Flight School - fees	6	3,000	6	3,000
Sub-Total (budget authority)	**189**	**173,018**	**189**	**173,018**
Less: Adjustments for Other Funding Sources				
Credentialing Fees - Discretionary				
Registered Traveler - fees		(10,000)		(10,000)
TWIC - fees		(9,000)		(9,000)
HazMat CDL - fees		(18,000)		(18,000)
Credentialing Fees - Mandatory				
Alien Flight School - fees		(3,000)		(3,000)
Total TTAC (Net Discretionary)	**189**	**133,018**	**189**	**133,018**
TRANSPORTATION SECURITY SUPPORT				
Intelligence	92	21,961	95	21,961
Headquarters Administration	938	213,135	1,352	306,249
Human Capital Services	176	218,105	-	-
Information Technology	126	472,799	-	214,150
Total (Gross Discretionary)	**1,332**	**926,000**	**1,447**	**542,360**
Total Transp. Security Support (Net Discretionary)	**1,332**	**926,000**	**1,447**	**542,360**
FEDERAL AIR MARSHALS		786,000		
Management and Administration			72	701,743
Travel and Training			-	89,357
Air-to-Ground Communications				
Total Federal Air Marshals (Net Discretionary)	**-**	**-**	**72**	**791,100**
Total Transportation Security Administration (Total Discretionary/Mandatory)	**51,448**	**7,101,828**	**51,448**	**7,101,828**
Total Transportation Security Administration (Net Discretionary)	**51,448**	**4,056,886**	**51,448**	**4,056,886**

3. Why has TSA's budget request for aviation security decreased for fiscal year 2009?

ANSWER: The fiscal year (FY) 2008 Enacted Net Discretionary amount for Aviation Security is $2,691.0 million and the "FY09 President's Request in the FY08 Budget Structure" is $2,541.6 million. The difference between FY 2008 and FY 2009 is a decease of $149.4M. This amount includes the FY 2008 rescission of $4.5 million from prior year appropriations. Without the rescission, the difference between the FY 2008 Enacted ($2,695 million) and the FY 2009 Request in the FY 2008 Structure ($2,542 million) is 153.9 million.

The variance between FY08 Enacted and the FY09 President's Request in the FY08 Structure includes:

- A reduction in the Aviation Security Infrastructure Fee (ASIF) of $98.0 million. The ASIF is reduced because TSA has finished collecting air carrier fees in arrears.

- An increase in the Passenger Fee offsetting receipts of $313.7 million due to an anticipated growth in air traffic. In FY 2008, the $250.0 million of the fee collection was authorized to fund the mandatory Checkpoint Security Fund. This one year requirement was not continued, and the funds are available for offsetting receipts in FY 2009.

- A net increase of $61.8 million in appropriated funds for base adjustments (e.g., COLA).

Surcharge

4. The President proposed for a temporary, four-year surcharge in the passenger security fee of $0.50 per enplanement with a maximum increase of $1.00 per one-way trip. This surcharge would be used to recapitalize checked baggage screening devices and accelerate deployment of inline systems. If the proposed fee increase is not implemented by Congress, what contingency plan do you have in place to fill in the $426 million in your budget that you estimate will be collected by these passenger security fees?

ANSWER: If the surcharge is not authorized, the Transportation Security Administration (TSA) will continue to execute available funds consistent with the checked baggage strategic plan. The focus will be on providing Explosives Detection System (EDS) equipment and deploying optimal in-line systems to airports that would benefit most. Attention would be also be on airports that need to maintain 100 percent electronic checked baggage screening compliance based upon anticipated growth and recapitalization needs.

5. Assuming the surcharge is not enacted, is your budget adequate to cover the anticipated growth in traffic and for the investments required just to maintain 100 percent checked baggage screening compliance at airports? How will your $153.9 million request do this in 2009?

ANSWER: The budget will be sufficient to sustain progress in accomplishing our strategic plan for checked baggage. The Transportation Security Administration (TSA) would utilize discretionary funding ($153.9 million) and mandatory funding ($250 million Aviation Security Capital Fund) to enter into facility modification agreements and focus on providing Explosives Detection System (EDS) equipment and deploying optimal in-line systems to airports that would benefit most. Attention would be also be centered on airports that need to maintain 100 percent electronic checked baggage screening compliance based upon anticipated growth and recapitalization needs.

6. What items would have to be placed on the back burner? Or would airport projects just drag out for a longer period of time?

ANSWER: If the surcharge is not authorized, the Transportation Security Administration (TSA) would enter fewer facility modification agreements. The surcharge would allow TSA to accelerate the funding for in-line systems by up to six years. This acceleration will not take place without the proposed surcharge.

Transportation Security Officers (TSO) Workforce

7. The fiscal year 2007 annual report from DHS' Office of the Chief Human Capital Officer notes that 486 TSO either to Customs and Border Protection as officers or as Border Patrol Agents. This report notes that this was an initiative by the Department to provide career growth. Yet, until the release of this report, the only career progression that TSA has discussed with the Committee is TSOs becoming federal air marshals. When did this initiative begin?

ANSWER: The Department of Homeland Security (DHS) Career Paths is a Department-wide fiscal year (FY) 2007 initiative that promotes employee career development and aims to retain employees who might otherwise leave employment at DHS by providing cross-component career path resources. Phase I, which began in the second quarter of FY 2007, focused on movement of Transportation Security Officers (TSOs) to Border Patrol Agents and to Customs and Border Protection Officers. Development of this career path consisted of an analysis and comparison of the TSO position with the target Customs and Border Protection (CBP) occupations as well as the development of resources that could be used by the TSOs to evaluate their interest in and ability to successfully compete for the target positions. News of the program was not communicated to the field until the first quarter of FY 2008. Phase II will focus on movement between other DHS occupations.

The Transportation Security Administration also has an internal career progression program, begun in FY 2007, which enables TSOs to move to higher pay band levels and become specialized security officers.

8. For the past two years, Congress has been supportive of permitting TSA to expand pay bands and screening categories, such as developing the new bomb appraisal officers, travel document checkers, and the behavioral detection officers, so that screeners have upward career progression. TSA has assigned these new positions a higher earning potential, up to $86,857 per year in 2008, because it considers them to be more specialized. To accommodate these new positions, TSA has decreased the number of entry screening positions (salary range of $24,432 to $36,648 per year) by 500. Are these higher level screening positions worth the extra costs? Why should we invest in specialty screening categories and not just invest in additional entry level screeners?

ANSWER: The Transportation Security Administration (TSA) is in the process of evolving and enhancing its security measures by increasing the amount of flexibility and adaptability of its workforce, which is paramount in countering the constantly changing threats to the transportation system. Transportation Security Officers (TSO) are just one of the layers of security needed to thwart the threats to the aviation system. TSA has added more specialized security positions with different skill sets such as Bomb Appraisal Officers, Travel Document Checkers, and Behavioral Detection Officers to enhance the level of security provided and to move security beyond the checkpoint environment. These additional layers of security have proven to be successful in initial implementation. TSA has also seen benefits of these new positions in providing a career path for TSO's which has had a direct impact on reducing attrition and enabling TSA to retain a more tenured TSO and benefit from that screening expertise. As a result, TSA is expanding these programs as they have demonstrated that they are well worth the investment.

9. To date, all we have heard is that these specialized screeners have caught some convicts and immigration violators, which is not the primary responsibility of TSA. How do you measure the effectiveness of these costly positions and the tradeoffs from losing entry level screening positions?

ANSWER: Both the Travel Document Checker (TDC) and Screening Passengers by Observation Techniques (SPOT) programs have proven to be effective, proactive layers of security in front of the security checkpoint. These positions enhance the overall security posture of the Transportation Security Administration (TSA). The

TDC program is designed to prevent passengers' use of fraudulent documents to enter the sterile area, and the SPOT program is aimed at detecting hostile intent. Thus, TSA is now looking for dangerous persons versus simply looking for dangerous items. It is the combination of these two components that constitute the greatest threat to transportation security.

Since being deployed in 2007, TDCs and Behavior Detection Officers have identified over 322,000 (TDC 220,400 and SPOT 102,200) suspect passengers for additional screening, resulting in almost 1,000 arrests, and alerted law enforcement to passengers carrying fraudulent identification. While these programs have been successful in detecting criminal activity, the primary purpose of these security layers is to protect the transportation system by identifying dangerous individuals who may intend to commit acts of terrorism.

10. TSA has requested over $100 million to annualize workforce initiatives, such as the Behavioral Detection Officers program, the Aviation Direct Access Screening Program, and Visible Intermodal Protection and Response Teams. How is TSA determining the effectiveness of these initiatives?

ANSWER: The Behavioral Detection Officers (BDO) program, the Aviation Direct Access Screening Program (ADASP), and the Visible Intermodal Protection and Response Teams (VIPR) all provide the Transportation Security Administration (TSA) with critically needed layers of security in aviation security and, in the case of VIPR teams, in surface transportation security as well. TSA appreciates the strong support the Committee has provided to these important programs.

The BDO program provides a means to identify potentially high-risk individuals based on involuntary physical and physiological reactions. For the BDO program, each airport conducting the Screening Passengers by Observation Techniques (SPOT) inputs daily referrals into a web-based SPOT database that provides important information to leadership and allows us to perform metrics and trend analysis. Additionally, the SPOT Program conducts annual standardization visits at each airport to evaluate procedures, methodology, reporting, training, and effectiveness,

Data to date shows that the program at 63 airports has resulted in over 100,000 referrals to referral screening, with over 90 percent of those resolved by BDOs. Of the 10 percent referred to law enforcement, about 1 percent resulted in some type of an arrest.

The ADASP allows TSA to randomly screen more airport and airline employees, thus closing a critical security gap. The ADASP has been successful in identifying security threats at access points to secure areas of the airport, including airport employees carrying weapons and other prohibited items, employees with expired access badges, and items identified through specific intelligence information. A critical indication of the success of ADASP is the initiative's value as a deterrent to behavior that creates security vulnerabilities.

The Visible Intermodal Prevention and Response (VIPR) initiative is inherently a deterrent effort that is accomplished through the deployment of TSA personnel and equipment, in a highly visible posture, with the goal of deterring, detecting, disrupting, and defeating potential terrorist or criminal actions taken against the Nation's transportation system. TSA created the Joint Coordination Center (JCC) to act as the TSA Assistant Secretary's focal point for VIPR deployment. The JCC takes into account a number of factors when deciding what locations will conduct VIPR operations, such as trend analysis, randomness, specific and non-specific intelligence, and locally generated VIPR operations. In addition, After Action Reports are generated at the completion of every VIPR deployment. These reports are examined for best practices and lessons learned and then incorporated into future planning and execution protocols.

11. What has been the security impact of switching from private-sector to federal travel document checkers?

ANSWER: Since assuming responsibility for the verification of travel documents in October 2007, the Transportation Security Administration has effectively identified fraudulent documents that have resulted in over 220,000 referrals for additional screening. In turn, the issues identified during additional screening have resulted in over 260 arrests and the initiation of hundreds of investigations by local and Federal law enforcement into potential criminal activity. Travel Document Checkers (TDCs) add value by:

1. Enhancing security by ensuring only passengers with authentic boarding passes are permitted into the secure or restricted areas of airports and aboard aircraft;

2. Ensuring more efficient checkpoint line queuing, divestiture, and selectee screening; and

3. Providing observation of behavioral anomalies that warrant additional screening by additional interaction with passengers.

12. Historically, TSA faced challenges in hiring TSOs to meet its staffing needs at passenger screening checkpoints and checked baggage screening stations. TSA implemented local hiring in 2006. What impact has local hiring had on TSA's ability to meet its TSO staffing needs?

ANSWER: Since local hiring has been in place, the Transportation Security Administration (TSA) has routinely tested more candidates through computer based testing, assessed more candidates at the local airports, processed the candidates through the hiring process more quickly, and brought them on in much larger numbers than ever before. Local hiring has enabled TSA to reach and maintain the staffing requirements at the Nation's airports.

For example, before local hiring, TSA assessed an average of 400 candidates per week which resulted in hiring an average of 180 Transportaation Security Officers (TSOs) per week for placement at 20-30 airports..

After implementation of local hiring, TSA has assessed an average of 1,000 candidates per week, recently averaging a biring rate of 750 TSOs hired per week for placement at 80-90 airports.

13. What is the current screener staffing FTE level? Do you expect to maintain this FTE through the end of FY 2008? What level of screener staffing do you project for FY 2009? For this response, please include separate and distinct figures for screeners, lead screeners, supervisory screeners, bomb appraisal officers, travel document checkers, behavior detection screeners, and ADASPs.

ANSWER: As of February 16, 2008, Transportation Security Officer (TSO) staffing was at 43,795 Full-Time Equivalents (FTE). The Transportation Security Administration (TSA) expects this number to increase slightly through the fourth quarter of fiscal year (FY) 2008 to accommodate the increased passenger traffic associated with the summer travel season. TSA anticipates having 44,543 FTE in FY 2009, not including security managers. The following tables illustrate the FY 2009 FTE plan:

TSO Budgeted FTE by Job Title			
Job Title	**Band**	**FY08 FTE**	**FY09 FTE**
TSOs	D, E	32,180	32,055
Lead TSOs	F	5,490	5,490
Supervisory TSOs	G	4,360	4,360

BDOs	F,G,H,I	2,011	2,341
BAOs	H, I	297	297
Managers	H, I	1,100	1,100
TOTAL		**45,438**	**45,643**

TSO FTE Allocated to Security Duties		
Job Duty	**FY08 FTE**	**FY09 FTE**
TDC	2,001	2,001
ADASP	1,279	1,654
SPOT	2,011	2,341
BAO	297	297
Checkpoint / Other	39,850	39,350
TOTAL	**45,438**	**45,643**

Checkpoint Technologies

14. In the Intelligence Reform and Terrorism Prevention Act of 2004, as well as subsequent legislation, TSA has been directed to submit to Congress a strategic plan for checkpoint technologies. TSA has not submitted such a plan. Why has TSA not been able to develop and submit a strategic plan for checkpoint screening technologies, and when does the agency expect to submit it?

ANSWER: In compliance with direction provided by Congress in the fiscal year 2008 Consolidated Appropriations Act, TSA intends to deliver a final strategic plan to Congress during summer 2008. A report entitled "Report to Congress: Detection Equipment at Airport Screening Checkpoints" was provided to Congress on August 9, 2005 to satisfy the requirements of the Intelligence Reform and Terrorism Prevention Act of 2004. In September 2007, the Transportation Security Administration (TSA) submitted to Congress a report entitled "Development of a Passenger Checkpoint Strategic Plan."

15. Congress has appropriated a significant amount of funding to DHS and TSA for the research, development, test and evaluation, and deployment of checkpoint screening technologies since 9/11. Yet, only two new technologies have been deployed to airports during that time. What are the primary factors that have contributed to this limited progress in deploying new technologies and what can be done to expedite these efforts?

ANSWER: The Transportation Security Administration (TSA) has been very successful in fielding a number of new passenger screening technologies over the past year. In fiscal year 2007, TSA initiated operational field tests and evaluations for five emerging airport checkpoint technologies including; whole body imagers, advanced technology for carry-on baggage, bottled liquid scanners, cast and prosthesis scanners, and automated carry-on baggage explosives detection system (AutoEDS) equipment.

A number of factors impact TSA's ability to deploy new technologies for passenger screening checkpoints. TSA follows program management best practices in acquiring checkpoint screening equipment. This entails a structured process of defining requirements, laboratory and operational field testing, and an overall assessment of a system's capability. Prior to deploying a technology, TSA must ensure that it meets functional and technical requirements as well as reliability, maintainability, and availability requirements to ensure the checkpoint technology is effective and suitable for operational use.

16. Given the significant investments DHS and TSA have made in research, development, and deployment in new screening technologies to detect explosives and other threat items on passengers and their carry-on items, how effectively are the new technologies working in the airports? To what extent has the government's ability to detect liquid explosives and other types of explosives at the checkpoint been improved by deployment of the explosives trace portal and the hand-held bottled liquid screeners?

ANSWER: Both the Explosive Trace Portal (ETP) and the hand-held Bottled Liquids Scanners (BLS) have improved the Transportation Security Administration's (TSA) capabilities for detecting a wide range of explosives at the checkpoint.

Prior to the deployment of the ETP, the only technology that was utilized in the screening of passengers was the Walk-Through Metal Detector (WTMD). Since then, the addition of the ETP to the checkpoint technology suite has allowed for the detection of explosives that may be concealed on passengers, while the WTMD continues to provide weapons detection of knives, guns, and other metal threats, as well as improvised explosive device (IED) components (i.e. detonators and wiring) that would be utilized in conjunction with the explosives to create an IED.

Likewise, prior to the deployment of BLS technology, TSA relied on screeners utilizing x-ray images on the TRX systems to identify inconsistencies, such as detonators and wiring protruding from bottles that were present in passenger carry-on baggage. The BLS systems enable screeners to screen "3-1-1" permitted liquid items and larger exemptible liquids (i.e. medications and baby formula) to detect the presence of one of the most readily available, liquid explosive threats, even at very low levels of concentration.

17. Technology vendors have a key role in developing and producing new checkpoint screening technologies. Likewise, airport operators have an important role in the installation and use of checkpoint screening equipment. What processes are in place to ensure that coordination and collaboration is effective and efficient between TSA and DHS and the technology vendors and airport operators?

ANSWER: The Transportation Security Administration (TSA) continues its partnership with various associations such as American Association of Airport Executives, Airports Council International-North America, Airport Consultants Council, United Kingdom Civil Aviation Authority, Air Transport Association, and others to ensure that coordination and collaboration is effective and efficient among our external and internal stakeholders, including technology vendors and airport operators. TSA staff regularly participate in panels to discuss the technologies available for passenger screening and recently created an Industry Outreach Office to maintain relationships with external stakeholders. Additionally, TSA hosts technical interchange meetings and industry days where Original Equipment Manufacturers (OEMs) are invited to discuss future requirements for various technologies. Moreover, Federal Security Directors and their staff meet with airport and air carrier stakeholders at each airport on a regular basis to collaborate on matters of mutual interest, which would include the installation and use of checkpoint screening equipment.

18. Both the House and Senate expressed concerns in fiscal years 2008 reports over TSA's very slow pace of deploying Advanced Checkpoint Technology systems to the nation's airports. Over a year has elapsed from the time the Committees requested that TSA submit a plan to Congress for this program in the fiscal year 2007 conference report. The Committee notes that TSA has now put a competitively awarded pilot program in place for Advanced Checkpoint Technology systems and has $250 million in fiscal year 2008 for Checkpoint Security. What is your plan for deployment of Advanced Checkpoint Technology systems in 2008? As part of this response, please identify each facility that will receive a system in 2008 and what may be planned in 2009.

ANSWER: Transportation Security Administration (TSA) is actively preparing for the advanced technology deployments and continues to develop the deployment schedule for 2009. The schedule is largely based upon intelligence data and passenger volumes. The fiscal year 2008 expenditure plan for the Passenger Screening Program is under Administration review. Once the expenditure plan is approved, planned deployment locations can be provided.

19. If TSA made it a priority, is there any reason that Advanced Checkpoint Technology systems cannot be fully fielded to our nation's largest airports (Category X and I) by December 2008? If so, what would be necessary in 2009?

ANSWER: Currently, the primary constraint is the production capability of the Original Equipment Manufacturers. The number of units being produced will fulfill the deployment requirements for the sites planned for fiscal year 2008 but will not be enough to cover all Category (CAT) X and I airports this year. In addition, the extensive planning and site preparation required prior to deployment would extend into 2009.

20. How does TSA plan to deploy Advanced Checkpoint Technology systems? Will systems be fielded in a manner tbat fully meets TSA's published requirements and lowest cost to the government to purchase and operate them?

ANSWER: The Transportation Security Administration plans a one-for-one replacement of each TRX unit in selected airports, incorporating a just-in-time delivery from the production line to the airport site. Minimum storage costs are incurred when deploying advanced technology x-ray systems in this manner while also providing a cost-effective solution based on the evaluation of competing technologies. This evaluation included consideration of procurement, maintenance, and deployment costs in accordance with TSA's requirements.

21. What is your top priority for the Advanced Checkpoint Technology program--fielding the technology to the broadest number of the nation's airports in a timely fashion, doing R&D upgrades, or starting down new equipment development paths?

ANSWER: The Transportation Security Administration's (TSA's) top priority is to deploy advanced technology (AT) x-ray systems to designated Tier One threat airports. TSA will continue to work with the AT vendors on key upgrades of technology, in particular, to improve the capability of detection of liquid threats and enhancements tbat will allow the screening of laptop computers without requiring passengers to remove them from their cases.

22. What has been the cause for delays to date in getting these machines to airports that have been designated for deployment, and how is TSA addressing these concerns?

ANSWER: To address the breadth of the Transportation Security Administration (TSA) operational and performance requirements, the Original Equipment Manufacturers have had to incorporate a number of Engineering Change Proposals (ECPs) into their existing products. These ECPs have extended the production schedule multiple times. The first operational units were available to TSA at the end of February 2008. TSA has a very aggressive deployment schedule to ensure prompt delivery of units upon completion of factory acceptance testing.

23. Last year, TSA informed the Committee that it planned to test a variety of Whole Body Imagers through March 2008 and then, based on the results of these tests, decide which of these systems to procure. What is the status of the WBI program? Has testing been concluded for all systems?

ANSWER: Laboratory and operational testing of the Whole Body Imagers is ongoing. Laboratory testing at the Department of Homeland Security Transportation Security Laboratory continues to examine different configurations and concepts of operation to optimize system performance. Operational Testing and Evaluation has commenced at Phoenix Sky Harbor International Airport (PHX), will begin at Los Angeles International Airport in March 2008, and is in the planning stages to begin in April 2008 at John F. Kennedy International Airport. Record testing at PHX is complete for one vendor and is currently ongoing with two other vendors. Once all testing is complete, TSA will determine which systems to procure for full-scale deployment.

24. Will you wait to complete testing on all systems before procurement decisions or made? If not, explain why TSA will move ahead with procuring one system while still evaluating others? How do you know you will be buying the best system available?

ANSWER: The Transportation Security Administration will complete testing on all systems before full-scale deployment procurement decisions are made. These test results will provide the best mechanism for ensuring the procurement of the best system, or systems, available.

25. How are you using the WBI testing data to inform your procurement decisions? AS part of this response, please discuss when procurements will begin, when you anticipate these new systems will be fielded, and how you determine the locations these systems will be fielded at.

ANSWER: Whole Body Imager (WBI) testing data will help the Transportation Security Administration evaluate the performance characteristics of the WBI systems. Laboratory testing will provide key insights into detection performance against active threat agents. Operational testing and evaluation will provide data to support evaluation of the operational effectiveness and suitability of candidate WBI units within the field environment. The results of testing will drive procurement decisions. Procurements are expected to begin in summer 2008 with deployments following in late summer or early fall.

Explosive Detection Systems (EDS)

26. Time and time again, this Committee has been told that in-line baggage screening systems hold huge advantages in terms of increased efficiency and accuracy and dramatically reduce TSA personnel requirements. Unfortunately, cumbersome and inefficient in-lobby EDS systems remain in place, including at some of the busiest airports in the country. Of the largest airports (Category X and Is), how many have optimal systems in place? When do you plan on having optimal systems in place at all of the Category X and I airports?

ANSWER: Of the largest airports (82 in Category X and I), 45 airports have optimal systems online at some or all terminals. These include 18 airports that have optimal systems installed at all terminals and 27 airports that have optimal systems installed at some but not all terminals. The deployment timeline for optimal screening systems is directly linked to the funding level. The proposed passenger security fee surcharge accelerates the funding to complete these systems in 2012.

27. At many large airports without in-line systems, yearly other transactional agreements (OTAs) have been offered to fix some of the problems but are not large enough to move the airport's entire baggage systems in-line. While I recognize the benefits of OTAs at some airports, they are not a viable option for moving forward with costly in-line systems. Has TSA studied the cost implications of using OTAs instead of entering into multi-year letters of intent (LOIs)? In the long run, aren't OTAs more costly for airports that have large projects than an LOI? If so, does TSA plan to issue multi-year LOIs to those facilities that it is not cost beneficial to provide OTAs?

ANSWER: The President's fiscal year 2009 budget has proposed a surcharge that would generate approximately $426 million annually for the next five years to accelerate in-line systems. The amount of funds available over the life of the surcharge will be sufficient to fully fund projects when they are awarded. This proposal overcomes any benefit of letters of intent.

28. If not, what plans to you have in place for getting in-line systems into those and other facilities across the country that lack an in-line solution?

ANSWER: The President has proposed a temporary passenger security fee surcharge that would generate approximately $426 million to accelerate in-line systems. The amount of funds available over the four year life of the surcharge will be sufficient to fully fund projects.

29. In assessing the needs of airports throughout the country that receive the latest security technology I recognize that your decision-making process involves (1) a top-down approach using the Electronic Baggage Screening Program (EBSP) Strategic Plan, and (2) a reverse approach using requests from airport Federal Security Directors. Once prioritized, these requests are included in the EBSP Spending Plan by fiscal year, based on the availability of funds. How often does TSA reassess the Electronic Baggage Screening Program Spending Plan, and does one of these approaches carry more weight than another?

ANSWER: In order to utilize the Strategic Plan to its full capacity, as well as to integrate additional requirements into planning for near term projects, the Transportation Security Administration (TSA) has developed a near term planning process. This process combines the recommendations of the Strategic Plan ("top-down" approach) with real time airport requests ("bottom-up" approach). Requests are validated and project planning is performed. Upon completion, the projects are prioritized and included in the explosives detection system Purchase and Install Spend Plan, subject to the availability of funds. TSA begins execution of its projects upon approval of the Spend Plan. Project schedules are monitored and, if necessary, TSA will reallocate funding to execute a more near term project. Also, if within the fiscal year TSA validates a requirement that is determined to be mission essential and high priority, TSA will reassess the Spend Plan and reallocate funds in order to execute the new requirement.

30. Using this model, how do you measure the requests of airports that are using the most labor intensive methods of screening baggage, such as explosive trace detection (ETD) that requires the most man power when determining where to provide new security technology in airports?

ANSWER: Within the Strategic Planning Model, there are three specific sub-criteria that take into account the more labor-intensive methods of screening checked baggage. Based on these sub-criteria, with all else being equal, projects at airports with explosives trace detection (ETD) primary screening are given higher priorty than those that currently screen with explosives detection systems (EDS). The main sub-criteria that inform this issue are: the percentage of bags not screened with EDS technology, the rate of on-the-job injuries, and the

return-on-investment (ROI) that would be achieved by investing in an optimal system at the airport. The model accounts for the facts that (1) extra staff savings and a better ROI would be achieved by eliminating the slow, and therefore costly, process of screening by ETD, and (2) checked baggage areas that utilize the more labor-intensive ETDs for primary screening have higher on-the-job injury rates than those that use EDS.

31. How many airports still use ETD for primary screening of checked baggage?

ANSWER: There are currently 287 airports using explosives trace detectors (ETD) for primary screening of checked baggage for all screening areas. An additional 24 airports use ETDs for primary screening at one or more checked baggage screening areas within the airport (not including curbside and oversize baggage). It is estimated that only 10 percent of all checked baggage (excluding oversize baggage) is screened using ETD as the primary tool.

EDS and Checkpoint Expenditure Plans

32. For the past few years, Congress has required TSA to submit an annual expenditure plan detailing how appropriations would be spent on an airport-by-airport basis for EDS procurements, installations, and refurbishments. For fiscal year 2008, this requirement was expanded to include an expenditure plan for checkpoint support on an airport-by-airport basis. These plans were due two days ago and, as has been the past practice, the Appropriations Committee has not received them yet. TSA has had plenty of time to complete these plans in a timely fashion. Why are these plans delayed, yet again, this year? When will we receive them?

ANSWER: The Transportation Security Administration (TSA) is in the progress of finalizing both required expenditure plans and they are near final review. The delay of the fiscal year 2008 appropriation, and resulting uncertainty, and the need to work with security partners on project details made the plans more difficult to develop than anticipated. TSA expects the plans to be delivered to Congress in the near future as the Administration completes the review process.

Explosive Detection Systems Maintenance

33. Funding the maintenance and utilities of explosive detection systems, checkpoint systems, and other technologies has grown by 18 percent (+$46,625,000) from fiscal year 2008 to 2009. Yet your budget request does a poor job of explaining the reason for this increase. For the record, please provide a more thorough explanation of the 18 percent cost increase over one fiscal year.

ANSWER: The maintenance increase is driven primarily by projected increases in fielded security equipment quantities that are required to meet Transportation Security Administration's (TSA) strategic goal to prevent and protect the Nation's transportation infrastructure. Quantity increases for explosives detection system (EDS) and checkpoint equipment increased 16 percent and 4 percent respectively. Maintenance contracts specify price escalation either as a predetermined percentage or as an escalation formula based on the Consumer Price and Employment Cost indices. Beyond equipment maintenance costs, funding is budgeted for operation of the TSA maintenance call center, Independent Verification and Validation (IV&V) contractor support, and consumables used in the course of maintenance. A maintenance management contractor assists TSA with IV&V of the maintenance service provider contract. In fiscal year 2009, these costs were re-aligned in the budget to be included as part of the Screening Technology Maintenance PPA, which also contributed to the increase.

34. As many of these checked baggage screening systems that were deployed immediately after September 11, 2001 reach the end of their life cycles, the costs to keep these older technology systems functioning with little down time is a major concern. What is the cost benefit ratio of maintaining an explosive detection system that requires continuous maintenance versus deploying next-generation technologies into airports that have less downtime and have proven themselves to be more efficient?

ANSWER: Once warranties expire, all security equipment requires continuous maintenance coverage for the duration of its life cycle. The Transportation Security Administration uses long-term maintenance contracts with fixed prices to safeguard the government against potential cost increases associated with maintenance of aging technology systems.

35. What is the average utility cost for the older EDS versus the newer more energy efficient EDS?

ANSWER: Utility costs vary over time and by location. Newer explosives detection system machines are expected to reduce power consumption between 40 and 60 percent and result in a similar utility cost reduction.

Air Cargo Security

36. The 9/11 Act requires DHS to establish a system to screen 100 percent of cargo transported on passenger aircraft by August 2010. Current TSA regulations require air carriers to screen 30 percent of cargo that has not been exempted from screening. Screening can be accomplished through physical examinations or non-intrusive methods, such as x-ray systems, explosives detection systems, and certified canine inspection teams. Cargo to be transported on passenger aircraft must come from known shippers, although there are exceptions where cargo from unknown shippers may be transported. IG and GAO audits have identified a number of weaknesses in TSA's oversight of compliance with cargo screening requirements. For example, a large percentage of cargo is entirely exempt from screening; TSA has limited resources to conduct inspections; and inspectors rely primarily on a "paper" review. How does TSA plan to meet the 9/11 Act mandate to screen 50 percent of all air cargo carried on passenger planes by February 2009 and 100 percent by August 2010?

ANSWER: The Transportation Security Administration (TSA) is developing the Certified Cargo Screening Program (CCSP) as the key component to TSA's strategy to achieve the 50 percent and 100 percent screening milestones. Under this program, TSA will certify indirect air carriers, shippers, and distribution centers to screen cargo before it leaves these facilities and ensure that industry shares the responsibility of screening air cargo across the supply chain.

TSA is pursuing a phased-approach to implement the CCSP. On January 28, 2008, TSA began to deploy Phase One of the CCSP in San Francisco. TSA also began rollout of the program in Chicago and Philadelphia on February 25, 2008. So far, approximately 30 – 40 entities have expressed interest in participating in the CCSP. The CCSP will then be rolled out in 6 other major cities: Seattle, New York, Los Angeles, Miami, Atlanta, and Dallas. One of the goals of Phase One deployment is to test and refine the proposed security measures prior to the nationwide roll-out of CCSP. TSA expects results on cargo screening by CCSP will be available for analysis by the fourth quarter of fiscal year 2008.

In addition, the TSA is developing a policy that will require all air carriers transporting cargo on narrow-body aircraft to subject cargo specified shipments to 100 percent screening. This added measure of security includes such cargo shipments that transfer from one air carrier to another.

TSA's goal is to ensure that industry screens 100 percent of all pieces of cargo shipped on passenger airplanes using TSA approved screening methods within three years. Screening air cargo early in the supply chain, rather than relying almost exclusively on air carriers to screen all the cargo at the airport prior to loading provides the greatest opportunity to ensure optimal security while not unduly impeding commerce.

37. TSA is now piloting a voluntary program to permit cargo screening by certified entities at additional points along the supply chain. For the record, please elaborate on this pilot, including who is participating, the timing, how it will work, and when you expect to see results from the pilot to decide how this screening should work in a longer context?

ANSWER: The Certified Cargo Screening Program (CCSP) is a key component to the Transportation Security Administration's (TSA's) 100 percent screening strategy. The goal is to ensure that industry screens 100 percent of all cargo shipped on passenger airplanes using TSA approved screening methods within three years. Under this program, certain pallet and shrink wrap allowances will be eliminated.

TSA is pursuing a phased-approach to implement the CCSP. One of the goals of Phase One deployment is to test and refine the proposed security measures prior to the nationwide roll-out of CCSP. On January 28, 2008, TSA began to deploy Phase One of the CCSP in San Francisco. TSA also began rollout of the program in Chicago and Philadelphia on February 25, 2008. So far, approximately 30 – 40 entities have expressed interest in participating in the CCSP in these cities. The CCSP will then be rolled out in 6 other major cities: Seattle, New York, Los Angeles, Miami, Atlanta, and Dallas.

TSA expects results on cargo screening by CCSP will be available for analysis in the fourth quarter of fiscal year 2008.

38. If TSA moves screening of air cargo away from the airports and the airlines to certified off-site facilities (e.g. manufacturers, indirect air carriers, and freight forwarders) who will screen packages before they are consolidated into pallets? What standards will you set to make sure that the same level of screening is applied everywhere and how will you handle this overseas?

ANSWER: All Certified Cargo Screening Facilities (CCSF), to include certain shippers and indirect air carriers, will be allowed to screen cargo prior to its consolidation onto pallets or into containers. The CCSF will be required to ensure that chain of custody of that cargo is maintained once it is screened until it reaches the air carrier facility. In the event of a break in the chain of custody, the affected cargo will be rescreened at the next link in the chain. All CCSF must meet stringent facility and personnel security standards (required training and Security Threat Assessments) to be validated by the Transportation Security Administration (TSA). CCSFs will be regulated under a Standard Security Program and apply stringent screening standards set by TSA. The Certified Cargo Screening Program is currently a program focused on domestic originating cargo, and TSA does not currently anticipate certifying overseas entities.

39. How will you ensure that, once physical screening has been completed and the package/pallet is sealed, it will not be tampered with later in the process?

ANSWER: After screening cargo to Transportation Security Administration (TSA) standards, Certified Cargo Screening Facilities are required to initiate stringent chain of custody methods, such as employing TSA-approved tamper evident technologies. These methods must be applied, documented, and verified at each stop until the cargo reaches the air carrier facility. In the event of a break in the chain of custody, the affected cargo will be rescreened. In addition, all personnel having unescorted access to cargo prior to it reaching the air

carrier facility will be required to undergo security threat assessments. The cargo will also be subject to secondary screening methods, such as TSA-certified explosive detection canine teams and targeted secondary screening under the Freight Assessment System (FAS). TSA is currently developing and testing FAS which is an automated system that will assess elevated risk cargo within the supply chain. Any cargo that FAS identifies as elevated risk cargo will undergo secondary screening.

40. In October 2005, GAO reported that TSA had taken a number of actions intended to strengthen domestic air cargo security, but factors existed that may have limited their effectiveness. In April 2007, GAO reported that DHS (TSA and CBP) have taken a number of actions to secure air cargo entering the United States, but many of these efforts are still in the early stages and could be strengthened. Since GAO's reports were released, Congress enacted the Implementing Recommendations of the 9/11 Commission Act of 2007(enacted August 3, 2007), which mandates 100 percent screening of air cargo transported on passenger aircraft. Specifically, this Act calls for a system to be developed and implemented to provide a level of security commensurate with the level of security for the screening of passenger checked baggage to screen 100 percent of air cargo on passenger aircraft within 3 years of the date of enactment.

41. What is the status of TSA's efforts to meet the requirement set forth in the Implementing the Recommendations of the 9/11 Commission Act of 2007 to screen 50 percent of air cargo transported on passenger aircraft within 18 months of the enactment of the Act and 100 percent of air cargo within 3 years of its enactment?

ANSWER: The Transportation Security Administration (TSA) is developing the Certified Cargo Screening Program (CCSP) as the key component to TSA's strategy to achieve the 50 percent and 100 percent screening milestones. Under this program, TSA will certify indirect air carriers, shippers, and distribution centers to screen cargo before it leaves these facilities and ensure that industry shares the responsibility of screening air cargo across the supply chain.

TSA is pursuing a phased-approach to implement the CCSP. On January 28, 2008, TSA began to deploy Phase One of the CCSP in San Francisco. TSA also began rollout of the program in Chicago and Philadelphia on February 25, 2008. So far, approximately 30 – 40 entities have expressed interest in participating in the CCSP. The CCSP will then be rolled out in 6 other major cities: Seattle, New York, Los Angeles, Miami, Atlanta, and Dallas. One of the goals of Phase One deployment is to test and refine the proposed security measures prior to the nationwide roll-out of CCSP. TSA expects results on cargo screening by CCSP will be available for analysis by the fourth quarter of fiscal year 2008.

TSA's goal is to ensure that industry screens 100 percent of all pieces of cargo shipped on passenger airplanes using TSA approved screening methods within three years. Screening air cargo early in the supply chain, rather than relying almost exclusively on air carriers to screen all the cargo at the airport prior to loading provides the greatest opportunity to ensure optimal security while not unduly impeding commerce.

42. What is the status of TSA's report to Congress assessing each exemption granted under 49 U.S.C. 44901(i)(1) for the screening of cargo transported on passenger aircraft, required by the Implementing Recommendations of the 9/11 Commission Act of 2007?

ANSWER: In response to Section 1602 of the Implementing Recommendations of the 9/11 Commission Act of 2007, on February 25, 2008, the Department of Homeland Security delivered a document entitled *'Report to Congress on Air Cargo Subject to Alternate Screening'* to the Chairmen and Ranking Members of the House

Committee on Homeland Security, the Senate Committee on Commerce, Science, and Transportation, and the Senate Committee on Homeland Security and Governmental Affairs, as well as the Government Accountability Office.

43. What progress has TSA made in implementing its targeting system for elevated risk domestic air cargo transported on passenger aircraft, referred to as Freight Assessment?

ANSWER: The Transportation Security Administration is currently finalizing preparations for the Freight Assessment System (FAS) operational pilot and is in the process of completing User Acceptance Testing with industry participants. FAS will be used as an automated method to perform cargo risk assessments. Any cargo deemed as elevated risk cargo will undergo secondary screening.

44. What progress has TSA made in coordinating with the U.S. Customs and Border Protection (CBP) to enhance the security of air cargo transported into the United States?

ANSWER: A key component of the Transportation Security Administration's (TSA's) risk-based strategy is to work with U.S. Customs and Border Protection (CBP) to pilot and leverage the capabilities of the CBP's Automated Targeting System (ATS) to assist in identifying elevated-risk cargo departing from international last points of departure airports. Ultimately, TSA plans to collaborate with CBP to leverage ATS' data collection and targeting regime to determine what cargo is of an elevated risk and require further scrutiny of such cargo before it may be placed on any passenger aircraft departing for a U.S. port of entry.

45. What is the status of TSA's efforts to develop and implement technology to inspect air cargo?

ANSWER: The Transportation Security Administration's (TSA) Office of Security Technology is supporting air cargo security goals and objectives by testing, evaluating, and qualifying technology to detect explosives and stowaways as well as ensure the integrity of the supply chain. The TSA plans to both optimize currently available technologies and provide cargo specific screening procedures coupled with protocols to support these technologies in the operational environment.

Initially, TSA will qualify existing and slightly modified screening technologies for break bulk cargo (e.g. loose pieces of cargo). In addition, TSA will provide cargo screening operational procedures and alarm resolution protocols for the initial, qualified cargo screening equipment. TSA will make available to industry screeners the same cargo screener training curriculum provided to TSA screeners. TSA plans to work with vendors in developing and qualifying effective bulk cargo screening technologies.

Blast Resistant Containers

46. In January 2007, Administrator Hawley testified before the Senate Commerce Committee that blast resistant containers had a place in the system of air cargo security. Since then, TSA has completed its pilot deployment of blast resistant containers, the 9/11 Act has directed TSA to distribute the containers to air carriers, and the fiscal year 2008 Consolidated Appropriations Act provided funds for that purpose. Where do blast resistant containers now fit in your architecture of air cargo security?

ANSWER: The Transportation Security Administration (TSA) is currently conducting a pilot program to test the effectiveness of Hardened Unit Load Devices (HULD) through a HULD Pilot Project. The results of this program are currently being gathered and evaluated. To date, TSA has completed the interim testing phase of

the Pilot Project. Long-term testing, however, is currently underway and scheduled to continue through summer 2008. This prolonged schedule is necessary to simulate the physical stresses HULDs may experience during routine use by commercial airlines, and will allow TSA to more accurately test and analyze their durability and blast containment capabilities.

A report evaluating the interim results of TSA's HULD Pilot Project report is currently being drafted. Following that, a completed report evaluating the final results of the HULD Pilot Program will be available to Congress through the Aviation Security Advisory Committee after the long-term testing concludes in summer 2008.

TSA believes that the risk that these containers are targeted toward is better mitigated by the mandated 100 percent screening of cargo moving on passenger aircraft as required by the 9/11 Commission Act and which will be implemented through TSA's Certified Cargo Screening Program. It is also important to note that 96 percent of the passenger flights originating in the United States are on narrow bodied aircraft. This type of aircraft generally does not use unit load devises and therefore would not be within the scope of a Hardened Unit Load Device program.

47. The 9/11 Act required the TSA Administrator to provide by January 1, 2008, a report on the results of the blast resistant container pilot program. Has this report been completed and submitted to Congress yet? Has it already been given to air carriers? Please summarize the results of the pilot program for the record.

ANSWER: The results of the blast resistant container pilot program are currently being evaluated; therefore, the report has not been completed and submitted to Congress. To date, the Transportation Security Administration (TSA) has completed the interim testing phase of the Hardened Unit Load Device (HULD) Pilot Project. Long-term testing, however, is currently underway and scheduled to continue through summer 2008. This schedule is necessary to simulate the physical stresses HULDs may experience during routine use by commercial airlines, and it will allow TSA to most accurately test and analyze their durability and blast containment capabilities. A report to Congress evaluating the interim results of TSA's HULD Pilot Project is currently being drafted for anticipated release through the Aviation Security Advisory Committee in the spring of 2008.

48. The 9/11 Act also directed TSA to make available blast resistant containers to air carriers by July 1, 2008, for use on a risk managed basis. The fiscal year 2008 Consolidated Appropriations Act provides funds to start that deployment. Will the TSA meet that July 1st statutory deadline for the first deliveries? If not, what obstacles have you encountered? In general, how does the TSA intend to comply with the Act's direction to deploy blast resistant containers?

ANSWER: The Transportation Security Administration (TSA) is currently conducting a pilot program to test the effectiveness of Hardened Unit Load Devices (HULD) through a HULD Pilot Project. The results of this program are currently being gathered and evaluated. Once that evaluation is completed, TSA will be able to better answer questions regarding deadlines and possible deployment strategies. To date, TSA has completed the interim testing phase of the Pilot Project. Long-term testing, however, is currently underway and scheduled to continue through summer 2008. This prolonged schedule is necessary to simulate the physical stresses HULDs may experience during routine use by commercial airlines, and will allow TSA to more accurately test and analyze their durability and blast containment capabilities.

A report evaluating the interim results of TSA's HULD Pilot Project report is currently being drafted. Following that, a completed report evaluating the final results of the HULD Pilot Program will be available to

Congress through the Aviation Security Advisory Committee after the long-term testing concludes in summer 2008.

TSA believes that the risk that these containers are targeted toward is better mitigated by the mandated 100 percent screening of cargo moving on passenger aircraft as required by the 9/11 Commission Act and which will be implemented through TSA's Certified Cargo Screening Program. It is also important to note that 96 percent of the passenger flights originating in the United States are on narrow bodied aircraft. This type of aircraft generally does not use unit load devises and therefore would not be within the scope of a Hardened Unit Load Device program.

49. It does not appear that TSA requested funding in fiscal year 2009 to continue the deployment of blast resistant containers, as recommended by the 9/11 Act. Why not?

ANSWER: The Transportation Security Administration (TSA) is currently conducting a pilot program to test the effectiveness of Hardened Unit Load Devices (HULD) through a HULD Pilot Project. The results of this program are currently being gathered and evaluated. To date, TSA has completed the interim testing phase of the Pilot Project. Long-term testing, however, is currently underway and scheduled to continue through summer 2008. This prolonged schedule is necessary to simulate the physical stresses HULDs may experience during routine use by commercial airlines, and will allow TSA to more accurately test and analyze their durability and blast containment capabilities.

A report evaluating the interim results of TSA's HULD Pilot Project report is currently being drafted. Following that, a completed report evaluating the final results of the HULD Pilot Program will be available to Congress through the Aviation Security Advisory Committee after the long-term testing concludes in summer 2008.

The Transportation Security Administration (TSA) feels the requirement to screen 100 percent of freight before it is placed on a passenger aircraft, as mandated by section 1609 of the Implementing Recommendations of the 9/11 Commission Act is the highest priority and will provide the greatest level of protection for passengers and aircraft.

Current HULDs are certified for use only on Wide Body Aircraft. TSA analysis shows that 96 percent of the passenger flights originating in the United States are flown on Narrow Body Aircraft. If deployed, HULDs would be utilized on only 4 percent of the passenger flights.

50. The 9/11 Commission recommended that all carriers should have at least one blast resistant container on every passenger flight that carries cargo. How many containers will you need to distribute to carriers to fill that requirement? What funding will be needed?

ANSWER: Approximately 2,600 Hardened Unit Load Devices (HULDs) would be required to ensure enough are available to fill one position on each wide body aircraft flown by domestic air carriers. This number includes enough HULDs to cover normal operations and units that are in repair. It would cost approximately $40 million to purchase the units. This figure does not include cost of personnel to manage the units, cost of facilities to store the units, nor maintenance and replacement costs nor increased fuel usage resulting from the greater weight of HULDs.

Airport Employee Screening

51. It is my understanding that TSA continues to oppose the 100 percent physical screening of airport employees. What are your concerns with mandated physical screening of airport workers?

ANSWER: The Transportation Security Administration (TSA) continues to seek effective alternatives to 100 percent screening of airport workers due to the risk, resources, staffing, and costs associated with the concept because we believe that a layered security approach combined with risk based decisions provides a greater incremental security value. As a result, TSA uses the Aviation Direct Access Screening Program (ADASP) to conduct random and unpredictable screening of airport employees at access points.

In May 2008, TSA will begin a 90 day pilot program to conduct airport employee screening at seven airports of various configurations in an effort to determine the viability of 100 percent employee screening. At the conclusion of the pilot TSA will have empirical data from which to draw conclusions and map the way forward. An impartial, third-party evaluator will assess the pilots' results.

52. What is TSA doing to proactively to address the "inside threat" at airports? How much funding is requested in your 2009 budget request for these activities?

ANSWER: The Transportation Security Administration (TSA) relies on its multi-layered system of security to counter the inside threat at airports. For example, the Aviation Direct Access Screening Program (ADASP) program provides for random and unpredictable screening of airport workers all over the airport. As a result, no airport employee is immune from additional screening by TSA. Additionally, TSA has taken several steps, including the issuance of security directives, to address insider threat concerns. These initiatives include more robust and widely applied employee vetting process; increased random physical inspection of vehicles and employees; reduction of employee access points; and reduction of access cards to those remaining entry points. The fiscal year (FY) 2009 Request includes $19 million for the annualization of ADASP FTE provided in the FY 2008 budget amendment.

53. Are you working collaboratively with airports to address this issue?

ANSWER: Yes. The Transportation Security Administration works collaboratively with aviation industry associations, the American Association of Airport Executives, the Airport Council International-North America, and individual airports to seek best practices and to encourage initiatives on the part of the airports to further minimize the insider threat potential.

54. How do you intend to move forward with the seven airport pilot program mandated by Congress? As part of this response, please detail the airports chosen, how the $15,000,000 appropriated in 2008 for these pilots will be divided among the 7 airports, and what techniques each airport will use.

ANSWER: The Transportation Security Administration selected the seven airports for the pilots based on nominations from industry. The airports have been consulted and have agreed to be part of the pilots.

The pilots will be conducted as follows:

- Operational pilots at seven airports for 90 days.
- Boston Logan International Airport: screening at perimeter.

- Jacksonville International Airport and Craven County Regional Airport: screening of all employees at checkpoint.
- Denver International Airport, Kansas City International Airport, Eugene Airport, and Southwest Oregon Regional Airport: other enhanced screening methods--
    - Random physical inspections as part of the Aviation Direct Access Screening Program
    - Behavioral recognition training to law enforcement officers and airport security or operations personnel
    - Security awareness training for airport employees
    - Technology: Biometric access controls, cameras and explosives detection systems.
- Pilots include data collection/analysis on benefits, costs, and impacts.

Funding allocation awaits completion of the cost breakdown for conduct of the pilots, equipment, and contractor costs to validate the pilot results.

Aviation Regulation and Other Enforcement

55. Please provide the number of inspectors on-board under aviation regulation and other enforcement for fiscal years 2005, 2006, 2007, and planned for in 2008 and 2009.

ANSWER: The Aviation Security Inspector (ASI) workforce was budgeted for 681 positions in fiscal year (FY) 2006. The FY 2006 appropriation was insufficient to sustain this level, however, so the workforce was reduced to 657 in FY 2007. The Transportation Security Administration (TSA) has maintained this position level since FY 2007 and TSA's FY 2009 budget request includes funding for 657 ASI positions, as well as an additional 75 inspectors to support the VIPR program and another 46 to support the proprietary canine program, funded initially in the FY 2008 appropriation in response to the threat disruption budget request amendment. Please see the following table.

Inspectors	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
International*	49	49	45	45	55
Domestic	776	681	657	778	703
Aircraft Repair Stations			13	13	13
Air Cargo					535
Total	**825**	**730**	**715**	**836**	**1,306**

**FY 2009 includes 10 air cargo inspectors.*

56. Does TSA plan to reduce the number of inspectors it has in 2009?

ANSWER: The Transportation Security Administration does not anticipate reducing the number of inspector positions in 2009.

57. Please update the Committee on hiring of inspectors for foreign and domestic repair stations. How many are on-board now?

ANSWER: The Transportation Security Administration (TSA) currently has 13 International Transportation Security Inspectors assigned to four of the five international field offices. Hiring/allocation of additional domestic inspectors await completion of a TSA airport by airport workload study that is currently underway.

Federal Flight Deck Officer and Flight Crew Training

58. Please provide a table that breaks out the fiscal year 2009 budget request for federal flight deck officer and flight crew training by these two categories. As part of this response, please distinguish how much of the federal flight deck officer training is for new and how much is for recurring training. For comparison purposes, this table should show both fiscal year 2008 enacted and the fiscal year 2009 request.

ANSWER: When the FY 2009 request is translated to the FY 2008 structure, the allocation of efficiencies results in minor changes to the total amount in a PPA, depending on the ration of pay and non-pay resources in the original PPA. This results in an additional $125,000 being provided to the Federal Flight Deck Officers Program (FFDO), which would be applied to fund 74 additional FFDO Initial Training Slots. This would bring the total FY 2009 Initial Training slots to 678. Please see the funding table below.

Program	FY 2008 Enacted	FY 2009 Request	FY 2009 Request with 125K increase
Federal Flight Deck Officers Program			
Initial Training (New Training)	$1,377,048	$1,009,607	$1,134,607
Recurring Training			
Recurrent Training	$3,361,000	$3,604,610	$3,604,610
Firearms Requalification Training	$8,000,000	$8,300,000	$8,300,000
Total Recurring Training	**$11,361,000**	**$11,904,610**	**$11,904,610**
Payroll	$3,647,731	$4,195,435	$4,195,435
Program Administration	$5,464,335	$4,549,462	$4,549,462
Crew Member Self Defense Program			
Training	$1,200,000	$1,456,000	$1,456,000
Program Administration	$2,040,886	$1,784,886	$1,784,886
Total Funding	**$25,091,000**	**$24,900,000**	**$25,025,000**

Other Vetting Programs

59. TSA is proposing combining appropriations for crew vetting and screening administration and operations into one new line called "other vetting programs". Why is this necessary?

ANSWER: The Transportation Security Administration's (TSA's) goal is to integrate and leverage all of its individual vetting systems to utilize common equipment, software, and processes in order to maximize use of appropriated funding by avoiding redundancy.

The movement of the Crew Vetting PPA into the Other Vetting PPA provides the fiscal flexibility to help realize this integration.

TSA believes that the Crew Vetting Program is similar in fiscal character to other vetting programs that are currently funded within the Other Vetting Program, Project, and Activity (PPA) line. Those programs include:

- Secure Identification Display Area Checks
- Temporary Flight Restrictions Program
- 12-5 and Charter Pilots Checks
- Reagan National Airport (DCA) Access Security Program
- Maryland – 3 Small Airport Checks
- Airspace Waivers Checks

60. The fiscal year 2009 budget is requesting $50,807,000 for other vetting programs. Please detail for the Committee how these funds will be utilized for each vetting program (e.g. secure identification display area checks, DCA access, alien flight school, administrative expenses, etc). For comparison purposes, please show how these funds were spent in 2008 as well.

ANSWER: The chart below provides the requested breakout for Other Vetting Programs:

OTHER VETTING FUNDING SUMMARY Fiscal Years 2008 – 2009		
Activity	**FY 2008**	**FY 2009**
Crew Vetting	See note below	$14.9
Alien Flight Student Program	2.5	0.0
Screening Gateway Support	1.2	0.0
Aviation Workers SIDA	2.0	2.0
12-5 and Private Charter Pilots	0.2	0.2
Temp. Flight Restriction Program, DCA Access Program and Airspace Waivers	0.2	0.2
Maryland – 3 Airport Checks	0.1	0.1
Program Support	0.7	1.5
Administrative Support	0.6	0.9
Independent Verification & Validation	0.0	1.0
Enterprise Architecture Study	1.4	0.0
Universal Fee Rule Analysis	0.6	0.0
Vetting Infrastructure	0.0	30.0
TOTAL	**$9.5**	**$50.8**

Note: The Crew Vetting Program spent $15.0 million within its own PPA in FY 2008. This PPA is proposed to be merged into the Other Vetting PPA in FY 2009.

Secure Flight

61. TSA is requesting $82,211,000 to expedite Secure Flight in 2009, with the hope that this system will be operational in 2010. Yet, even under the expedited schedule, we have already seen program delays, most recently tied to the latest Secure Flight rulemaking. What is TSA's current timetable for implementing Secure Flight?

ANSWER: The Secure Flight program is currently engaged in benchmark testing with participating airlines. The Transportation Security Administration (TSA) plans to begin parallel Secure Flight testing with aircraft operators in Q3 FY2008, pending publication of the Final Rule. TSA plans to take over the watch list matching function from domestic aircraft operators in calendar year 2009. Full implementation, including foreign air carriers, is slated to be complete by 2010. TSA remains committed to this schedule as it continues to develop the Secure Flight program.

62. What are TSA's key events and challenges in meeting the scheduled completion dates for Secure Flight?

ANSWER: The Secure Flight Key Milestones Schedule (see below) serves as the backbone of the program as the Transportation Security Administration (TSA) continues to work aggressively to implement Secure Flight. Both the timing of the completion of the Final Rule review process and funding continue to pose challenges to the program in meeting scheduled completion dates. Currently, TSA remains on track to meet the key milestones as outlined in the following table.

Key Milestones	Estimated Completion
Program planning complete after: ▪ Governance infrastructure implemented, in accordance with industry and government best practices; ▪ Integrated Master Schedule defined; ▪ Life-Cycle Cost Estimates completed; and ▪ Privacy and security woven into the program.	Q1 FY07 *Completed*
Benchmark Testing begins after: ▪ Interim Authority to Operate (IATO) has been granted ▪ Secure Flight Privacy Act Exemption Rule is effective	Q1 FY08 *Completed*
System complete after (release 2): ▪ Design phase complete; ▪ Development phase complete; and ▪ System testing complete.	Q2 FY08
Parallel testing begins after: ▪ Implementation support provided to aircraft operators; ▪ Network interface engineering complete; and ▪ Operational testing with first groups of domestic aircraft operators conducted. ▪ Secure Flight Final Rule is published and effective	Q3 FY08
Service Center staffing, training, and operational testing begins.	Q3 FY08
DHS Certification complete.	Q4 FY08
Aircraft operator cutovers begin; Secure Flight assumes watch list matching responsibility.	Q2 FY09

63. For the record, please detail what critical activities are included in the $82,211,000 budget request and specify how this funding will be allocated (e.g. how much funding is for current staffing, new staff, hardware and software, physical infrastructure, licensing, and other activities).

ANSWER: Planned breakout of activities and associated funding requirements for Secure Flight in fiscal year 2009 are as follows:

Activity	Required Funding (in Millions)
Current Government Staffing Levels (65)	$9.0
Additional Government Staff (24 positions, 12 FTE)	$1.9
Contract Support for Secure Flight Implementation Services	$9.0
Contract Support for Secure Flight Software Sustainment Services	$16.2
Contract Support for Secure Flight IT Operations and Maintenance (O&M) Services	$10.1
Contract Support for Program Management, Privacy Services	$2.4
Contract Support for Secure Flight Resolution Center Support	$12.0
O&M of existing Secure Flight Hardware and Software Licenses	$5.5

New Hardware Purchases and Technology Refresh	$3.8
Facilities	$3.8
Inter Agency Agreement (IAA) for Airline Employee Vetting to Facilitate Removal of Watch List from Aircraft Operators	$2.5
IAA to Customs and Border Protection (CBP) for O&M of DHS Router	$6.0
TOTAL	**$82.2**

64. What is the status of the Secure Flight rulemaking?

ANSWER: The Secure Flight Notice of Proposed Rulemaking was published in the Federal Register August 23, 2007, and was followed by a public meeting and 90-day comment period that allowed the Transportation Security Administration to consider input from various security partners, including domestic aircraft operators, foreign air carriers, and privacy advocates, before drafting the Final Rule. The Secure Flight Final Rule is currently under review within the Administration.

65. Secure Flight imposes operational challenges for and significant costs on the airlines. As TSA moves forward with this program, what is TSA doing to help address these challenges?

ANSWER: The Transportation Security Administration (TSA) remains committed to engaging the individuals and organizations that will be affected by the Secure Flight program. TSA has adopted a strong security partner engagement approach that includes developing training for aircraft operators, including the airlines, in a comprehensive testing approach, and working closely with aviation associations (e.g., Air Transport Association, Regional Airline Association, among others) to ensure ongoing communication during development of the program. In line with this strategy, TSA collected and considered comments from aircraft operators received both during the 90-day public comment period and at the public meeting that was held after the publication of the Notice of Proposed Rulemaking. TSA is carefully considering these comments during development of the Final Rule.

66. What benefits do you believe Secure Flight will provide once operational as compared to the passenger prescreening process that is currently carried out by the air carriers?

ANSWER: Currently, individual airlines conduct watch list matching using a watch list provided by the Transportation Security Administration (TSA). Transitioning this responsibility to TSA will raise the baseline standard of the technology and automation used in the watch list matching process. Secure Flight will also streamline and simplify the watch list matching process and make it more consistent by moving matching responsibilities currently performed by dozens of different air carriers to TSA. With Secure Flight, TSA will be able to limit the distribution of the watch list, thereby minimizing the possibility for compromised watch list data.

The Secure Flight program will also help expedite law enforcement notification by reducing the time it takes to identify potential matches – from days to minutes. Finally, by bringing the watch list matching function into the Federal government, the Department of Homeland Security Traveler Redress Inquiry Program will be able to provide a more consistent application of an integrated redress process for passengers who believe they have been misidentified as a threat.

67. When will the system be fully operational for domestic watch list matching? For international watch list matching functions? Do you believe your schedule is realistic, given the program's past history?

ANSWER: The Transportation Security Administration (TSA) has made significant progress over the last few months on the Secure Flight program and remains committed to the implementation schedule. The Secure Flight program remains on track and is currently executing a comprehensive test approach. Parallel testing with aircraft operators will begin in the third quarter of 2008, pending publication of the Final Rule. TSA plans to begin taking over the watch list matching function from domestic aircraft operators in 2009. Full implementation, to include full government assumption of watch list matching from domestic and foreign air carriers, is slated to be completed by 2010.

Air Crew Screening

68. The 9/11 Act required TSA to move expeditiously on a security screening process for flight crews. Part of this mandate was a requirement to report to Congress on the status of efforts to "institute a sterile area access system." The report to Congress was due on January 30, 2008, with implementation of the system required a year later. To date, TSA has not met that deadline. What is the status of the expedited screening system to check the identity of airline crew members as required by the 9/11 Act?

ANSWER: The language in the *Implementing Recommendations of the 9/11 Commission Act of 2007* (9/11 Act) requires the Transportation Security Administration (TSA) to examine the feasibility of instituting a sterile area access system and provide any recommendations in its congressional report. To that end, TSA is developing a plan to deploy a pilot sterile area access system at airports in calendar year 2008. The required report is undergoing Administration review.

Instituting a sterile area access system is a complex undertaking, with several factors being taken into consideration, including the overall cost, defining what constitutes "expedited access," and deciding the locations of proposed sterile area access systems. Given these complexities, TSA intends to test the feasibility of any sterile area access system on a pilot basis at select airports before widely instituting them on a national level. Pilot testing will allow TSA to test concepts within these limitations and provide the opportunity to adjust or enhance any system to make wider deployment feasible.

School Bus Security Assessments

69. Public and private sector school transportation organizations have indicated an interest in working together with TSA on a security assessment, but little progress has been made to date. What is the status of TSA's plans to conduct a professional threat assessment of the school bus industry? Will you contract for this work or perform it in house? How long do you estimate it will take before this study is completed?

ANSWER: The Transportation Security Administration (TSA) is preparing to examine the elements of a vulnerability assessment required under the *Implementing Recommendation of the 9/11 Commission Act of 2007* (9/11 Act). This risk assessment will be forwarded upon completion to the appropriate congressional committees. The risk assessment is expected to be completed in the next several months to meet the submission date established in the 9/11 Act. As required under the 9/11 Act, TSA will consult with appropriate members of the school bus transportation community in the course of conducting the risk assessment.

70. In a document entitled ASSESSMENT OF HIGHWAY MODE SECURITY: CORPORATE SECURITY REVIEW RESULTS (Highway and Motor Carrier Division, TSA Transportation Sector Network Management Office, May 2006) there is mention of school bus reviews to take place throughout 2006. Have these reviews been completed? Are they unclassified? Is there relevant unclassified information from these reviews that could be released to the pupil transportation industry to be used in security awareness efforts to help public and private school bus operators?

ANSWER: In 2006, six school bus Corporate Security Reviews (CSRs) were conducted. As a result, the Transportation Security Administration (TSA) acquired critical information about how pupil transportation security programs are created by school district administrators, and about their level of preparedness for potential terrorist attacks on their assets. The reviews focused on driver credentials and background checks, perimeter control, secured parking areas, vehicle security inspections, communication, and training. Each school district was given a final report as a result of their CSR outlining their security strengths and weaknesses.

The CSRs have been designated as Security Sensitive Information (SSI). They are prepared for the individual school districts and TSA does not share those results with the pupil transportation industry. However, the school districts are not prohibited from sharing their own information with the industry.

In conjunction with the CSR program, TSA worked directly with the pupil transportation industry to develop the School Transportation Security Awareness (STSA) program. This program was developed in conjunction with the National Association of State Directors of Pupil Transportation Services, the National Association for Pupil Transportation, and the National School Transportation Association to provide much needed security awareness information and training to the school transportation industry. STSA focuses on terrorist and criminal threats to school buses, bus passengers, and destination facilities. It is designed to provide school bus drivers, administrators, and staff members with information that will enable them to effectively identify and report perceived security threats, as well as the skills to appropriately react and respond to a security incident should it occur.

The STSA program consists of a 24-minute DVD of a simulated school bus hijacking and web-based self-study modules offered in both English and Spanish. The program has been designed so that the information can be presented in a classroom setting or obtained by an individual for a self-guided study on-line. Users have rated the effectiveness quality an average of 8.1 on a scale of 9.0.

As of March 1, 2008, there were 1,028 registrations on the STSA website spanning the U.S., the District of Columbia, the Virgin Islands, Canada, and Australia. Registered entities include 480 school districts, 35 law enforcement agencies, 30 emergency management agencies, 44 private transportation providers, and 12 private security providers.

71. Is TSA planning to rely on corporate security reviews for the basis of the security assessment required by the 9/11 Act? How many have been done and where? How many are being planned for the future? Does TSA have a good representative sample of the range of school bus operations nationwide - e.g. public/private, urban/rural, etc?

ANSWER: The Transportation Security Administration (TSA) will be including the results of Corporate Security Reviews (CSR) as a factor in the security assessment required by the *Implementing Recommendation of the 9/11 Commission Act of 2007* (9/11 Act). CSRs will not be the sole basis of the security assessment. The list that follows illustrates the school districts and the completion dates for the fourteen CSRs that have been conducted thus far:

1. Charles County, Maryland - Public Schools (May 25, 2007)
2. Chicago, Illinois - Public Schools (May 24, 2007)
3. Anne Arundel County, Maryland - Public Schools (May 31, 2007)
4. Arlington County, Virginia - Public Schools (June 6, 2007)
5. Montgomery County, Maryland - Public Schools (July 16, 2007)
6. Union City, New Jersey - Public Schools (July 26, 2007)
7. Hillsborough County, Florida - Public Schools (August 14, 2007)
8. Paradise Valley, California - Public Schools (August 30, 2007)
9. Fairfax County, Virginia – Public Schools (February 23, 2006)
10. Harlingen, Texas – Public School District (February 8, 2006)
11. Orange County, Florida – Public Schools (March 21, 2006)
12. Dallas County, Texas – Public Schools (April 5, 2006)
13. Washington, D.C., - Public Schools (April 24, 2006)
14. Springfield, Massachusetts – Public Schools (May 17, 2006)

The districts selected contain both public and private schools and urban and rural school populations. Future School District CSRs will continue to be scheduled predicated upon manpower and TSA priorities.

Transportation Security Support

72. Please provide a chart showing the FTEs and amounts requested for each office within Transportation Security Support, including Administrator, Internal Affairs, Chief Counsel, Finance and Administration, Legislative Affairs, Acquisition, Special Counselor, Communications, Human Capital, and Operational Processes and Technology. This chart should include actual funding levels and FTEs in both fiscal year 2007 and 2008, as well as planned for in 2009. Also, as part of this response, please provide a brief mission statement for each office.

ANSWER: The Transportation Security Administration (TSA) Headquarters Administration Program Project Activity (PPA) in the Transportation Security Support Appropriation provides funding for Headquarters offices as follows.

A. FTE and Funding ($ in Millions)

Transportation Security Support
FY 2007, FY 2008, & FY 2009

	FY 2007 (Actual)				FY 2008 (Enacted)				FY 2009 (President's Request)			
Office	FTE	PC&B	Non-PC&B	Total	FTE	PC&B	Non-PC&B	Total	FTE	PC&B	Non-PC&B	Total
Assistant Secretary	13	1.9	0.8	2.7	20	2.4	0.7	3.1	20	2.8	0.7	3.5
Inspections	177	28.2	4.4	32.6	188	33.4	3.5	36.9	209	39.2	3.4	42.6
Chief Counsel	194	29.3	2.2	31.5	203	33.9	2.0	35.9	202	39.7	1.9	41.6
Finance & Administration	162	21.4	70.7	92.1	187	24.3	43.1	67.4	193	28.6	39.7	68.3
Legislative Affairs	8	0.9	0.3	1.2	9	1.0	-	1.0	9	1.2	-	1.2
Acquisition	117	13.8	4.1	17.9	145	15.1	3.9	19.0	143	17.7	3.7	21.4
Special Counselor	92	10.8	12.5	23.3	100	12.4	8.7	21.1	100	14.6	8.4	23.0
Strategic Communications & Public Affairs	26	3.5	0.3	3.8	31	4.1	0.2	4.3	35	4.8	0.2	5.0
Human Capital	166	24.2	11.8	36.0	189	24.5	8.7	33.2				
Security Operations	49	5.8	1.6	7.4	65	7.7	1.4	9.1				
Operational Process & Technology	190	27.4	1.3	28.7	205	34.5	1.0	35.5				
Business, Transformation & Culture	18	2.6	4.8	7.4	34	4.7	1.4	6.1	27	5.5	1.0	6.5
Office of Law Enforcement (for background investigations & physical security)	1	0.1	20.9	21.0	1	0.2	20.4	20.6				-
Total	**1,213**	**169.9**	**135.7**	**305.6**	**1,377**	**198.20**	**95.00**	**293.2**	**938**	**154.1**	**59.0**	**213.1**

Note: Funding for the Office of Human Capital, Security Operations, Operational Process & technology, and law Enforcement were realigned to other PPAs.

B. Mission Statements

- **Assistant Secretary:** The Assistant Secretary's Office provides day-to-day management of the Transportation Security Administration (TSA), and the strategic vision and planning for the future of all transportation security.

- **Inspection:** The Office of Inspection identifies vulnerabilities in security systems through operational testing; ensures the effectiveness and efficiency of the TSA's operations and administrative activities through inspections and internal reviews; and ensures the integrity of TSA's workforce through impartial and comprehensive special investigations.

- **Chief Counsel:** The Office of Chief Counsel provides legal advice and services to all TSA mission areas and operational components. The Office of the Chief Counsel is comprised of attorneys and staff at the Headquarters and at our Nation's airports.

- **Finance & Administration:** The Office of Finance and Administration is responsible for providing TSA with essential administrative, revenue, budget, and financial services to support the program responsibilities of TSA.

- **Legislative Affairs:** The Office of Legislative Affairs (OLA) develops and implements strategies within the agency to achieve congressional approval or authorization of the agency's programs and policies, furthering the agency's mission of protecting the nation's transportation network. OLA acts as the principal liaison between the agency and Congress, with the primary responsibility of providing timely, accurate information about the agency, its programs, and its policies. Through professionalism and customer service, OLA seeks to cultivate relationships, thereby developing trust, confidence, and friendship with our colleagues in Congress, enabling the free flow of information between the two bodies.

- **Acquisition:** The Office of Acquisition provides mission-focused acquisition and contract services to support TSA. The Office of Acquisition primarily functions as the business advisor and consultant for the planning, award and management of TSA's acquisition program. As such, the Office of Acquisition partners with program offices to provide TSA with critical services and technology through contracts and other business agreements. The Office of Acquisition builds sound business judgment into mission solutions, and ensures the wise stewardship of taxpayer dollars while securing public trust.

- **Special Counselor:** The Office of the Special Counselor is dedicated to delivering quality information to TSA's stakeholders, both internal and external, and ensures that employees and the traveling public are treated in a fair and lawful manner, consistent with federal laws and regulations governing privacy, information sharing, redress, civil rights and civil liberties.

- **Strategic Communications and Public Affairs:** The Office of Strategic Communications and Public Affairs serves as the Agency's buttress in protecting the Nation's transportation systems by providing full and appropriate information about the policies and security measures implemented. This office fosters broad public understanding of the methods and impact of transportation security to promote effectiveness and contribute to TSA's commitment to customer service.

- **Human Capital:** The Office of Human Capital (OHC) develops and manages best practice, results-oriented programs that ensure TSA's human capital strategy and services support TSA's mission, goals and objectives, achieve alignment with the DHS Chief Human Capital Officer (CHCO) goals, and facilitate the management and improvement of employee and organizational performance. Additionally,

OHC develops the human capital policy agenda, establishes priorities, monitors progress, coordinates and evaluates results related to all policy development for senior leadership approval, serves as TSA's representative on DHS CHCO Council and coordinates TSA membership on Departmental working groups.

- **Office of Security Operations, Operational and Technical Training:** The Operational and Technical Training (OTT) office within the Office of Security Operations, designs, develops, and delivers training to TSA's workforce across all modes of transportation. As our security measures evolve in response to threats, it is crucial that TSA screening officers are trained rapidly and thoroughly in new screening procedures and understand how our multi-layered, multi-modal security systems work together to form an effective homeland defense. OTT operates state-of-the-art online learning centers and constantly evaluates TSA's training programs to ensure that they comprehensively address every threat to transportation security.

- **Operational Process & Technology:** The Office of Operational Process & Technology (OPT) ensures that TSA's organizational metrics, technologies, and operations are structured to support TSA's overall mission, vision, goals, and strategic objectives.

- **Business, Transformation & Culture:** The Office of Business, Transformation and Culture directs the Assistant Secretary's vision for transforming TSA to a risk-based network organization with a culture built on management practices for collaboration, information sharing, and effective decision making.

- **Office of Law Enforcement:** The office of Law Enforcement administers the funds for background investigations and physical security. Personnel Security schedules and adjudicates background investigations and grants security clearances to TSA employees and contractors. Physical security ensures the safety of all TSA employees and guests at all TSA facilities, including the Headquarters buildings.

Attrition of Senior Level Employees at TSA

73. GAO reported that turnover of senior-level employees at DHS is more than twice that at other major agencies, with TSA having among the highest attrition rates. What is the current annual attrition rate among TSA's senior-level employees? What are the reasons for the turnover among TSA's senior-level employees? What efforts does TSA have underway to address the turnover and what has been the impact of these efforts?

ANSWER: When the Transportation Security Administration (TSA) was established, it faced stringent performance deadlines, and therefore had no time to "grow" a cadre of leaders. Instead, it set out to find the most experienced individuals possible for senior positions, including many who were retirement eligible at the time they were hired, or very near that point. Looking for the experienced personnel who could stand up the agency in the timeframe required by the Aviation and Transportation Security Act (ATSA) resulted in an average age of 52 for TSA's managers in 2003. Many of these individuals joined TSA in the aftermath of 9/11 to serve a year or two. TSA has recognized the necessity of gaining a higher level of workforce stability as the agency matures, and has taken a number of steps to accomplish that.

One of the primary strategies has been precisely to do what TSA could not do in its first years as a start-up: grow a higher percentage of leaders from within the agency. To that end, TSA's Executive Resources Council

(ERC) chartered a subcommittee in 2006 to develop a detailed succession plan focused on leadership development programs:

The first program to launch was *Foundations of Leadership*, a course for first-line supervisors; over 2,500 TSA supervisors have received the training;

- A Mid Level Development Program (MLDP) to prepare individuals for management positions. There are close to 600 participants at over 400 locations currently in that program.
- A Senior Leadership Development Program (SLDP) has been launched in three phases with over 300 participants, targets senior (K Band and TSES) field and HQ positions;
- Two new instructor facilitated courses are piloting in fiscal year (FY) 2008. One, *Leading from the Middle*, is designed for middle managers. The other is *Transition to Security Manager*. A number of other courses are under development.

There is some preliminary evidence that these programs are having an impact. The chart below shows TSA attrition rates at K Band, L Band, and TSES levels for FYs 2005, 2006, and 2007.

TSA Senior Level Attrition by Fiscal Year

Band Level	2005	2006	2007
K Band	12.6	13.5	8.9
L Band	9.3	13.8	6.7
TSES	18.7	17.0	13.8

While these levels are still higher than those at some other agencies, this is not entirely unexpected based upon the start-up of TSA as described above.

Hiring

74. Within TSA, how many positions have been filled noncompetitively or by transfer? Please answer for each fiscal year since TSA was formed (2002-2007).

ANSWER: Please see the following table.

	FY02	FY03	FY04	FY05	FY06	FY07
# of positions filled non-competitively*	379	1876	327	234	94	158
# of positions filled by transfer from another agency or internal conversions **	775	5511***	2295***	203	242	159
Total TSA workforce	35421	57287	59408	57402	56402	57874

* used Nature of Action Code (NOAC) 171 – Excepted Appointment NTE

** used NOAC 570 – Converted to Excepted Appointment and NOAC 571 – Converted to Accepted Appointment NTE

*** In FY03 there were approximately 4,400 employees transferred from FAA to TSA.
In FY04 TSA Administrators approved a one-time non-competitive conversion of temporary appointments to permanent appointments using NOAC 570.

Standing up the Transportation Security Administration (TSA) to meet Congressional deadlines constituted a critical hiring need. Using a competitive hiring practice was not always practical. Therefore, TSA addressed its critical hiring needs by using the flexibility afforded by the Federal Aviation Administration system to make non-competitive appointments, not to exceed two years.

In 2003, TSA recognized that allowing a general expiration of these not-to-exceed appointments would disrupt TSA's current security operations and efforts toward reaching stability. As a result, a one-time program was established whereby the TSA Administrator, Deputy Administrator, Associate Administrators, Assistant Administrators, and Key Directors could approve the noncompetitive conversion of temporary appointments to permanent appointments. Policy and guidelines were established for non-executives and non-Screeners (HRM Letter No. 300-10, dated October 1, 2003).

Working Capital Fund

75. Did TSA receive a revised Working Capital Fund (WCF) estimate in January 2008? If so, please provide a table for the Committee showing your original WCF projection and the revision by activity. If the estimate increased, please explain how you will pay for the additional costs.

ANSWER: The Department has not yet approved any increases in the 2008 WCF charges for TSA or any other office. Proposed revisions to the WCF FY 2008 assessments are currently under review by the OCFO. Until any proposed adjustments are approved internally, subsequently reviewed by OMB, then transmitted to the HAC and SAC via a reprogramming, TSA will continue to be assessed at the FY 2008 CJ level. Any change to the FY 2008 CJ level for this component will be a net result of upward and downward adjustments for WCF activities based on current cost estimates for the activity and TSA's proportionate share of these costs via the algorithms used to determine each customer's share of the WCF activities. The assessments for all activities excluding the government-wide mandated activities are correlated to the paying component's level of support (i.e. occupied space, number of desk tops, number and type of contracting actions).

Reception and Representation

76. Please detail how TSA plans to utilize its reception and representation expenses in 2009? To date, how much has been spent in 2008 and what is the plan for the remainder of the fiscal year?

ANSWER: The Transportation Security Administration (TSA) utilizes its reception and representational fund to support its official diplomatic program to engage in dialogue with international partners intended to advance transportation security on a global level. Funds are used for official entertainment and reception activities, including funding meals and gift exchanges during official visits. To date, TSA has spent $1,483.05 on representational activities during fiscal year (FY) 2008. Funds will continue to be expended for these purposes through the remainder of FY 2008 and in FY 2009.

Contracts

77. Please provide for the record a list of sole source contracts executed by YDS in 2007. Organize by contractor, purpose, dollar award, full performance value, contract start date, contract end date, and reason for sole-source.

ANSWER: See table on following pages.

Vendor Name	Description of Requirement	Action Obligation	Base and All Options Value	Date Signed	Completion Date	Reason Not Competed
SCIENCE APPLICATIONS INTERNATIONAL CORPORATION	FAMS OPERATIONS SUPPORT	$4,053,877.00	$4,053,877.00	12/26/06	3/31/07	URGENCY
SCIENCE APPLICATIONS INTERNATIONAL CORPORATION	FAMS OPERATIONS SUPPORT	$1,400,000.00	$1,400,000.00	3/28/07	6/30/07	URGENCY
SCIENCE APPLICATIONS INTERNATIONAL CORPORATION	FAMS OPERATIONS SUPPORT	$1,350,000.00	$1,350,000.00	4/6/07	6/30/07	URGENCY
SCIENCE APPLICATIONS INTERNATIONAL CORPORATION	FAMS OPERATIONS SUPPORT	$2,239,217.00	$2,239,217.00	6/15/07	12/31/07	URGENCY
SCIENCE APPLICATIONS INTERNATIONAL CORPORATION	FAMS OPERATIONS SUPPORT	$945,529.00	$945,529.00	8/1/07	12/31/07	URGENCY
Broward County	NEDCTP Activities for the 4th Qtr of FY07 to include requirements as outlined within the existing CA and all previously signed modification.	$135,838.81	$135,838.81	4/23/07	1/0/00	ONLY ONE SOURCE - OTHER
CrossMatch Technologies	One year enhanced warratny for ID 1000 system and 24X7 helpdesk as well as SW Engineering hours and funds for travel	$266,000.00	$266,000.00	3/7/07	4/13/08	UNIQUE SOURCE
Computer Sciences Corporation	Bridge contract to continue the Financial Systems Support Services (FSSS) pending award of a new contract.	$423,269.00	$423,269.00	12/21/07	2/29/08	ONLY ONE SOURCE - OTHER
SABRE INCORPORATED	SABRE AIRCREWS/ QIK APPLICATIONS & ILOG CPLEX LICENSES AND MAINTENANCE FOR MISSION SCHEDULER, MANUAL PR 05-FAM-0036 MOD 1,	$133,540.00	$133,540.00	12/27/06	12/31/07	ONLY ONE SOURCE - OTHER
DATAMAXX APPLIED TECHNOLOGIES INCORPORATED	LABOR AND TRAVEL	$554,751.78	$554,751.78	5/10/07	9/30/07	ONLY ONE SOURCE - OTHER
DATAMAXX GROUP INCORPORATED	DATAMAXX, INC. DELIVERY ORDER 8	$2,191,604.40	$2,191,604.40	1/3/07	9/30/07	ONLY ONE SOURCE - OTHER
MISCELLANEOUS FOREIGN CONTRACTORS	THIS PR WAS ESTABLISHED FOR THE FAMS TO TSA UDO CONVERSION FOR AWARD NUMBER: HSCEAM06P0065 FPD DOCUMENT: 2406HSAMP0065	$4,800.00	$4,800.00	11/18/06	12/31/06	ONLY ONE SOURCE - OTHER
COVENANT AVIATION SECURITY LIMITED LIABILITY COMPANY	A.P. SECURITY SCREENING SERVICES	$7,220,984.00	$167,587,320.00	11/20/06	10/31/06	ONLY ONE SOURCE - OTHER
PERFORMANCE ASSESSMENT NETWORK INCORPORATED	FFDO TRAINING PROGRAM	$1,172,877.00	$1,172,877.00	5/24/07	5/31/07	ONLY ONE SOURCE - OTHER

Dun and Bradstreet, Inc.	PR provides funding tosupport Dun & Bradstreet services for Air Cargo's Indirect Air Carrier Management System, Known Shiper Management System and the Freight Assessment Systems.	$4,500,000.00	$27,631,944.31	5/15/07	5/15/12	ONLY ONE SOURCE - OTHER
AMERICAN ASSOCIATION OF COMMUNITY COLLEGES	CREW MEMBER SELF-DEFENSE TRAINING PROGRAM	$2,620,000.00	$2,620,000.00	9/10/07	11/30/07	AUTHORIZED BY STATUTE
SABRE INCORPORATED (9502)	PMO SERVICE	$372,000.00	$372,000.00	5/11/07	5/10/08	FOLLOW-ON CONTRACT
SABRE INCORPORATED (9502)	PMO SERVICE	$344,000.00	$344,000.00	6/12/07	5/10/08	FOLLOW-ON CONTRACT
SABRE INCORPORATED (9502)	PMO SERVICE	$283,400.00	$283,400.00	8/16/07	5/10/08	FOLLOW-ON CONTRACT
SABRE INCORPORATED (9502)	PMO SERVICE	$168,216.00	$168,216.00	8/31/07	5/10/08	FOLLOW-ON CONTRACT
AOC SOLUTIONS INCORPORATED	NON-COMPETITIVE PROCUREMENT OF ACCOUNTING, STANDARD GENERAL LEDGER, BUDGETARY, AND FINANCAIL SYSTEMS SUPPORT SERVICES.	$165,000.00	$165,000.00	11/22/06		ONLY ONE SOURCE - OTHER
AOC SOLUTIONS INCORPORATED	NON-COMPETITIVE PROCUREMENT OF ACCOUNTING, STANDARD GENERAL LEDGER, BUDGETARY, AND FINANCAIL SYSTEMS SUPPORT SERVICES. PR IS BASED ON GOVERNMENT COST ESTIMATE	$ 65,000.00	$ 65,000.00	1/3/07		ONLY ONE SOURCE - OTHER
AOC SOLUTIONS INCORPORATED	NON-COMPETITIVE PROCUREMENT OF ACCOUNTING, STANDARD GENERAL LEDGER, BUDGETARY, AND FINANCAIL SYSTEMS SUPPORT SERVICES. PR IS BASED ON GOVERNMENT COST ESTIMATE.	$ 71,200.00	$ 71,200.00	2/13/07		ONLY ONE SOURCE - OTHER
AMERICAN ASSOCIATION OF AIRPORT EXECUTIVES	FINGERPRINTING SUPPORT - FUNDS FOR CONTRACTOR TO PROVIDE A CLEARINGHOUSE FOR FINGERPRINT AND DIGITAL PHOTO FILES FOR PROSPECTIVE TRANSPORTATION SECURITY OFFICER (TSO) CANDIDATES.	$ 56,650.00	$ 86,647.00	5/22/07	9/10/10	AUTHORIZED BY STATUTE
AMERICAN ASSOCIATION OF AIRPORT EXECUTIVES	FINGERPRINTING SUPPORT - FUNDS FOR CONTRACTOR TO PROVIDE A CLEARINGHOUSE FOR FINGERPRINT AND DIGITAL PHOTO FILES FOR PROSPECTIVE TRANSPORTATION SECURITY OFFICER (TSO) CANDIDATES.	$677,350.00	$677,350.00	7/3/07	9/10/10	AUTHORIZED BY STATUTE
THE CORPORATE EXECUTIVE BOARD COMPANY	MEMBERSHIP FEE	$ 57,500.00	$ 57,500.00	6/25/07	6/29/08	UNIQUE SOURCE

ONYX OF ALEXANDRIA INCORPORATED	SAFETY INFORMATION SYSTEM (SIS) MODIFICATION TO DESIGN, DEVELOP, IMPLEMENT AN INTEGRATED CASE MANAGEMENT MODULE TO THE EXISTING SIS PLATFORM.	$1,211,537.22	$1,211,537.22	9/21/07	9/23/08	ONLY ONE SOURCE - OTHER
Desyne Web Services	New contract for one year and a possible six month extension while new system is built. New contract will combine this PR for Application Maintenance at $148,750 as well as Application Hosting under PR 2107207CMO006 for $96,000.	$244,750.00	$244,750.00	9/28/07	1/0/00	UNIQUE SOURCE
GRA, Inc.	This procurement request is to increase the quantity of hours/funding against CLIN 0007 - Training; include an addendum to the SOW; establish and fund ($100,000) a new CLIN 0009 - Other Direct Costs; incorporate three clauses (Limitation of Cost, Allowable Cost and Payment, and Limitation of Funds); Change the COTR from Julie Perry to Valarie Ramos; Change the CO from Charles Eppright to Brenda Samuels; and include an updated copy of Schedule B to reflect these changes.	$172,136.00	$-	3/7/07	9/7/07	ONLY ONE SOURCE - OTHER
THE EKMAN GROUP TRAINING DIVISION	THE PURPOSE OF THIS PROCUREMENT IS TO OBTAIN SERVICES TO PROVIDE A TWO DAY TRAINING COURSE ENTITLED "EVALUATING TRUTHFULNESS AND DETECTING DECEPTION". IT CONSISTS OF VERBAL, NON-VERBAL, FACIAL EXPRESSIONS, VOICE PITCH, CRITERIA-BASED CONTENT ANALYSIS (CBCA), STATEMENT ANALYSIS AND MEMORY RECALL AS IT RELATES TO DECEPTION OR TRUTHFULNESS.	$990,900.00	$990,900.00	7/13/07	8/18/07	UNIQUE SOURCE
THE EKMAN GROUP TRAINING DIVISION	THE PURPOSE OF THIS PROCUREMENT IS TO OBTAIN SERVICES TO PROVIDE A TWO DAY TRAINING COURSE ENTITLED "EVALUATING TRUTHFULNESS AND DETECTING DECEPTION". IT CONSISTS OF VERBAL, NON-VERBAL, FACIAL EXPRESSIONS, VOICE PITCH, CRITERIA-BASED CONTENT ANALYSIS (CBCA), STATEMENT ANALYSIS AND MEMORY RECALL AS IT RELATES TO DECEPTION OR TRUTHFULNESS.	$ 54,000.00	$ 54,000.00	7/24/07	8/18/07	UNIQUE SOURCE
CORT BUSINESS SERVICES CORPORATION	FUNDING FOR FY07 CORT RENTAL FURNITURE AT VARIOUS AIRPORT LOCATIONS.	$2,563,168.81	$2,563,168.81	12/29/06	1/28/07	FOLLOW-ON CONTRACT
CORT BUSINESS SERVICES CORPORATION	FUNDING FOR FY07 CORT RENTAL FURNITURE AT VARIOUS AIRPORT LOCATIONS.	$ 71,000.00	$ 71,000.00	8/16/07	6/27/08	FOLLOW-ON CONTRACT

TOXCO INCORPORATED	PURCHASE OF BATTERY RECYCLING MAIL BACK CONTAINERS FOR MULTIPLE DELIVERY ADDRESSES.	$5,696.00	$-	3/14/07	6/14/10	SIMPLIFIED ACQUISITION PROCEDURES - NON-COMPETITIVE
JFK INTERNATIONAL AIR TERMINAL LIMITED LIABILITY COMPANY	LEASE OF SPACE FOR TSA USE IN TERMINAL 4, JOHN F KENNEDY INTERNATIONAL AIRPORT	$ 64,484.00	$ 64,484.00	9/26/07	9/26/07	AUTHORIZED BY STATUTE
JFK INTERNATIONAL AIR TERMINAL LIMITED LIABILITY COMPANY	LEASE OF SPACE FOR TSA USE IN TERMINAL 4, JOHN F KENNEDY INTERNATIONAL AIRPORT	$2,268.90	$2,268.90	9/27/07	9/30/12	AUTHORIZED BY STATUTE
BRITISH AIRWAYS PLC	LEASE AGREEMENT, INCLUDING CONSTRUCTION FUNDING, FOR TSA OCCUPIED SPACE AT BRITISH AIRWAYS TERMINAL 7, JFK INTERNATIONAL AIRPORT	$190,178.14	$190,178.14	9/21/07	9/21/07	ONLY ONE SOURCE - OTHER
FLORIDA INSTITUTE OF TECHNOLOGY	DHS PROGRAM MANAGEMENT TOOLS (DHS PMT 250). OCTOBER 2006. 40-HOUR COURSE COVERS SEVEN BASIC TOOLS INCLUDED IN THE DAU VERSION OF PMT250. TOPICS TO BE PRESENTED ARE: 1. SYSTEM MANGEMENT CONTEXT; 2. INTEGRATED PRODUCT AND PROCESS DEVELOPMENT (IPPD); 3. INTEGRATED PRODUCT (PROGRAM) TEAM (IPT) MANAGEMENT; 4. SYSTEM ENGINEERING; 5. WORK BREAKDOWN STRUCTURE (WBS); 6. CONTRACT MANAGEMENT; 7. EARNED VALUE (EV) MEASUREMENT; 8. PROGRAM SCHEDULING; 9. RISK MANAGEMENT. TEAM PROBLEM AND REVIEW.	$ 18,000.00	$ 18,000.00	1/18/07	1/18/07	SIMPLIFIED ACQUISITION PROCEDURES - NON-COMPETITIVE
P3 SOLUTIONS LIMITED LIABILITY COMPANY	ON-SITE TRAINING COURSE ENTITLED: FROM RFP RELEASE TO PROPOSAL SUBMISSION: AN INDUSTRY PERSPECTIVE. JANUARY 16, 2007, AND JANUARY 23, 2007. 3.5 HOUR COURSE PROVIDES AN OVERVIEW OF HOW INDUSTRY RESPONDS TO GOVERNMENT RFPS. COURSE PARTICIPANTS WILL LEARN, STEP-BY-STEP, HOW A TYPICAL CONTRACTOR (SMALL AND LARGE BUSINESSES) WOULD GO ABOUT PREPARING PROPOSALS THAT ENABLE THE GOVERNMENT TO MAKE A BEST-VALUE DETERMINATION. COST: $2,499 FOR EACH OF THE TWO COURSES = $4,998.	$4,998.00	$4,998.00	1/23/07	1/23/07	SIMPLIFIED ACQUISITION PROCEDURES - NON-COMPETITIVE
FLORIDA INSTITUTE OF TECHNOLOGY	NONE.	$ 36,000.00	$ 36,000.00	2/26/07	9/30/07	ONLY ONE SOURCE - OTHER

FEDERAL PUBLICATIONS SEMINARS LIMITED LIABILITY COMPANY	ON-SITE COST AND PRICE ANALYSIS IN GOVERNMENT CONTRACTS COURSE. THE COURSE WILL COVER: 1. THE CONTRACT PRICING ENVIRONMENT; 2. THE FOUNDATIONS OF PRICE ANALYSIS; 3. PRICE-RELATED DATA AND FACTORS FOR AWARD; 4. QUANTITATIVE TECHNIQUES FOR PRICE ANALYSIS; 5. PRICE ANALYSIS RELATED DECISIONS; 6. DOCUMENTING PRICE ANALYSIS; 7. OVERVIEW OF COST ANALYSIS; 8. QUANTITATIVE TECHNIQUES FOR COST ANALYSIS; 9. DIRECT MATERIAL, DIRECT LABOR, OTHER DIRECT AND INDIRECT COST ANALYSIS; 10. FACILITIES CAPITAL COST OF MONEY; 11. PROFIT/FEE ANALYSIS; AND 12. PREPARING FOR NEGOTIATION. TWO, TWO-DAY SESSIONS; FEBRUARY 27, 2007 AND FEBRUARY 28, 2007, FOR THE OFFICE OF ACQUISITION (OOA) FELLOWS, AND MARCH 21, 2007 AND MARCH 22, 2007, FOR OOA STAFF. COST: $9,500 FOR EACH TWO-DAY COST.	$ 19,000.00	$ 19,000.00	2/16/07	3/22/07	SIMPLIFIED ACQUISITION PROCEDURES - NON-COMPETITIVE
P3 SOLUTIONS LIMITED LIABILITY COMPANY	ON-SITE TRAINING COURSE ENTITLED: FROM RFP RELEASE TO PROPOSAL SUBMISSION: AN INDUSTRY PERSPECTIVE. 3.5 HOUR COURSE PROVIDES AN IVERVIEW OF HOW INDUSTRY RESPONDS TO GOVERNMENT RFPS. COURSE PARTICIPANTS WILL LEARN, STEP-BY-STEP, HOW A TYPICAL CONTRACTOR (SMALL AND LARGE BUSINESSES) WOULD GO ABOUT PREPARING PROPOSALS THAT ENABLE THE GOVERNMENT TO MAKE A BEST-VALUE DETERMINATION. MARCH 6, 2007, FROM 8:30 A.M. TO 11:30 A.M.; AND MARCH 8, 2007, FROM 12:30 P.M. TO 3:30 P.M. COST: $2,499 FOR EACH COURSE = $4,998.	$4,998.00	$4,998.00	2/8/07	3/8/07	SIMPLIFIED ACQUISITION PROCEDURES - NON-COMPETITIVE
MAIC (Minority Advancement in Corporations Inc.)	Program Analyst Support for Cost Analysis & Research Branch	$270,336.00	$-	1/19/07	1/18/08	ONLY ONE SOURCE - OTHER

Oracle Solution & Services Limited Liability Comp.	Non-Competitive Procurement of Budgetary Support Services to correct a material weakness identified during the FY 2006 Financial Statement Audit. PR is based on a government cost estimate. Documentation will be provided to the Office of Acquisition. PR FIN018 was under funded therefore PR FIN022 was created to cover the cost of the award.	$1,378,960.00	$-	1/25/07	1/31/08	UNIQUE SOURCE
THE DASTON CORPORATION	RATIFICATION FOR PROPERTY DOCUMENTATION SERVICES PROVIDED FROM 8/2/2007 THROUGH 9/19/2007.	$ 93,423.65	$ 93,423.65	9/21/07	9/21/07	ONLY ONE SOURCE - OTHER
TALX CORPORATION	TALX RATIFICATION - FUNDS TO COVER RATIFICATION OF INVOICES DATED FROM MAY 1, 2005 THROUGH NOVEMBER 30, 2006. TALX CONTRACT HSTS01-05-P-HRA017 PROVIDES SOCIAL SECURITY SERVICES TO TSA EMPLOYEES.	$ 14,895.25	$ 14,895.25	12/21/06	12/21/06	ONLY ONE SOURCE - OTHER
ARAMARK SERVICES INCORPORATED (1630)	FOUNDATIONS OF LEADERSHIP TRAINING - 5 CLASSES TO BE CONDUCTED FOR SUPERVISORY TRANSPORTATION SECURITY OFFICERS (STSO). STUDENTS AND INSTRUCTORS WILL ARRIVE ON MAY 6 2007 AND THE CLASSES WILL BE CONDUCTED MAY 7-17 2007.	$250,000.00	$250,000.00	1/23/07	5/18/07	ONLY ONE SOURCE - OTHER
ARAMARK SERVICES INCORPORATED (1630)	FOUNDATIONS OF LEADERSHIP TRAINING - 5 CLASSES TO BE CONDUCTED FOR SUPERVISORY TRANSPORTATION SECURITY OFFICERS (STSO). STUDENTS AND INSTRUCTORS WILL ARRIVE ON MAY 6 2007 AND THE CLASSES WILL BE CONDUCTED MAY 7-17 2007.	$ 18,785.00	$ 18,785.00	2/1/07	5/18/07	ONLY ONE SOURCE - OTHER
VISIONARY LEADERSHIP LIMITED	SENIOR LEADERSHIP DEVELOPMENT PROGRAM (SLDP) - REQUEST FOR A GUEST SPEAKER IN SUPPORT OF THE SENIOR LEADERSHIP PROGRAM. THIS SPEAKER WILL BE ADDRESSING 85 SLDP SELECTEES IN THE KINK-OFF MEETING OF THEIR ORIENTATION.	$5,000.00	$5,000.00	1/30/07	2/12/07	UNIQUE SOURCE
OCEAN VIEW HOTEL CORPORATION	FOUNDATIONS VENUE JUNE 07 WAIKIKI BEACH - REQUEST $110,000 TO SECURE 428 ROOM NIGHTS TO DELIVER TWO CONSECUTIVE OFFERINGS OF THE FOUNDATIONS OF LEADERSHIP AND TO HOUSE THE INSTRUCTORS FOR THE ENTIRE PERIOD OF TIME.	$ 55,000.00	$ 55,000.00	3/26/07	6/28/07	UNIQUE SOURCE
BIGSPEAK INCORPORATED	SPEAKER SERIES *STACY ALLISON - REQUEST $19,000 TO SECURE A SPEAKER FOR TSA LEADERSHIP SPEAKER SERIES. PERIOD OF PERFORMANCE: 26 APR 2007	$ 19,000.00	$ 19,000.00	4/4/07	4/26/07	UNIQUE SOURCE

FREEMOUNT CORPORATION INCORPORATED	SPEAKER SERIES *CLIFTON L. TAUBERT - REQUEST $12,750 TO SECURE A SPEAKER FOR TSA LEADERSHIP SPEAKER SERIES. PRESENTATION DATE: 28 JUN 2007	$ 12,750.00	$ 12,750.00	4/5/07	6/28/07	UNIQUE SOURCE
VISIONARY LEADERSHIP LIMITED	LEADERSHIP SPEAKER SERIES MAJOR GENERAL PERRY M. SMITH - REQUEST $5,000 TO SECURE A SPEAKER FOR TSA LEADERSHIP SPEAKER SERIES. SPEAKING DATE: 27 SEP 2007 TOPIC: ETHICS AND LEADERSHIP: A PRACTICAL GUIDE LOCATION: HQ, TSA	$5,000.00	$5,000.00	5/1/07	9/27/07	UNIQUE SOURCE
ECKERD COLLEGE INCORPORATED	LEADERSHIP PROGRAM, ECKERD - REQUEST $68,000 TO FUND TEN (10) SLOTS FOR TEN TSA SXECUTIVES OR SENIORS MANAGERS TO ATTEND THE ECKERD COLLEGE LEADERHSIP DEVELOPMENT PROGRAM, A NETWORK ASSOCIATE OF THE CENTER FOR CREATIVE LEADERSHIP (CCL).	$ 68,000.00	$ 68,000.00	5/22/07	10/19/07	FOLLOW-ON CONTRACT
UNIVERSITY OF VIRGINIA DARDEN SCHOOL FOUNDATION INCORPORATED	DARDEN EXECUTIVE EDUCATION - REQUEST $17,000 TO FUND TWO (2) SLOTS FOR TWO TSA EXECUTIVES TO ATTEND THE DARDEN SCHOOL OF BUSINESS ADMINISTRATION, CREATING THE FUTURE, THE CHALLENGE OF TRANSFORMATIONAL LEADERSHIP. SCHEDULE:	$ 17,000.00	$ 17,000.00	7/6/07	10/19/07	UNIQUE SOURCE
ROCKHURST UNIVERSITY CONTINUING EDUCATION CENTER INCORPORATED	FEE FOR TRAINING CLASS	$5,200.00	$5,200.00	9/21/07	10/21/07	ONLY ONE SOURCE - OTHER
WASHINGTON SPEAKERS BUREAU	THIS PR IS FOR THE PURCHASE OF THE SERVICES FOR A GUEST SPEAKER AT THE OTT TRAINING COORDINATOR CONFERENCE FROM 10/31/2006 THROUGH 11/1/2006.	$ 10,000.00	$ 10,000.00	10/30/06	11/1/06	SIMPLIFIED ACQUISITION PROCEDURES - NON-COMPETITIVE
NINTH HOUSE INCORPORATED	PROFESSIONAL MANAGEMENT SERVICES	$7,890.00	$7,890.00	6/29/07	8/15/07	UNIQUE SOURCE
CORT BUSINESS SERVICES CORPORATION	CORT RENTAL FURNITURE BUYOUT PROPOSAL FOR FIELD LOCATIONS	$1,304,319.57	$1,304,319.57	12/22/06	12/31/07	ONLY ONE SOURCE - OTHER
CORT BUSINESS SERVICES CORPORATION	CORT RENTAL FURNITURE BUYOUT PROPOSAL FOR FIELD LOCATIONS	$ 75,000.00	$ 75,000.00	2/9/07	12/31/07	ONLY ONE SOURCE - OTHER
CORT BUSINESS SERVICES CORPORATION	CORT RENTAL FURNITURE BUYOUT PROPOSAL FOR FIELD LOCATIONS	$100,000.00	$100,000.00	5/22/07	12/31/07	ONLY ONE SOURCE - OTHER
CORT BUSINESS SERVICES CORPORATION	CORT RENTAL FURNITURE BUYOUT PROPOSAL FOR FIELD LOCATIONS	$108,791.61	$108,791.61	8/16/07	12/31/07	ONLY ONE SOURCE - OTHER
F&A CARPET	PO - THIS IS TO REPLACE CARPET FOR NEWLY ACQUIRED SPACE (1800 SF) AT THE MIAMI INTERNATIONAL AIRPORT (MIA). REQUESTED PERIOD OF PERFORMANCE WILL LAST 30 DAYS AFTER AWARD DATE.	$5,660.00	$5,660.00	3/8/07	3/9/07	SIMPLIFIED ACQUISITION PROCEDURES - NON-COMPETITIVE

FORSMAN INCORPORATED	PO- PROVIDE FUNDING TO COBALT CONTRACTOR TO CONSTRUCT AND RENOVATE 13 TSA LOCATIONS AT MCCARRAN INTERNATIONAL AIRPORT (LAS) LAS VEGAS, NEVADA. REQUESTED PERIOD OF PERFORMANCE IS 8 MONTHS.	$1,160,148.00	$1,160,148.00	7/18/07	11/30/07	FOLLOW-ON CONTRACT
PLATA CORPORATION	PO - FUNDING FOR DESIGN AND CONSTRUCTION OF THE T2 & T3 ON-SITE SPACE AT CHICAGO O'HARE AIRPORT (ORD).	$ 88,724.46	$ 88,724.46	9/19/07	3/31/08	AUTHORIZED BY STATUTE
BARKLEY REGIONAL AIRPORT AUTHORITY	PO- FUNDING NEEDED FOR YEARLY JANITORIAL SERVICES FOR PAH (BARKLEY REGIONAL AIRPORT, PADUCAH, KY). TSA CURRENTLY HAS A MOU WITH FAA AND TSA NEEDS TO PROCURE JANITORIAL SERVICES DIRECTLY. SERVICES ARE TO INCLUDE DAILY CLEANING AND SUPPLIES, WITH SNOW REMOVAL AND LANDSCAPING.	$ 15,360.00	$ 15,360.00	9/19/07	9/18/08	ONLY ONE SOURCE - OTHER
The Onyx Group	To desing, and implement an integrated worker's compensation case manement module into the exiting safety information systems. Associated with PR 2107FAMMED005.	$1,211,537.22	$1,795,017.14	9/21/07	9/23/08	ONLY ONE SOURCE - OTHER
WHITE OAK TECHNOLOGIES INCORPORATED	DATA HARVESTING	$875,590.00	$875,590.00	6/4/07	9/21/08	UNIQUE SOURCE
IntelliTrans, Inc.	Sole-Source to IntelliTrans, Inc., for electronic monitoring and reporting services of Toxic Inhalation Hazarad (TIH) and Highway Non-Transportable radioactive substances via Rail	$455,625.00	$455,625.00	3/1/07	3/1/08	UNIQUE SOURCE
General Dynamics	Mod to Truck Tracking Security Pilot Contract with General Dynamics - HSTS02-05-C-HMC163 Mod will extend PoP from 05/31/2007 until 12/31/2007 and IGCE to add funds of $1.3M. SSJ required (see milestones).	$1,350,000.00	$5,066,350.00	6/29/07	1/0/00	ONLY ONE SOURCE - OTHER
General Dynamics	General Dynamics Single Source Mod - HSTS02-05-C-HMC163 - Additional required funds beyond IGCE amount.	$ 58,606.00	$5,066,350.00	6/29/07	1/31/08	ONLY ONE SOURCE - OTHER
SAIC	SAIC Mod to change task descriptions - SSJ required - HSTS02-05-C-STZ004 See milestones	$225,000.00	$2,261,963.00	6/29/07	4/30/08	ONLY ONE SOURCE - OTHER
SAIC	Extra funding required for SAIC sole source mod.	$975.00	$2,261,963.00	6/29/07	4/30/08	ONLY ONE SOURCE - OTHER
NATIONAL LAW ENFORCEMENT TELECOMMUNICATION SYSTEM	SUBSCRIPTION TO THE NATIONAL LAW ENFORCEMENT TELECOMMUNICATIONS SYSTEM	$ 48,000.00	$ 48,000.00	11/3/06	12/31/07	UNIQUE SOURCE
TRANSPORTATION TECHNOLOGY CENTER INCORPORATED	SECURITY TRAINING	$200,000.00	$200,000.00	2/16/07	11/30/07	UNIQUE SOURCE
TRANSPORTATION TECHNOLOGY CENTER INCORPORATED	SECURITY TRAINING	$200,000.00	$200,000.00	6/26/07	11/30/07	UNIQUE SOURCE
CLASSIFIED DOMESTIC CONTRACTOR	MANAGEMENT SUPPORT SERVICES	$968,042.00	$968,042.00	8/2/07	10/30/08	ONLY ONE SOURCE - OTHER
INFOGLIDE SOFTWARE CORPORATION	SF SYSEM DESIGN/TEST	$1,299,995.39	$1,299,995.39	10/3/06	9/30/07	ONLY ONE SOURCE - OTHER

INFOGLIDE SOFTWARE CORPORATION	SF SYSEM DESIGN/TEST	$182,280.00	$182,280.00	10/11/06	9/30/07	ONLY ONE SOURCE - OTHER
INFOGLIDE SOFTWARE CORPORATION	SF SYSEM DESIGN/TEST	$1,970,058.00	$1,970,058.00	3/30/07	9/30/07	ONLY ONE SOURCE - OTHER
AMERICAN ASSOCIATION OF AIRPORT EXECUTIVES	COLLECT AND PROCESS FINGERPRINTS FOR AFSP	$2,850.00	$2,850.00	11/28/06	2/28/10	ONLY ONE SOURCE - OTHER
AMERICAN ASSOCIATION OF AIRPORT EXECUTIVES	COLLECT AND PROCESS FINGERPRINTS FOR AFSP	$ 51,000.00	$ 51,000.00	12/19/06	2/28/10	ONLY ONE SOURCE - OTHER
AMERICAN ASSOCIATION OF AIRPORT EXECUTIVES	COLLECT AND PROCESS FINGERPRINTS FOR AFSP	$3,840.00	$3,840.00	1/24/07	2/28/10	ONLY ONE SOURCE - OTHER
AMERICAN ASSOCIATION OF AIRPORT EXECUTIVES	COLLECT AND PROCESS FINGERPRINTS FOR AFSP	$ 90,000.00	$ 90,000.00	2/28/07	2/28/10	ONLY ONE SOURCE - OTHER
AMERICAN ASSOCIATION OF AIRPORT EXECUTIVES	COLLECT AND PROCESS FINGERPRINTS FOR AFSP	$1,320.00	$1,320.00	5/21/07	2/28/10	ONLY ONE SOURCE - OTHER
AMERICAN ASSOCIATION OF AIRPORT EXECUTIVES	COLLECT AND PROCESS FINGERPRINTS FOR AFSP	$ 60,000.00	$ 60,000.00	8/20/07	2/29/08	ONLY ONE SOURCE - OTHER
ONEIL MOVING SYSTEMS INCORPORATED	STORAGE OF HOUSEHOLD GOODS BELONGING TO TSA EMPLOYEES WHILE ON OVERSEAS ASSIGNMENT	$ 11,136.00	$ 11,136.00	1/8/07	12/31/07	ONLY ONE SOURCE - OTHER
AMERICAN INTERNATIONAL FORWARDING INCORPORATED	STORAGE OF HOUSEHOLD GOODS BELONGING TO TSA EMPLOYEES WHILE ON OVERSEAS ASSIGNMENT	$8,866.32	$8,866.32	1/11/07	12/31/07	ONLY ONE SOURCE - OTHER
AMERICAN INTERNATIONAL FORWARDING INCORPORATED	STORAGE OF HOUSEHOLD GOODS BELONGING TO TSA EMPLOYEES WHILE ON OVERSEAS ASSIGNMENT	$ 13,342.08	$ 13,342.08	2/23/07	12/31/07	ONLY ONE SOURCE - OTHER
ALASKA SEAVAN INCORPORATED	STORAGE OF HOUSEHOLD GOODS BELONGING TO TSA EMPLOYEES, WHILE ON OVERSEAS ASSIGNMENT	$ 15,828.60	$ 15,828.60	2/23/07	12/31/07	ONLY ONE SOURCE - OTHER
GRAEBEL/MID ATLANTIC MOVERS INCORPORATED	STORGE OF HOUSEHOLD GOODS BELONGING TO TSA EMPLOYEES WHILE ON OVERSEAS ASSIGNMENT	$2,772.00	$2,772.00	2/23/07	12/31/07	ONLY ONE SOURCE - OTHER
XSPEDIUS COMMUNICATIONS LIMITED LIABILITY COMPANY	2 CIRCUITS AND MAINTENANCE FOR TELECOMMUNICATION SERVICE	$388,200.00	$388,200.00	8/17/07	9/30/10	URGENCY
INFOGLIDE SOFTWARE CORPORATION	INFOGLIDE SOFTWARE LICENSES AND MAINTENANCE	$1,470,000.00	$1,470,000.00	12/6/06	12/31/07	UNIQUE SOURCE
MISCELLANEOUS FOREIGN CONTRACTORS	SOLE SOURCE JUSTIFICATION FOR MICHAEL STAPLETON ASSOCIATES AND THE STATEN ISLAND FERRY TO CONTRACT OFF-DUTY LAW ENFORCEMENT OFFICERS WHO WILL STAND WATCH DURING SEACAP SCREENING PERIODS. THESE LAW ENFORCEMENT PERSONNEL WILL ASSIST WITH RESOLUTION OF ALARMS DURING SECONDARY SCREENING AND TAKE CHARGE SHOULD SCREENING UNCOVER ANY CONTRABAND, PROHIBITED ITEMS, OR WEAPONS. THE PERIOD OF PERFORMANCE WILL OCCUR BETWEEN APRIL 2 -20, 2007.	$ 20,000.00	$ 20,000.00	4/9/07	5/9/07	UNIQUE SOURCE

AOPA AIR SAFETY FOUNDATION	ONLINE TRAINING COURSE NTE $150,000 AND ADDITIONAL PROMOTIONAL MATERIAL DEVELOPMENT AND DISTRIBUTION NTE $70,000 FOR AIRPORT WATCH	$220,000.00	$220,000.00	7/5/07	6/14/07	ONLY ONE SOURCE - OTHER
AOPA AIR SAFETY FOUNDATION	ONLINE TRAINING COURSE NTE $150,000 AND ADDITIONAL PROMOTIONAL MATERIAL DEVELOPMENT AND DISTRIBUTION NTE $70,000 FOR AIRPORT WATCH	$ 55,000.00	$ 55,000.00	9/12/07	6/14/07	ONLY ONE SOURCE - OTHER
NATA COMPLIANCE SERVICES LIMITED LIABILITY COMPANY	WORK IN CONJUNCTION WITH THE NATIONAL AIR TRANSPORTATION ASSOCIATION (NATA) TO ACQUIRE AVIATION CARD READERS AND EMPLOY THESE CARD READERS AT FIXED BASED OPERATOR (FBO) LOCATIONS AT THE NATION'S BUSIEST AND LARGEST GA AIRPORTS OR DESIGNATED GA FACILITIES AT PUBLIC USE AIRPORTS. CO: GUY GALLOWAY TSNM: GA POC: ERIK JENSEN	$8,098.00	$8,098.00	8/23/07	9/22/07	UNIQUE SOURCE
DUN AND BRADSTREET INCORPORATED (2360)	THIS PR PROVIDES FUNDING TO RENEW DUN & BRADSTREET SERVICES FOR AIR CARGO'S INDIRECT AIR CARRIER MANAGEMENT SYSTEM, KNOWN SHIPPER MANAGEMENT SYSTEM, AND THE FREIGHT ASSESSMENT SYSTEMS. NOTE: CONTRACT NUMBER IS HSTS01-05-F-AOP196	$6,509,949.82	$6,509,949.82	5/22/07	5/22/08	ONLY ONE SOURCE - OTHER
INTELLITRANS LIMITED LIABILITY COMPANY	TOXIC INHALATION HAZARD (TIH) TANK CAR MOVEMENT IN HIGH THREAT URBAN AREAS (HTUA)	$981,500.00	$981,500.00	3/1/07	12/31/08	ONLY ONE SOURCE - OTHER
INTELLITRANS LIMITED LIABILITY COMPANY	TOXIC INHALATION HAZARD (TIH) TANK CAR MOVEMENT IN HIGH THREAT URBAN AREAS (HTUA)	$114,755.00	$114,755.00	9/6/07	12/31/08	ONLY ONE SOURCE - OTHER
Oracle Solution & Services LLC/Miracle Systems LLC	Provides financial database, analysis, and administrative Support for the Office of Security and Assessment from July 1, 2007 to June 30, 2008. Vendor will perform the following duties: Processes, Analysis and Audit Database Management, Reports Creation, Ad Hoc Querying Data Entry, Financial Documentation, Files Maintenance, etc.	$945,552.00	$3,464,512.00	8/31/07	8/30/08	ONLY ONE SOURCE - OTHER
ADVANCED MEASUREMENT TECHNOLOGY INCORPORATED	PROCUREMENT OF RADIATION DETECTION EQUIPMENT: THREE MECHANICALLY COOLED, HIGH PURITY GERMANIUM (HPGE) RADIOISOTOPE IDENTIFICATION DEVICES (RIDS) (HPGE RIDS) TO SUPPORT THE SOUTHERN REGIONAL RADIOLOGICAL PILOT PROGRAM (SRRPP). THE REQUIRED RID (2019 MODEL) IS ONLY AVAILABLE FROM THE MANUFACTURER, ORTEC. (ADVANCED MEASUREMENT TECHNOLOGY, INC.). JUSTIFICATION FOR SINGLE SOURCE AWARD NO. 07-2-10 APPROVED BY TSA OFFICE OF CHIEF COUNSEL ON 8/17/07.	$225,358.07	$225,358.07	8/29/07	8/29/09	UNIQUE SOURCE

SKY GROUP ASSOCIATES INCORPORATED	THIS PR REPLACES PR 21-07-207MLS502 THIS REQUEST WILL PROVIDE ADDITIONAL FUNDING TO SUPPORT THE ONGOING LARGE AIRCRAFT STANDARD SECURITY PROGRAM (LASSP) CONTRACT FOR 4 ADDITIONAL MONTHS AT THE CURRENT RATE.	$267,728.09	$267,728.09	8/30/07	6/30/08	UNIQUE SOURCE
DYNO NOBEL INCORPORATED	DYNO NOBEL - IDIQ	$8,954.40	$8,954.40	8/29/07	12/31/07	ONLY ONE SOURCE - OTHER
DYNO NOBEL INCORPORATED	DYNO NOBEL - IDIQ	$1,876.80	$1,876.80	9/4/07	12/31/07	ONLY ONE SOURCE - OTHER
MITRE Corporation	MITRE IDIQ	$2,461,841.00	$3,301,917.00	1/29/07	1/0/00	ONLY ONE SOURCE - OTHER
The MITRE Corportation	PR to provide additional funding to PR TTC301 for the MITRE Corp.	$500,000.00	$500,000.00	2/22/07	1/0/00	ONLY ONE SOURCE - OTHER
ILM	Task Order off of HSTS02-07-D-TTC339 for Indirect Air Carriers (IAC)	$298,864.24	$298,864.24	4/19/07	4/23/07	ONLY ONE SOURCE - OTHER
ENTERPRISE SOLUTIONS REALIZED INCORPORATED	ESR TO #1 - PROVIDE SYSTEM ARCHITECTURE AND DESIGN, ENGINEERING PLANNING AND INTEGRATION OF THE RATIONAL UNIFIED PROCESS (RUP). PROVIDE EXPERTISE IN COMPUTER HARDWARE, SOFTWARE AND APPLICATION DEVELOPMENT.	$465,561.00	$465,561.00	1/25/07	1/27/10	AUTHORIZED BY STATUTE
THE MITRE CORPORATION	THE MITRE CORP - SYSTEMS ENGINEERING AND ASSESSMENT SERVICES (SEAS). THE ADDITIONAL FUNDING WILL EXTEND THE FUNDED PERIOD OF PERFORMANCE TO SEPTEMBER 30, 2007	$3,301,917.00	$3,301,917.00	1/29/07	10/1/07	ONLY ONE SOURCE - OTHER
THE MITRE CORPORATION	THE MITRE CORP - PROVIDING SYSTEMS ENGINEERING AND ASSESSMENT SERVICES (SEAS)	$833,650.00	$833,650.00	1/29/07	10/1/07	ONLY ONE SOURCE - OTHER
THE MITRE CORPORATION	THE MITRE CORP - PROVIDING SYSTEMS ENGINEERING AND ASSESSMENT SERVICES (SEAS)	$500,000.00	$500,000.00	2/22/07	10/1/07	ONLY ONE SOURCE - OTHER
THE MITRE CORPORATION	THE MITRE CORP - PROVIDING SYSTEMS ENGINEERING AND ASSESSMENT SERVICES (SEAS)	$167,864.00	$167,864.00	4/3/07	10/1/07	ONLY ONE SOURCE - OTHER
THE MITRE CORPORATION	THE MITRE CORP - PROVIDING SYSTEMS ENGINEERING AND ASSESSMENT SERVICES (SEAS)	$604,792.00	$604,792.00	5/11/07	10/1/07	ONLY ONE SOURCE - OTHER
THE MITRE CORPORATION	THE MITRE CORP - PROVIDING SYSTEMS ENGINEERING AND ASSESSMENT SERVICES (SEAS)	$356,000.00	$356,000.00	7/31/07	10/1/07	ONLY ONE SOURCE - OTHER
DYNO NOBEL INCORPORATED	FY 07 DYNO NOBEL - EXPLOSIVES	$3,600.90	$3,600.90	2/23/07	4/6/07	ONLY ONE SOURCE - OTHER
ENSIGN BICKFORD AEROSPACE AND DEFENSE COMPANY	ENSIGN-BICKFORD - EXPLOSIVES	$ 93,690.40	$ 93,690.40	3/9/07	6/1/07	UNIQUE SOURCE
HODGDON POWDER COMPANY	HODGDON POWDER - EXPLOSIVES	$ 16,158.00	$ 16,158.00	3/9/07	5/21/07	UNIQUE SOURCE

TieBridge, Inc	HAZMAT Truck Security Pilot Surface Transportation and Tracking of High-Hazard Materials International Security Practices Study	$ 49,600.00	$ 49,600.00	8/29/07	2/28/08	UNIQUE SOURCE
APPLIED COMMUNICATIONS GROUP	5 PROFESSIONAL DEVELOPMENT TRAINING COURSES FOR TSA-OI STAFF MEMBERS	$ 27,000.00	$ 27,000.00	5/8/07	9/28/07	UNIQUE SOURCE
ID Solutions, Inc.	Procurement of additional IDSolutions - Automated Fingerprint Identification System (AFIS) software licenses for TWIC Phase IV	$ 32,500.00	$ 32,500.00	1/22/07	1/21/08	UNIQUE SOURCE
Gemalto	Card Stock for ID cards, to support the TWIC deployment. Note: this PR is for the cards only; the laminate is being procured under another PR	$ 97,400.00	$ 97,400.00	2/15/07	6/20/07	UNIQUE SOURCE
AWARE INCORPORATED (1026)	PROCUREMENT OF NISTPACK SERVER SOFTWARE LICENSES AND MAINTENANCE FOR THE TWIC SYSTEM.	$ 42,627.50	$ 42,627.50	9/6/07	9/5/08	ONLY ONE SOURCE - OTHER
U.S. Army	For purchase of explosive propellants from the U.S. Army Rock Island Arsenal	$ 22,782.00	$ 22,782.00	7/1/07	1/0/00	UNIQUE SOURCE
U.S. Army	Purchase of explosive propellants for NEDCTP from the U.S. Army's Rock Island Arsenal	$ 35,202.00	$ 35,202.00	7/1/07	1/0/00	UNIQUE SOURCE
U.S. Army Rock Island Arsenal	Purchase of explosive training propellants for the national Explosives Detection Canine Team Program (NEDCTP) from the U.S. Army	$ 21,354.00	$ 21,354.00	7/1/07	1/0/00	UNIQUE SOURCE
RENO TAHOE AIRPORT AUTHORITY	LEASE ON AIRPORT OPERATIONS PREMISES - EFFECTIVE 10/1/02	$154,462.68	$914,951.41	7/18/07	6/30/08	UNIQUE SOURCE
KENT COUNTY DEPARTMENT OF AERONAUTICS	SPACE RENTAL	$187,375.92	$187,375.92	8/16/07	7/17/08	UNIQUE SOURCE
NEC UNIFIED SOLUTIONS INCORPORATED	TELECOMM FOR DFW	$4,151.78	$4,151.78	2/15/07	5/17/07	ONLY ONE SOURCE - OTHER
NEC UNIFIED SOLUTIONS INCORPORATED	TELECOMM FOR DFW	$ 10,000.00	$ 10,000.00	5/17/07	12/15/07	ONLY ONE SOURCE - OTHER
SIGNAL SOLUTIONS INCORPORATED	SOFTWARE SERVICES	$279,285.00	$279,285.00	11/6/06	11/9/10	ONLY ONE SOURCE - OTHER
OBERON ASSOCIATES INCORPORATED	DATA MANAGEMENT	$1,561,330.56	$1,561,330.56	4/3/07	5/17/08	ONLY ONE SOURCE - OTHER
Teracore, Inc.	Request to add additional funds to the Teracore contract. Additional work was added which was not envisioned in the original scope, therefore, additional funds are needed to cover the work. The contract number is: HSTS03-06-C-SMA014. The accounting string is: TS078A000 2007 HQA0100 GE0000 7700 5000 500ADM	$ 54,363.00	$403,351.00	2/14/07	3/31/07	ONLY ONE SOURCE - OTHER
Teracore, Inc.	Funding Option Period of 45 days on HSTS03-06-C-SMA014	$ 54,363.00	$403,351.00	3/30/07	5/15/07	ONLY ONE SOURCE - OTHER
Unisys Corporation	Funds to extend services for circuits under HSTS03-07-J-CIO082.	$486,493.22	$486,493.22	3/16/07	6/30/07	ONLY ONE SOURCE - OTHER

Unisys Corporation	Funs for HSTS03-07-J-CIO113 for O&M services on contract services	$399,232.84	$399,232.84	3/23/07	3/19/08	ONLY ONE SOURCE - OTHER
Unisys Corporation	Additional funds for RTOP CIO044 Microsoft upgrade, related to PR CIO044	$1,695,680.00	$2,195,680.00	5/11/07	5/8/08	ONLY ONE SOURCE - OTHER
Unisys Corporation	Funds for TO under the Bridge to support the KSD residing in Malvern, PA.	$630,000.00	$2,841,294.27	5/17/07	11/30/07	ONLY ONE SOURCE - OTHER
Unisys Corporation	Tibco Middleware support under eTAS program	$517,669.60	$2,647,977.42	9/12/07	9/11/08	ONLY ONE SOURCE - OTHER
Nsync Services Inc.	Funds to support a PLC pilot at three airports, PR replaces PR# 2107207CIO095	$287,000.00	$-	3/20/07	3/19/08	ONLY ONE SOURCE - OTHER
Nsync Services Inc.	Hi SOc Deployment completion utilizing Power Line Coummunications Technology.	$221,747.40	$-	4/6/07	4/6/07	ONLY ONE SOURCE - OTHER
STATE OF ALASKA	FERRY PASSES	$ 12,780.00	$ 12,780.00	5/9/07	12/31/07	ONLY ONE SOURCE - OTHER
STATE OF ALASKA	FERRY PASSES	$ 30,000.00	$ 30,000.00	8/24/07	12/31/07	ONLY ONE SOURCE - OTHER
UNISYS CORPORATION	IT BRIDGE	$9,408.47	$9,408.47	6/18/07	12/31/07	FOLLOW-ON CONTRACT
UNISYS CORPORATION	IT BRIDGE	$ 11,130.44	$ 11,130.44	2/1/07	6/30/07	FOLLOW-ON CONTRACT
UNISYS CORPORATION	IT BRIDGE	$ 47,771.88	$ 47,771.88	6/4/07	12/31/07	FOLLOW-ON CONTRACT
UNISYS CORPORATION	IT BRIDGE	$324,595.58	$324,595.58	4/19/07	12/31/07	FOLLOW-ON CONTRACT
UNISYS CORPORATION	IT BRIDGE	$381,319.41	$381,319.41	4/26/07	12/31/07	FOLLOW-ON CONTRACT
UNISYS CORPORATION	LAND MOBILE RADIO MANAGED SERVICES	$2,907,407.00	$2,907,407.00	1/9/07	12/31/07	FOLLOW-ON CONTRACT
UNISYS CORPORATION	IT BRIDGE	$ 48,144.93	$ 48,144.93	3/6/07	12/31/07	FOLLOW-ON CONTRACT
UNISYS CORPORATION	SUPPORT FOR THE FINGERPRINT SYSTEMS	$866,114.48	$866,114.48	12/14/06	12/31/07	FOLLOW-ON CONTRACT
UNISYS CORPORATION	IT BRIDGE	$562,496.85	$562,496.85	6/20/07	6/20/07	FOLLOW-ON CONTRACT
NSYNC SERVICES INCORPORATED	ISSUE: FUNDING OF 8A CONTRACTOR TO PROVIDE DSL AND / OR WIRELESS CONNECTIVITY FOR AIRPORTS THAT HAVE PCS THAT WILL NOT BE CONNECTED TO TSA NETWORK BY 30 SEPTEMBER 06. THIS PR IS FOR NEW WORK WHICH INCLUDES PLANNING, SITE PREPARATION, INSTALLATION AND COST FOR THE DEPLOYMENT OF THE SMALL SITE DSL SOLUTION AND / OR COMMERCIAL WIRELESS CONNECTIVITY.	$288,683.79	$288,683.79	1/26/07	8/31/07	AUTHORIZED BY STATUTE

NSYNC SERVICES INCORPORATED	ISSUE: FUNDING OF 8A CONTRACTOR TO PROVIDE DSL AND / OR WIRELESS CONNECTIVITY FOR AIRPORTS THAT HAVE PCS THAT WILL NOT BE CONNECTED TO TSA NETWORK BY 30 SEPTEMBER 06. THIS PR IS FOR NEW WORK WHICH INCLUDES PLANNING, SITE PREPARATION, INSTALLATION AND COST FOR THE DEPLOYMENT OF THE SMALL SITE DSL SOLUTION AND / OR COMMERCIAL	$284,329.94	$284,329.94	7/17/07	3/31/08	AUTHORIZED BY STATUTE
UNISYS CORPORATION	SYSTEMS MANAGEMENT SUPPORT FOR THE TSA CONTACT CENTER OF THE OFFICE OF SPECIAL COUNSELOR. PURPOSE OF THIS PR IS TO TRANSITION SR-40066 FROM THE TSA ITMS CONTRACT TO THE NEW BRIDGE CONTRACT. FUNDING SHOULD COVER SERVICES DELIVERED BY UNISYS FOR ONE FISCAL QUARTER.	$267,765.66	$267,765.66	12/11/06	12/31/07	FOLLOW-ON CONTRACT
UNISYS CORPORATION	SYSTEMS MANAGEMENT SUPPORT FOR THE TSA CONTACT CENTER OF THE OFFICE OF SPECIAL COUNSELOR. PURPOSE OF THIS PR IS TO TRANSITION SR-40066 FROM THE TSA ITMS CONTRACT TO THE NEW BRIDGE CONTRACT. FUNDING SHOULD COVER SERVICES DELIVERED BY UNISYS FOR ONE FISCAL QUARTER.	$3,602.00	$3,602.00	2/27/07	4/30/07	FOLLOW-ON CONTRACT
UNISYS CORPORATION	SYSTEMS MANAGEMENT SUPPORT FOR THE TSA CONTACT CENTER OF THE OFFICE OF SPECIAL COUNSELOR. PURPOSE OF THIS PR IS TO TRANSITION SR-40066 FROM THE TSA ITMS CONTRACT TO THE NEW BRIDGE CONTRACT. FUNDING SHOULD COVER SERVICES DELIVERED BY UNISYS FOR ONE FISCAL QUARTER.	$ 25,740.52	$ 25,740.52	8/6/07	8/31/07	FOLLOW-ON CONTRACT
MASSACHUSETTS PORT AUTHORITY	LEASE SPACE	$ 78,994.55	$ 78,994.55	1/22/07	2/28/07	UNIQUE SOURCE
MASSACHUSETTS PORT AUTHORITY	LEASE SPACE	$572,917.24	$572,917.24	2/27/07	9/30/07	UNIQUE SOURCE
MASSACHUSETTS PORT AUTHORITY	LEASE SPACE	$568,857.90	$568,857.90	8/29/07	2/28/08	UNIQUE SOURCE
MASSACHUSETTS PORT AUTHORITY	LEASE SPACE	$ 10,431.53	$ 10,431.53	8/29/07	2/29/08	UNIQUE SOURCE
MASSACHUSETTS PORT AUTHORITY	LEASE SPACE	$5,313.56	$5,313.56	6/15/07	9/30/07	UNIQUE SOURCE
MASSACHUSETTS PORT AUTHORITY	LEASE SPACE	$6,642.15	$6,642.15	8/27/07	2/28/08	UNIQUE SOURCE
ORANGE COUNTY OF (0928) 184716	LEASED SPACE	$268,438.44	$268,438.44	8/2/07	8/31/08	UNIQUE SOURCE
MASSACHUSETTS PORT AUTHORITY	LEASED SPACE	$ 23,930.06	$ 64,953.02	5/21/07	10/17/08	UNIQUE SOURCE
MINNEAPOLIS ST PAUL METROPOLITAN AIRPORTS COMMISSION	FIBER CABLE	$4,224.00	$4,224.00	2/7/07	2/28/09	UNIQUE SOURCE
METROPOLITAN WASHINGTON AIRPORTS AUTHORITY	FIBER LEASE	$6,948.00	$ 30,708.00	2/27/07	6/18/09	UNIQUE SOURCE
METROPOLITAN WASHINGTON AIRPORTS AUTHORITY	FIBER LEASE	$ 40,920.00	$ 40,920.00	6/12/07	6/18/09	UNIQUE SOURCE

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY	TO MEET THE OCIO HIGH SPEED OPERATIONAL CONNECTIVITY (HI-SOC) REQUIREMENTS AT DULLES [IAD] INTERNATIONAL AIRPORT, THE US GOVT [TSA] DESIRES TO LEASE 22,300 FEET ($0.23 PER FOOT) OF SINGLE MODE (SM) DARK FIBER FROM METRO WASHINGTON [MWAA] AIRPORT AUTHORITY.	$6,584.40	$6,584.40	2/13/07	7/31/07	ONLY ONE SOURCE - OTHER
METROPOLITAN WASHINGTON AIRPORTS AUTHORITY	TO MEET THE OCIO HIGH SPEED OPERATIONAL CONNECTIVITY (HI-SOC) REQUIREMENTS AT DULLES [IAD] INTERNATIONAL AIRPORT, THE US GOVT [TSA] DESIRES TO LEASE 22,300 FEET ($0.23 PER FOOT) OF SINGLE MODE (SM) DARK FIBER FROM METRO WASHINGTON [MWAA] AIRPORT AUTHORITY.	$252.00	$1,116.00	4/5/07	7/31/07	ONLY ONE SOURCE - OTHER
METROPOLITAN WASHINGTON AIRPORTS AUTHORITY	TO MEET THE OCIO HIGH SPEED OPERATIONAL CONNECTIVITY (HI-SOC) REQUIREMENTS AT DULLES [IAD]INTERNATIONAL AIRPORT, THE US GOVT [TSA] DESIRES TO LEASE 22,300 FEET ($0.23 PER FOOT) OF SINGLE MODE (SM) DARK FIBER FROM METRO WASHINGTON [MWAA] AIRPORT AUTHORITY	$ 73,032.00	$-	7/17/07	7/31/08	ONLY ONE SOURCE - OTHER
CITY OF DAYTON	FIBER LEASE	$576.00	$576.00	6/4/07	6/30/08	ONLY ONE SOURCE - OTHER
SABRE INCORPORATED (9502)	TO FUND THE SINGLE SOURCE CONTRACT WITH SABRE, INC., OF SOUTHLAKE, TX, FOR PROFESSIONAL SERVICES TO DEVELOP AND DEPLOY THE TSA%U2019S IMPLEMENTATION OF SABRE STAFFPLAN AND STAFFADMIN, COMMONLY KNOWN AS THE SCREENER SCHEDULING SYSTEM (S3).	$1,583,476.00	$1,583,476.00	12/28/06		STANDARDIZATION
CITY OF ALBUQUERQUE	TO MEET THE OCIO HIGH SPEED OPERATIONAL CONNECTIVITY (HI-SOC) REQUIREMENTS AT ALBUQUERQUE INTERNATIONAL SUNPORT, THE US GOVT [TSA] DESIRES TO LEASE [4] STRANDS OF MULTI MODE (MMF) DARK FIBER FROM CITY OF ALBUQUERQUE, ALBUQUERQUE INTERNATIONAL SUNPORT (ABQ)]. HI-SOC IS FUNDED BY CONGRESS.	$3,600.00	$3,600.00	8/2/07	9/30/08	UNIQUE SOURCE
GREATER ORLANDO AVIATION AUTHORITY	THIS PURPOSE OF THIS PR IS TO PROVIDE FUNDING FOR FIBER INSTALLATION AT MCO (ORLANDO INTERNATIONAL AIRPORT).	$4,615.00	$4,615.00	12/13/06	3/13/06	UNIQUE SOURCE
CONGRESSIONAL QUARTERLY INCORPORATED	SUBSCRIPTION	$1,750.00	$1,750.00	12/19/06	8/2/07	ONLY ONE SOURCE - OTHER
FEDERAL EXPRESS CORPORATION	SHIPPING	$ 12,000.00	$ 12,000.00	2/8/07	3/16/08	UNIQUE SOURCE
CONGRESSIONAL QUARTERLY INCORPORATED	CONGRESSIONAL ELECTRONIC AND HOMELAND SECURITY SUBSCRIPTION	$1,334.00	$1,334.00	4/23/07	9/12/07	ONLY ONE SOURCE - OTHER
DESYNE WEB SERVICES INCORPORATED	DATABASE DEVELOPMENT, HOSTING AND MAINTENANCE	$163,200.00	$163,200.00	11/22/06	4/20/08	ONLY ONE SOURCE - OTHER

DESYNE WEB SERVICES INCORPORATED	DATABASE DEVELOPMENT, HOSTING AND MAINTENANCE	$ 22,057.00	$ 23,300.00	2/23/07	4/20/08	ONLY ONE SOURCE - OTHER
B&B ARMR CORPORATION	PR PROVIDES FUNDING FOR ANNUAL MAINTENANCE FOR FOUR (4) NASATKA SURFACE MOUNT BARRIERS IN SUPPORT OF ACCESS CONTROL AT TSA HQ GATED ENTRANCES. PHYSICAL SECURITY POC IS MARTY HOROWITZ AT 571-227-1191.	$5,315.00	$5,315.00	6/22/07	9/22/07	ONLY ONE SOURCE - OTHER
B&B ARMR CORPORATION	PR PROVIDES FUNDING FOR ANNUAL MAINTENANCE FOR FOUR (4) NASATKA SURFACE MOUNT BARRIERS IN SUPPORT OF ACCESS CONTROL AT TSA HQ GATED ENTRANCES. PHYSICAL SECURITY POC IS MARTY HOROWITZ AT 571-227-1191.	$3,544.00	$3,544.00	9/24/07	11/24/07	ONLY ONE SOURCE - OTHER
ABM LIMITED LIABILITY COMPANY (2203)	ABM, LLC - EXECUTIVE CONSULTATION GUIDANCE CONCERNING AVIATION SECURITY AND OTHER TOPICS IN SUPPORT OF THE WAR ROOM EFFORT AND AT THE DIRECTION OF THE ASSISTANT SECRETARY'S OFFICE. HSTS03-07-R-ADM900 PERIOD OF PERFORMANCE IS NOV 15, 2006 %U2013 NOV 14, 2007 W/ 1 YR. OPTION PERIOD	$476,600.00	$476,600.00	11/15/06	11/26/07	UNIQUE SOURCE
ABM LIMITED LIABILITY COMPANY (2203)	ABM, LLC - EXECUTIVE CONSULTATION GUIDANCE CONCERNING AVIATION SECURITY AND OTHER TOPICS IN SUPPORT OF THE WAR ROOM EFFORT AND AT THE DIRECTION OF THE ASSISTANT SECRETARY'S OFFICE. HSTS03-07-R-ADM900 PERIOD OF PERFORMANCE IS NOV 15, 2006 %U2013 NOV 14, 2007 W/ 1 YR. OPTION PERIOD	$ 25,000.00	$ 25,000.00	7/10/07	11/26/07	UNIQUE SOURCE
HOULIHAN ASSOCIATES LIMITED LIABILITY COMPANY	CONTRACTING GUIDANCE ON SECURITY INITIATIVES, ORGANIZATIONAL POLICIES & PROCEDURES AND CRITICAL INCIDENT MANAGEMENT.	$210,000.00	$420,000.00	1/8/07	1/7/08	ONLY ONE SOURCE - OTHER
INVERTIX CORPORATION	PR IS FOR TSOC ANS SYSTEM MODIFICATIONS	$489,999.00	$1,630,821.00	2/2/07	2/4/09	ONLY ONE SOURCE - OTHER
INVERTIX CORPORATION	PR IS FOR TSOC ANS SYSTEM MODIFICATIONS	$ 46,151.00	$ 46,151.00	3/7/07	2/4/09	ONLY ONE SOURCE - OTHER
Invertix Corporation	ANS Support specialist to provide database management, Solaris OS support	$220,000.00	$220,000.00	2/2/07	2/4/08	ONLY ONE SOURCE - OTHER
BOOZ ALLEN HAMILTON INCORPORATED (3626)	CONTRACTOR SUPPORT TO INCREASE THE EFFECTIVENESS OF THE ORGANIZATION BY IMPLEMENTING IMPROVEMENT INITIATIVES THAT WILL RATIONALIZE ROLES AND RESPONSIBILITIES, STREAMLINE PROCESSES, AND IMPROVE THE EXECUTION OF DAY-TO-DAY OPERATIONS.	$1,014,936.96	$7,993,322.58	12/4/06	5/31/07	FOLLOW-ON CONTRACT

BOOZ ALLEN HAMILTON INCORPORATED (3626)	CONTRACTOR SUPPORT TO INCREASE THE EFFECTIVENESS OF THE ORGANIZATION BY IMPLEMENTING IMPROVEMENT INITIATIVES THAT WILL RATIONALIZE ROLES AND RESPONSIBILITIES, STREAMLINE PROCESSES, AND IMPROVE THE EXECUTION OF DAY-TO-DAY OPERATIONS.	$476,314.46	$476,314.46	12/5/06	5/31/07	FOLLOW-ON CONTRACT
BOOZ ALLEN HAMILTON INCORPORATED (3626)	CONTRACTOR SUPPORT TO INCREASE THE EFFECTIVENESS OF THE ORGANIZATION BY IMPLEMENTING IMPROVEMENT INITIATIVES THAT WILL RATIONALIZE ROLES AND RESPONSIBILITIES, STREAMLINE PROCESSES, AND IMPROVE THE EXECUTION OF DAY-TO-DAY OPERATIONS.	$593,446.99	$593,446.99	12/7/06	5/31/07	FOLLOW-ON CONTRACT
BOOZ ALLEN HAMILTON INCORPORATED (3626)	CONTRACTOR SUPPORT TO INCREASE THE EFFECTIVENESS OF THE ORGANIZATION BY IMPLEMENTING IMPROVEMENT INITIATIVES THAT WILL RATIONALIZE ROLES AND RESPONSIBILITIES, STREAMLINE PROCESSES, AND IMPROVE THE EXECUTION OF DAY-TO-DAY OPERATIONS.	$150,000.00	$150,000.00	12/21/06	5/31/07	FOLLOW-ON CONTRACT
BOOZ ALLEN HAMILTON INCORPORATED (3626)	CONTRACTOR SUPPORT TO INCREASE THE EFFECTIVENESS OF THE ORGANIZATION BY IMPLEMENTING IMPROVEMENT INITIATIVES THAT WILL RATIONALIZE ROLES AND RESPONSIBILITIES, STREAMLINE PROCESSES, AND IMPROVE THE EXECUTION OF DAY-TO-DAY OPERATIONS.	$1,111,339.36	$1,111,339.36	1/4/07	5/31/07	FOLLOW-ON CONTRACT
BOOZ ALLEN HAMILTON INCORPORATED (3626)	CONTRACTOR SUPPORT TO INCREASE THE EFFECTIVENESS OF THE ORGANIZATION BY IMPLEMENTING IMPROVEMENT INITIATIVES THAT WILL RATIONALIZE ROLES AND RESPONSIBILITIES, STREAMLINE PROCESSES, AND IMPROVE THE EXECUTION OF DAY-TO-DAY OPERATIONS.	$600,000.00	$600,000.00	1/26/07	5/31/07	FOLLOW-ON CONTRACT
BOOZ ALLEN HAMILTON INCORPORATED (3626)	CONTRACTOR SUPPORT TO INCREASE THE EFFECTIVENESS OF THE ORGANIZATION BY IMPLEMENTING IMPROVEMENT INITIATIVES THAT WILL RATIONALIZE ROLES AND RESPONSIBILITIES, STREAMLINE PROCESSES, AND IMPROVE THE EXECUTION OF DAY-TO-DAY OPERATIONS.	$165,453.92	$165,453.92	2/5/07	5/31/07	FOLLOW-ON CONTRACT
BOOZ ALLEN HAMILTON INCORPORATED (3626)	CONTRACTOR SUPPORT TO INCREASE THE EFFECTIVENESS OF THE ORGANIZATION BY IMPLEMENTING IMPROVEMENT INITIATIVES THAT WILL RATIONALIZE ROLES AND RESPONSIBILITIES, STREAMLINE PROCESSES, AND IMPROVE THE EXECUTION OF DAY-TO-DAY OPERATIONS.	$ 75,000.00	$ 75,000.00	2/23/07	5/31/07	FOLLOW-ON CONTRACT
BOOZ ALLEN HAMILTON INCORPORATED (3626)	CONTRACTOR SUPPORT TO INCREASE THE EFFECTIVENESS OF THE ORGANIZATION BY IMPLEMENTING IMPROVEMENT INITIATIVES THAT WILL RATIONALIZE ROLES AND RESPONSIBILITIES, STREAMLINE PROCESSES, AND IMPROVE THE EXECUTION OF DAY-TO-DAY OPERATIONS.	$ 99,535.94	$ 99,535.94	3/1/07	5/31/07	FOLLOW-ON CONTRACT

BOOZ ALLEN HAMILTON INCORPORATED (3626)	CONTRACTOR SUPPORT TO INCREASE THE EFFECTIVENESS OF THE ORGANIZATION BY IMPLEMENTING IMPROVEMENT INITIATIVES THAT WILL RATIONALIZE ROLES AND RESPONSIBILITIES, STREAMLINE PROCESSES, AND IMPROVE THE EXECUTION OF DAY-TO-DAY OPERATIONS.	$125,000.00	$125,000.00	3/21/07	5/31/07	FOLLOW-ON CONTRACT
BOOZ ALLEN HAMILTON INCORPORATED (3626)	CONTRACTOR SUPPORT TO INCREASE THE EFFECTIVENESS OF THE ORGANIZATION BY IMPLEMENTING IMPROVEMENT INITIATIVES THAT WILL RATIONALIZE ROLES AND RESPONSIBILITIES, STREAMLINE PROCESSES, AND IMPROVE THE EXECUTION OF DAY-TO-DAY OPERATIONS.	$175,000.00	$175,000.00	3/28/07	5/31/07	FOLLOW-ON CONTRACT
BOOZ ALLEN HAMILTON INCORPORATED (3626)	CONTRACTOR SUPPORT TO INCREASE THE EFFECTIVENESS OF THE ORGANIZATION BY IMPLEMENTING IMPROVEMENT INITIATIVES THAT WILL RATIONALIZE ROLES AND RESPONSIBILITIES, STREAMLINE PROCESSES, AND IMPROVE THE EXECUTION OF DAY-TO-DAY OPERATIONS.	$532,513.00	$532,513.00	5/16/07	8/31/07	FOLLOW-ON CONTRACT
BOOZ ALLEN HAMILTON INCORPORATED (3626)	CONTRACTOR SUPPORT TO INCREASE THE EFFECTIVENESS OF THE ORGANIZATION BY IMPLEMENTING IMPROVEMENT INITIATIVES THAT WILL RATIONALIZE ROLES AND RESPONSIBILITIES, STREAMLINE PROCESSES, AND IMPROVE THE EXECUTION OF DAY-TO-DAY OPERATIONS.	$170,000.00	$(532,513.00)	8/21/07	9/30/07	FOLLOW-ON CONTRACT
BOOZ ALLEN HAMILTON INCORPORATED (3626)	CONTRACTOR SUPPORT TO INCREASE THE EFFECTIVENESS OF THE ORGANIZATION BY IMPLEMENTING IMPROVEMENT INITIATIVES THAT WILL RATIONALIZE ROLES AND RESPONSIBILITIES, STREAMLINE PROCESSES, AND IMPROVE THE EXECUTION OF DAY-TO-DAY OPERATIONS.	$122,427.54	$122,427.54	8/21/07	9/30/07	FOLLOW-ON CONTRACT
CARNEGIE MELLON UNIVERSITY	IA WITH THE NAVY. NAVY WILL DEFINE AND DOCUMENT THE DETAILED FUNCTIONAL REQUIREMENTS OF THE APPLICATION. DEVELOPA PILOT OF THE WEB-BASED APPLICATION FOR POTENTIAL USERS TO TEST USABILITY. INITIATE A PLAN TO GATHER USER REQUIREMENTS FROM THE FIELD AND TSA HQ THROUGH INTERVIEWS OF PERSONNEL AND THROUGH PERFORMANCE TESTING OF THE PILOT WITH PERSONNEL. GATHER REQUIREMENTS THROUGH INTERVIEWS. COMPILE USER REQUIREMENTS INTO USE-CASE DOCUMENTS FOR FURTHER DEVELOPMENT OR CUSTOMIZATION AS NECESSARY. POC: ANDREW COX	$300,000.00	$300,000.00	9/28/07	3/28/08	PATENT/DATA RIGHTS
MDI SECURITY SYSTEMS (6358)	MDI/HSPD-12 SYSTEM HEALTH CHECKS.	$ 74,760.00	$ 74,760.00	7/3/07	6/30/08	ONLY ONE SOURCE - OTHER

KNOWLEDGE CONSULTING GROUP	ISSO PR - FUNDING TO ASSIGN AN INFORMATION SYSTEM SECURITY OFFICER (ISSO) FROM BPA #HSTS-03-04-A-CIO-038 TO THE INTEGRATED HIRING OPERATIONS & PERSONNEL (IHOP) PROGRAM. THE ISSO WILL BE RESPONSIBLE FOR MAINTAINING THE SECURITY POSTURE OF THE SYSTEM THROUGHOUT ITS LIFECYCLE. DUTIES INCLUDE OVERSIGHT AND IMPLEMENTATION OF IT SECURITY CONTROLS, AND VERIFICATION OF CONTROLS AND COMPLIANCE WITH TSA AND DHS SECURITY REQUIREMENTS. ISSO WILL ALSO BE RESPONSIBLE FOR PRODUCTION OF CERTIFICATION AND ACCREDITATION (C&A) DOCUMENTATION PERIOD OF PERFORMANCE: 1 YEAR (12 MONTHS FROM DATE OF AWARD)	$176,582.40	$176,582.40	9/13/07	6/22/11	FOLLOW-ON CONTRACT
UNISYS CORPORATION	THIS PR PROVIDES FUNDING IN SUPPORT OF THE AIR CARGO FREIGHT ASSESSMENT SYSTEM HOSTING REQUIREMENTS FOR A PERIOD OF (8) MONTHS AFTER CONTRACT AWARD. NOTE: SOW AND IGCE IS BEING PROVIDED IN SEPERATE CORRESPONDENCE. PROGRAM POC IS ROBERT E. MOORE, 571-227-3505. CONTRACTING OFFICER IS SUE MESSINA, 571-227-4055. COTRS ARE BORIS DESOUZA, 571-227-3003 AND KEN CARTER 571-227-1009. CRM AND TECHNICAL POC IS HOLLY BOLGER 571-227-3036.	$237,422.77	$237,422.77	8/13/07	8/12/08	ONLY ONE SOURCE - OTHER
UNISYS CORPORATION	THE PURPOSE OF THIS TASK ORDER, HSTS03-07-J-CGO046 TO CONTRACT HSTS03-06-D-CIO500 IS TO ORDER PREVIOUSLY ACCEPTED CLINS ON THE BRIDGE CONTRACT TO PROVIDE MANAGED SERVICES FOR (31) KSMS SERVERS.	$587,382.45	$587,382.45	3/29/07	9/30/07	ONLY ONE SOURCE - OTHER
UNISYS CORPORATION	THIS PR IS FOR UNISYS TO PROVIDE 24X7X365 SECURE VOICE OPERATIONS AND MAINTENACE FOR THE RED SWITCH SERVICE FROM JAN 01, 2007 TO DEC 31, 2007 FOR THE AMOUNT OF $595,832.4 FOR 12 MONTHS	$595,832.40	$595,832.40	12/29/06	12/31/07	ONLY ONE SOURCE - OTHER
UNISYS CORPORATION	O&M FUNDING FOR BRIDGE SERVERS	$1,052,468.80	$1,052,468.80	3/23/07	12/31/07	ONLY ONE SOURCE - OTHER
UNISYS CORPORATION	O&M FUNDING FOR BRIDGE SERVERS	$ 28,081.62	$ 28,081.62	8/24/07	12/31/07	ONLY ONE SOURCE - OTHER

UNISYS CORPORATION	REQUEST TO ACQUIRE ADDTIONAL ENGINEERING SUPPORT TO ALIEVIATE THE BACKLOG OF OPERATIONS AND MAINTENANCE PROJECTS THAT ARE ON HOLD DUE TO RESOURCE CONSTRAINTS.	$2,381,624.35	$2,381,624.35	8/20/07	12/31/07	FOLLOW-ON CONTRACT
UNISYS CORPORATION	THE PURPOSE OF THIS TASK ORDER, HSTS03-07-J-CIO220, TO CONTRACT HSTS03-06-D-CIO500 IS TO EXPAND VOIP DEPLOYMENT BY QUANTITY AS WELL AS LOCATION, THROUGH ORDERING PREVIOUSLY ACCEPTED CLINS.	$1,756,240.00	$1,756,240.00	3/29/07	12/31/07	FOLLOW-ON CONTRACT
UNISYS CORPORATION	TOP UPGRADE	$ 27,311.90	$ 27,311.90	8/20/07	12/31/07	ONLY ONE SOURCE - OTHER
UNISYS CORPORATION	INFRASTRUCTURE UPGRADE SUPPORT	$129,514.00	$129,514.00	8/20/07	12/31/07	ONLY ONE SOURCE - OTHER
UNISYS CORPORATION	SUPPORT FOR LEGACY CIRCUIT MIGRATION PROJECT (VOICE AND DATA SERVICES)	$1,294,541.32	$1,294,541.32	8/23/07	8/15/08	ONLY ONE SOURCE - OTHER
UNISYS CORPORATION	RESEARCH IN MOTION (RIM) TIER 2 T-SUPPORT	$9,019.59	$9,019.59	8/15/07	12/31/07	ONLY ONE SOURCE - OTHER
UNISYS CORPORATION	LAX HISOC DEPLOYMENT THE PR IS FOR NEW WORK WHICH INCLUDES PLANNING, SITE PREPARATION, AND INSTALLATION COST FOR THE DEPLOYMENT OF THE TSA APPROVED HI-SOC SOLUTION TO LAX AIRPORT.	$128,951.84	$128,951.84	6/14/07	12/31/07	ONLY ONE SOURCE - OTHER
UNISYS CORPORATION	SUN SERVER MAINTENANCE	$4,332.68	$4,332.68	8/24/07	12/31/07	ONLY ONE SOURCE - OTHER
UNISYS CORPORATION	UNISYS- STIP PHASE 1	$446,670.00	$446,670.00	2/12/07	12/31/07	ONLY ONE SOURCE - OTHER
BOOZ ALLEN HAMILTON INCORPORATED (3626)	FUND PURCHASE ORDER FOR WORK PERFORMED ON 12/1 AND 12/4 RE BAH CONTRACTORS. PLEASE CHARGE TO ACCOUNTING STREAM: TS078A000D 2007 HQA010 GE0000 7700 5100 510 BTC	$5,957.00	$5,957.00	12/19/06	12/19/06	FOLLOW-ON CONTRACT
GENERAL DYNAMICS C4 SYSTEMS INCORPORATED	PR IS FOR TACLANE ENCRYPTORS FOR TSOC AND AOF.	$ 65,850.00	$ 65,850.00	8/9/07	8/8/08	ONLY ONE SOURCE - OTHER
MULTIMODE SERVICES INCORPORATED	MULTIMODE SERVICES, INC. INSTALLATION, OPERATIONS AND MAINTENANCE OF TSA ALERT. SEE SOW SYSTEMS INNOVATION GROUP	$925,000.00	$2,043,074.00	12/21/06	12/20/07	ONLY ONE SOURCE - OTHER
MIAMI DADE COUNTY	THIS PR IS FOR OPTION YEAR 1 (DECEMBER 1, 2006 - NOVEMBER 30, 2007). 90 STRANDS OF SINGLE MODE FIBER OPTIC CABLE LEASED FROM MIAMI-DADE AVIATION TO PROVIDE INTERCONNECTIVITY BETWEEN TSA LAN INFRASTRUCTURES INSTALLED IN THE MIAMI INTERNATIONAL AIRPORT.	$ 23,663.76	$ 70,993.68	11/30/06	11/30/09	ONLY ONE SOURCE - OTHER

MIAMI DADE COUNTY	(RATIFICATION) THIS PR COVERS THE USE OF THE AIRPORT%U2019S SINGLE MODE FIBER OPTIC CABLE INFRASTRUCTURE TO INTER-CONNECT THE TSA NETWORK BETWEEN ALL OF THE FSD OPERATIONAL AND ADMINISTRATIVE SPACE, WHICH INCLUDES BUT IS NOT LIMITED TO; THE AIRPORT%U2019S FIFTEEN (15) SECURITY CHECKPOINTS, TWO (2) NETWORK TRAINING ROOMS, A NUMBER OF SCREENING BREAK ROOMS, FORTY-EIGHT (48) SEPARATE BAGGAGE SCREENING AREAS, AND TWO INLINE BAGGAGE SCREENING SYSTEMS, NORTH AND SOUTH TERMINAL TO MAKE UP THE MIA LAN FOR HISOC CONNECTIVITY TO THE TSA%U2019S NETWORK CORE CABINET. PERIOD OF PERFORMANCE MAY 2006-NOVEMBER 2006.	$ 13,804.56	$ 13,804.56	1/30/07	1/30/07	ONLY ONE SOURCE - OTHER
ALLEGHENY COUNTY AIRPORT AUTHORITY	[PIT] FIBER LEASE WITH ALLEGHENY COUNTY AIRPORT AUTHORITY , PENNSYLVANIA PURPOSE OF THIS STATEMENT OF WORK (SOW) IS TO SET FORTH TSA%U2019S REQUIREMENTS FOR SERVICES FROM THE (ACAA) IN SUPPORT OF TSA%U2019S HIGH SPEED OPERATIONAL CONNECTIVITY (HI-SOC) PROGRAM AT [PIT] INTERNATIONAL AIRPORT. LEASE OF AIRPORTS SINGLE MODE FIBER OPTIC CABLE IS NEEDED TO ENSURE CONTINUOUS NETWORK CONNECTIVITY TO ALL FSD ADMINISTRATIVE AND OPERATIONAL SPACE WITHIN THE PIT AIRPORT. THE PIT TSA NETWORK INFRASTRUCTURE IS INTERCONNECTED BY THE AIRPORT FIBER WHICH PROVIDES HISOC NETWORK CONNECTIVITY BETWEEN THE TSA NETWORK CORE CABINET AND THE AIRPORT'S CHECKPOINTS, TRAINING ROOMS, BREAK ROOM AND OPERATIONAL ADMINISTRATIVE SPACE. 7,226 SINGLEMODE FIBER OPTIC AT $0.21 A FOOT ON ANNUAL BASIS WITH MAINT INCLUDED $70 INSTALLATION FEE	$1,517.52	$1,517.52	1/1/07	12/31/07	ONLY ONE SOURCE - OTHER

GREATER ORLANDO AVIATION AUTHORITY	THIS PR COVERS THE EXISTING LEASE OF TWELVE (12) STRANDS OF FIBER OPTIC CABLE. THIS FIBER LEASE SUPPORTS THE INTERCONNECTIVITY OF THE TSA NETWORK BETWEEN THE AIRPORTS CHECKPOINTS, TRAINING ROOMS, BREAK ROOM AND TSA NETWORK CORE CABINET FOR THE HI-SOC CONNECTIVITY. MONTHLY REOCCURRING CHARGE OF $552.00. THE ADDITIONAL WORK EXPANDS THE CURRENT LEASE AGREEMENT AND PROVIDES TSA SINGLE MODE FIBER LEASE CAMPUS WIDE, SEVEN CHANNELS DELIVERED TO COMMUNICATION ROOMS SUPPORTING A LAST MILE CONNECTION TO CUSTOMER EQUIPMENT BASED LAN/WAN. THE MONTHLY REOCCURRING CHARGE FOR THE NEW FIBER IS $805. TOTAL MONTHLY REOCCURRING CHARGE IS $1357.00. POC: GREATER AVIATION AUTHORITY ATTN: AL ROBINSON 407-825-3500 CODE: 001323344 CONTRACT: HSTS03-06-P-CIO025 THE PERIOD OF PERFORMANCE FOR NEW LEASE COVERS OPTION YEAR 1 - JANUARY 1, 2007 - DECEMBER 31, 2007.	$ 16,284.00	$ 54,840.00	12/28/06	12/31/09	ONLY ONE SOURCE - OTHER

GREATER ORLANDO AVIATION AUTHORITY	THIS PR COVERS THE EXISTING LEASE OF TWELVE (12) STRANDS OF FIBER OPTIC CABLE. THIS FIBER LEASE SUPPORTS THE INTERCONNECTIVITY OF THE TSA NETWORK BETWEEN THE AIRPORTS CHECKPOINTS, TRAINING ROOMS, BREAK ROOM AND TSA NETWORK CORE CABINET FOR THE HI-SOC CONNECTIVITY. MONTHLY REOCCURRING CHARGE OF $552.00. THE ADDITIONAL WORK EXPANDS THE CURRENT LEASE AGREEMENT AND PROVIDES TSA SINGLE MODE FIBER LEASE CAMPUS WIDE, SEVEN CHANNELS DELIVERED TO COMMUNICATION ROOMS SUPPORTING A LAST MILE CONNECTION TO CUSTOMER EQUIPMENT BASED LAN/WAN. THE MONTHLY REOCCURRING CHARGE FOR THE NEW FIBER IS $805. TOTAL MONTHLY REOCCURRING CHARGE IS $1357.00. POC: GREATER AVIATION AUTHORITY ATTN: AL ROBINSON 407-825-3500 CODE: 001323344 CONTRACT: HSTS03-06-P-CIO025 THE PERIOD OF PERFORMANCE FOR NEW LEASE COVERS OPTION YEAR 1 - JANUARY 1, 2007 - DECEMBER 31, 2007.	$1,317.00	$4,485.00	7/16/07	12/31/09	ONLY ONE SOURCE - OTHER
HILLSBOROUGH COUNTY AVIATION AUTHORITY	PR FOR ONE YEAR OF LEASED SINGLE MODE FIBER OPTIC FROM THE HILLSBOROUGH COUNTY AVIATION AUTHORITY IN SUPPORT OF THE HIGH SPEED OPERATIONAL CONNECTIVITY (HI-SOC) PROGRAM AT THE TAMPA INTERNATIONAL AIRPORT (TPA). VENDOR: HILLSBOROUGH COUNTY AVIATION AUTHORITY. HI-SOC SPEND PLAN HI-SOC O & M FIBER LEASE PL: BARBARA SHOWELL 571-227-2442 ACQUISITION: BRANDON PRINDLE - 571-227-3002 COTR - NYAL PIPER - 571-227-3711	$ 12,000.00	$ 39,720.00	5/15/07	5/31/10	ONLY ONE SOURCE - OTHER

SANFORD AIRPORT AUTHORITY	HISOC SPEND PLAN; HISOC O & M; HISOC FIBER LEASES THIS PR COVERS FIBER LEASE FROM SANFORD AIRPORT AUTHORITY FOR THE USE OF HI-SOC. TSA REQUESTS SANFORD AIRPORT AUTHORITY PROVIDE TSA A TOTAL OF SIX (6) STRANDS OF SINGLE-MODE (SM) FIBER OPTIC CABLE, WITH ASSOCIATED FIBER CROSS CONNECTIONS, AND USE OF ONE SANFORD AIRPORT AUTHORITY CONDUIT TO SUPPORT TSA COMMUNICATIONS CONNECTIVITY REQUIREMENTS AT SFB. SPECIFICALLY: A. TWO (2) STRANDS OF SM FIBER SHALL BE EXTENDED FROM THE SAA COMMUNICATION CLOSET TO TERMINAL B BAGGAGE BETWEEN IT EQUIPMENT IN DOMESTIC BAGGAGE. DISTANCE OF EACH STRAND SHALL BE DETERMINED BY SAA. B. TWO (2) STRANDS OF SM FIBER SHALL BE EXTENDED FROM THE SAA COMMUNICATION CLOSET TO TERMINAL B CHECKPOINT IT CABINET IN THE SECURITY OFFICE. DISTANCE OF EACH STRAND SHALL BE DETERMINED BY SAA. C. TWO (2) STRANDS OF SM FIBER SHALL BE EXTENDED FROM SAA COMMUNICATION CLOSET TO TERMINAL A CHECKPOINT IT CABINET IN THE PASSENGER SCREENING SUPERVISOR OFFICE. THE DISTANCE OF EACH STRAND SHALL BE DETERMINED BY SAA. D. THE LEASE COST OF EACH FIBER RUN/CONNECTION OF THE SIX (6) STRANDS OF SM FIBER OPTIC CABLE REQUIRED IS @ $30.00 PER CONNECTION X 3 = $90.00 PER MONTH. TOTAL ANNUAL COST IS $1,080.00 PER YEAR. THE SANFORD AIRPORT AUTHORITY AGREES TO BE RESPONSIBLE FOR MAINTENANCE AND REPAIR OF THE SIX (6) STRANDS OF SM FIBER OPTIC CABLE AND ASSOCIATED FACILITIES. VENDOR POC: BRYANT W. GARRETT VICE PRESIDENT OF FINANCE/CFO TEL: 407-585-4007 PROJECT LEAD: BARBARA SHOWELL 571-227-2442 FRM: FRANKLIN MCINTOSH 571-227-3828 COTR: NYAL PIPER 571-227-2711	$2,580.00	$4,920.00	5/11/07	5/31/10	ONLY ONE SOURCE - OTHER

MIAMI DADE COUNTY	THIS PR IS REQUIRED TO COVER THE COST TO PROVIDE AND INSTALL ADDITIONAL FIBER FOR THE HI-SPEED CONNECTIVITY PROJECT. PROVIDE, INSTALL, TERMINATE AND TEST TWO (2) STRANDS OF SINGLE MODE FIBER FROM THE TSA ROOM E3688 TO TWELVE LOCATIONS. CURRENT LEASE EXISTS UNDER CONTRACT HSTS03-07-P-CIO020. MIAMI DADE COUNTY ATTN: JOAN NUNEZ 4200 N.W. 36TH ST MIAMI, FL 3315-92616 3 0 5 - 8 7 6 -8 4 9 3 PROJECT LEAD: BARBARA SHOWELL 571-227-2442 CONTRACT SPECIALIST: BRANDON PRINDLE 571-227-3002	$117,164.79	$167,158.23	6/11/07	9/30/10	ONLY ONE SOURCE - OTHER
COMPUTER SCIENCES CORPORATION (3126)	ATTN: SUE MESSINA (CO) [SOW NOT REQUIRED FOR THIS COMSEC RELATED HARDWARE REQUEST]. OTHER SUPPORT DOCUMENTATION TO BE PROVIDED TO TSA BUY TEAM. THIS REQUEST IS TO OBTAIN HARDWARE DESCRIBED AS THREE (3) LOCAL MANAGEMENT DEVICES (LMD) WORK STATIONS IN THE AMOUNT OF $16,300 EACH. SUBTOTAL AMOUNTS TO $48,900. S&H IS $1,200 PER SITE BRINGING THE TOTAL TO $52,500. THIS IS A ONE TIME PURCHASE TO SUPPORT TSA%U2019S REQUIREMENT TO ESTABLISH LMD ONLY ACCOUNTS AT THE THREE REGIONAL COMSEC LOCATIONS PHILADELPHIA, PA; SAN ANTONIO, TX; AND LOS ANGELES, CA. PORTFOLIO COST CODE: IT SECURITY COMPLIANCE, AUDIT TEAM CONTACT JILL VAUGHAN ON 571-227-2034 FOR QUESTIONS ON THIS ORDER.	$ 44,100.00	$ 44,100.00	8/27/07	8/26/08	ONLY ONE SOURCE - OTHER

HOUSTON CITY OF (1164)	FIBER LEASE FOR IAH/HOU THE PR IS FOR NEW WORK WHICH INCLUDES PLANNING, SITE PREPARATION, INSTALLATION AND INITIAL O&M COST FOR THE DEPLOYMENT OF THE TSA APPROVED HI-SOC SOLUTION TO GEORGE BUSH INTERCONTINENTAL AIRPORT (IAH) HOUSTON, TX. POC EVERETT KENNEDY 571-227-1043 HISOC SPEND PLAN HISOC O & M FIBER LEASES	$ 15,840.00	$ 47,520.00	8/17/07	7/31/10	ONLY ONE SOURCE - OTHER

RHODE ISLAND AIRPORT CORPORATION (1772)	HI-SOC SPEND PLAN HI-SOC O&M FIBER LEASES SERVICE PROCURED IS FOR LEASED USE OF SINGLE MODE FIBER OPTIC FROM RIAC TO PROVIDE INTERCONNECTIVITY BETWEEN TSA LAN INFRASTRUCTURES INSTALLED IN THE PVD INTERNATIONAL AIRPORT. THE FIBER IN QUESTION HAS END POINTS AT THE RIAC COMMUNICATIONS ROOM BENEATH THE CHECKPOINT AND THE ELECTRICAL CLOSET ACROSS FROM THE TSA LOCKER SPACE. THE DISTANCE IS APPROXIMATELY 800 FEET TIMES TWO (2) STRANDS FOR A GRAND TOTAL OF 1600. THE ENDPOINTS ARE BOTH IN LIMITED ACCESS, LOCKED ROOMS, AND THE FIBER IS NOT VISIBLE ALONG THE PATH; THEREFORE, SECURITY IS NOT AN ISSUE. TSA WILL NEED ACCESS TO THE RIAC SECURE SPACE FROM TIME TO TIME FOR MAINTENANCE ISSUES. TSA SHALL LEASE THE FOLLOWING LENGTHS OF SINGLE MODE FIBER FROM RIAC: APPROX 800' X 2 STRANDS FOR A TOTAL OF 1,600%U2019 PM & TECHNICAL BARBARA SHOWELL & DANIN JOHNSON PRIMARY POINT OF CONTACT 601 SOUTH 12TH STREET ARLINGTON, VA 22202 PHONE: (571) 227-2442 & (202) 320 1255 MEGAN DAKE CONTRACTING OFFICER%U2019S TECHNICAL REPRESENTATIVE (COTR) 601 SOUTH 12TH STREET ARLINGTON, VA 22202 PHONE: (202) 997-4374 / FAX (304) 594-1722 ACQUISITION BRANDON PRINDLE CONTRACT SPECIALIST 601 SOUTH 12TH STREET ARLINGTON, VA 22202 PHONE: (571) 227-3002 FAX: (571) 227-2913 BRANDON.PRINDLE@DHS.GOV 90 DAY PILOT STARTING JULY 1, 2007. WE RECOMMEND HAVING A ONE-YEAR LEASE WITH OPTIONAL TWO YEARS	$1,200.00	$3,600.00	6/22/07	6/30/08	ONLY ONE SOURCE - OTHER

Congressional Quarterly	RENEWAL OF CQ.COM ON CONGRESS & CQ WEEKLY	$ 23,151.00	$ 23,151.00	2/13/07	2/12/08	ONLY ONE SOURCE - OTHER
0	Purchase of legal reference books from publisher, Dewey Publications, per list provided to CO	$ 12,099.90	$ 12,099.90	9/20/07	1/0/00	ONLY ONE SOURCE - OTHER
WEST PUBLISHING CORPORATION	WEST SUBSCRIPTION SERVICE	$ 52,549.09	$ 52,549.09	6/21/07	9/30/07	UNIQUE SOURCE
GPS INTERNATIONAL TECHNOLOGIES INCORPORATED	5 FS1 PACKAGE 2; FS1 TRACKER WITH 3.6 AH BATTERY; BATTERY CHARGER AND SLAP N STICK DEPLOYMENT CASE 1 LE15,000 SHARED PLAN: 15,000 LOCATES PER MONTH SHARED BETWEEN 5 DEVICES ONLY FOR 1 YR. OVERAGE LOCATES BILLED AT .15 PER 5 ONE-TIME NETWORK ACTIVATION FEE 1 FEDEX 2ND DAY SHIPPING	$8,052.24	$8,052.24	4/25/07	6/27/07	ONLY ONE SOURCE - OTHER
ICS CONTRACT SERVICES LIMITED LIABILITY COMPANY	PR - THIS IS A SHORT TERM EXTENSION TO CONTRACT HSTS03-06-P-RES282 FOR FOUR MONTHS OF JANITORIAL SERVICE AT ATLANTA, GA (ATL) AIRPORT LOCATION UNTIL THE SPACE CAN BE ADDED TO THE GSA LEASE. POP FROM 11/1/06 TO 03/01/07	$ 16,046.52	$ 16,046.52	11/2/06	1/31/07	ONLY ONE SOURCE - OTHER
B AND B ARMR CORPORATION	PR PROVIDES FUNDING FOR ANNUAL MAINTENANCE FOR FOUR (4) NASATKA SURFACE MOUNT BARRIERS IN SUPPORT OF ACCESS CONTROL AT TSA HQ GATED ENTRANCES. PHYSICAL SECURITY IS MARTY HOROWITZ AT 571-227-1191.	$8,840.00	$8,840.00	9/20/07	9/23/08	AUTHORIZED BY STATUTE
MEDECO SECURITY LOCKS INCORPORATED	PR PROVIDE FUNDS TO PURCHASE MEDECO LOCKSETS, REMOVABLE CORES, CUT KEYS AND STAMPING KEYS FOR INSTALLATION AT TSA HQ AND FREEDOM CENTER. PHYSICAL SECURITY POC IS MARTY HOROWITZ AT 571-227-1191.	$ 30,914.67	$ 30,914.67	8/24/07	11/5/07	ONLY ONE SOURCE - OTHER
OAG WORLDWIDE	OAG DATABASE SUBSCRIPTION	$ 43,826.00	$ 43,826.00	6/25/07	8/31/07	ONLY ONE SOURCE - OTHER
OAG WORLDWIDE	OAG DATABASE SUBSCRIPTION	$ 45,140.00	$ 45,140.00	7/31/07	8/31/08	ONLY ONE SOURCE - OTHER
Duluth Airport Authority	INSTALLATION OF BAGGAGE SCREENING EQUIPMENT FOR TWO REVEAL CT80 EQUIPMENT AT DULUTH INTERNATIONAL AIRPORT. Adding $50,000 to the OTA>	$ 50,000.00	$ 50,000.00	2/26/07	12/31/07	ONLY ONE SOURCE - OTHER
City of Duluth	INSTALLATION OF BAGGAGE SCREENING EQUIPMENT FOR TWO REVEAL CT-80 EQUIPMENT. MODIFICATIONS TO BHS SECURITY SYTEMS TO MEET TSA REQUIREMENTS Modification to existing OTA	$153,000.00	$853,000.00	6/25/07	12/31/07	ONLY ONE SOURCE - OTHER

Duluth Aiport Authority	Funding modfiication to existing OTA with Duluth Airport Authority for inline baggage screening system.	$177,000.00	$1,030,000.00	9/14/07	1/0/00	ONLY ONE SOURCE - OTHER
INVISION TECHNOLOGIES INCORPORATED	SERVICES ASSOCIATED WITH ATL NORTH AND SOUTH TERMINALS WITH MULTIPLEXING CAPABILITY	$ 78,190.00	$ 78,190.00	2/22/07	2/22/07	UNIQUE SOURCE
L-3 COMMUNICATIONS SECURITY AN	PROVIDE FOR NEDS INTEGRATION OF 14 EXAMINER EDS AT LAS MODES 3 & 4	$361,402.81	$361,402.81	6/27/07	6/30/08	ONLY ONE SOURCE - OTHER
L-3 COMMUNICATIONS SECURITY AN	INTEGRATE 4 EDS EXAMINER EDS AT OKC	$ 66,061.65	$ 66,061.65	9/5/07	2/28/08	ONLY ONE SOURCE - OTHER
L-3 COMMUNICATIONS SECURITY AN	INTEGRATES 3 EXAMINER EDS AT KEAHOLE INTL AIRPORT	$ 98,541.56	$ 98,541.56	8/3/07	9/30/07	ONLY ONE SOURCE - OTHER
L-3 COMMUNICATIONS SECURITY AN	NEDS INTEGRATION OF 31 UNITS AT PHX, OSR ROOM FURNITURE, RIGGING FOR RECEIPT DELIVERY, SHORT TERM STORAGE AND PLACEMENT IN BAG ROOM AT PHX	$ 54,520.00	$ 54,520.00	7/17/07	8/28/07	NATIONAL SECURITY
A B Won PAT Guam International Airport Authority	ADD FUNDING TO GUM OTA TO PROVIDE ADDITIONAL IN-LINE SCREENING CAPABILITY FOR ORIGINATING CHECKED BAGGAGE	$407,500.00	$2,329,000.00	8/17/07	11/30/08	ONLY ONE SOURCE - OTHER
RENO TAHOE AIRPORT AUTHORITY	RENO-TAHOE AIRPORT AUTHORITY AGREEMENT HSTS0406ADEP393; ADD FUNDING TO EXISTING RNO OTA FOR ENHANCEMENTS TO MEET BSIS REQUIREMENTS RELATING TO BHS DESIGN AND CONSTRUCTION	$5,000,000.00	$12,000,000.00	8/24/07	5/31/09	ONLY ONE SOURCE - OTHER
Kenton County Airport Board	Funding modification to existing OTA for CVG, HSTS04-06-A-DEP405	$6,078,000.00	$9,128,000.00	9/12/07	10/31/09	ONLY ONE SOURCE - OTHER
Capital Region Airport Commission	Funding Modification to HSTS04-06-A-DEP480	$300,000.00	$300,000.00	3/19/07	12/31/07	ONLY ONE SOURCE - OTHER
L-3 COMMUNICATIONS SECURITY AN	MODIFICATION OF 4 EDS UNITS	$161,444.47	$161,444.47	9/13/07	3/31/08	NATIONAL SECURITY
L 3 COMMUNICATIONS CORPORATION (4475)	PREVENTIVE AND CORRECTIVE MAINTENANCE FOR EDS AND LINESCAN EQUIPMENT	$ 85,716.00	$ 85,716.00	1/17/07	3/10/07	ONLY ONE SOURCE - OTHER
L-3 COMMUNICATIONS SECURITY AN	INTEGRATES 45 EXPLOSIVE DETECTION SYSTEMS AT ATL	$900,075.69	$900,075.69	8/17/07	2/28/08	ONLY ONE SOURCE - OTHER
L-3 COMMUNICATIONS SECURITY AN	INTEGRATES 45 EXPLOSIVE DETECTION SYSTEMS AT ATL	$ 48,445.58	$ 48,445.58	8/3/07	9/30/07	NATIONAL SECURITY
L-3 COMMUNICATIONS SECURITY AN	FUNDING FOR DECOMMISION AND REMOVAL OF EDS UNITS	$430,562.15	$430,562.15	9/20/07	6/30/08	NATIONAL SECURITY
L-3 COMMUNICATIONS SECURITY AN	UPGRADE AND NEDS OF 8 EDS UNITS	$ 44,240.84	$ 44,240.84	8/24/07	12/31/07	NATIONAL SECURITY
INVISION TECHNOLOGIES INCORPORATED	EDS EQUIPMENT AND SERVICES	$ 46,800.00	$ 46,800.00	8/28/07	8/28/07	UNIQUE SOURCE
SMITHS DETECTION TORONTO LIMITED	PROVIDE CONSUMABLES FOR 25 UNITS	$5,415.85	$5,415.85	1/10/07	2/28/07	ONLY ONE SOURCE - OTHER
SMITHS DETECTION TORONTO LIMITED	PROVIDE CONSUMABLES FOR 25 UNITS	$ 12,976.67	$ 12,976.67	3/7/07	6/29/07	ONLY ONE SOURCE - OTHER

DENVER INTERNATIONAL AIRPORT (DIA)	REQUEST TO PROCESS OTA FOR DENVER INTERNATIONAL AIRPORT (DIA) TO PURCHASE AND INSTALL CLOSED CIRCUIT TV SYSTEM	$1,691,064.60	$41,691,064.60	6/26/07	6/30/08	ONLY ONE SOURCE - OTHER
City of Chicago	REQUEST TO PROCESS OTA FOR CHICAGO INTERNATIONAL AIRPORT (ORD) TO PURCHASE AND INSTALL CLOSED CIRCUIT TV (CCTV) SYSTEM	$1,400,000.00	$1,400,000.00	5/24/07	5/31/08	ONLY ONE SOURCE - OTHER
Port of Seattle	REQUEST TO PROCESS OTA FOR SEATTLE TACOMA INTERNATIONAL AIRPORT (SEA) TO PURCHASE AND INSTALL CLOSED CIRCUIT TV (CCTV) SYSTEM	$2,000,000.00	$2,000,000.00	2/6/07	2/6/08	ONLY ONE SOURCE - OTHER
Niagra Frontier Transportation Authoirty	REQUEST TO PROCESS OTA FOR BUFFALO NIAGARA INTERNATIONAL AIRPORT TO PURCHASE AND INSTALL CCTV SYSTEM FOR BUF.	$680,693.00	$680,693.00	2/20/07	2/20/08	ONLY ONE SOURCE - OTHER
Memphis-Shelby County Airport Authority	REQUEST TO PROCESS OTA FOR MEMPHIS-SHELBY COUNTY AIRPORT AURTHORITY (MSCAA) TO PURCHASE AND INSTALL CLOSED CIRCUIT TV (CCTV) SYSTEM FOR MEM.	$657,250.00	$657,250.00	1/30/07	1/30/08	ONLY ONE SOURCE - OTHER
City of Atlanta	HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT TO PURCHASE AND INSTALL CLOSED CIRCUIT TV SYSTEM. ENVIRONMENTAL AND TECHNICAL SERVICES	$1,987,682.00	$1,987,682.00	6/11/07	6/30/08	ONLY ONE SOURCE - OTHER
San Diego County Regional Airport	REQUEST TO PROCESS OTA FOR SAN DIEGO INTERNATIONAL AIRPORT TO PURCHASE AND INSTALL CLOSED CIRCUIT TV	$713,497.00	$713,497.00	5/29/07	5/31/08	ONLY ONE SOURCE - OTHER
A. B. Won Pat Guam International Airport Authority	REQUEST TO PROCESS OTA FOR GUAM INTERNATIONAL AIRPORT AUTHORITY FOR INCREMENTAL FUNDS TO COMPLETE ACQUISITION FOR CLOSED CIRCUIT TV (CCTV) SYSTEM. Funding will be added via a modification to existing OTA.	$243,000.00	$618,838.00	5/31/07	4/30/08	ONLY ONE SOURCE - OTHER
Ted Stevens Anchorage International Airport	OTA for Ted Stevens Anchorage International Airport (ANC) to purchase and install Closed Circuit TV (CCTV) system.	$220,000.00	$220,000.00	3/13/07	3/31/08	ONLY ONE SOURCE - OTHER
COMMONWEALTH PORTS AUTHORITY	REQUEST TO PROCESS OTA FOR SAIPAN INTERNATIONAL AIRPORT (GSN) TO PURCHASE AND INSTALL CLOSED CIRCUIT TV SYSTEM	$300,000.00	$300,000.00	4/16/07	5/30/07	ONLY ONE SOURCE - OTHER
The Port Authority of New York and New Jersey	PROVIDE FUNDING FOR THE DESIGN AND DEPLOYMENT OF CLOSED CIRCUIT TELEVISION (CCTV) CAMERAS AND A DIGITAL VIDEO RECORDING SYSTEM FOR THE PASSENGER SCREENING CHECKPOINTS AT LGA, JFK, AND EWR AIRPORTS	$5,000,000.00	$5,000,000.00	8/9/07	8/31/09	ONLY ONE SOURCE - OTHER
County of Sacramento	PROVIDE FUNDING FOR A CLOSED CIRCUIT TELEVISION (CCTV) SYSTEM AT SMF	$567,989.00	$567,989.00	9/19/07	9/30/12	ONLY ONE SOURCE - OTHER
City of Austin	PROVIDE FUNDING FOR A CLOSED CIRCUIT TELEVISION (CCTV) SYSTEM AT AUSTIN-BERGSTROM INTERNATIONAL AIRPORT (AUS)	$973,632.00	$973,632.00	5/29/07	5/31/08	ONLY ONE SOURCE - OTHER

Puerto Rico Ports Authority	PUERTO RICO PORTS AUTHORITY INSTALLATION OF CCTV SURVEILLANCE SYSTEMS AT THE LUIS MUNOZ MARIN INTERNATIONAL AIRPORT (SJU) IN SAN JUAN, PUERTO RICO.	$842,876.00	$842,876.00	6/11/07	6/30/08	ONLY ONE SOURCE - OTHER
LOUISVILLE REGIONAL AIRPORT AUTHORITY	REQUEST TO PROCESS OTA FOR LOUISVILLE REGIONAL AIRPORT AUTHORITY (SDFA) TO PURCHASE AND INSTALL CLOSED CIRCUIT TV (CCTV) SYSTEM	$259,000.00	$259,000.00	8/17/07	8/31/08	ONLY ONE SOURCE - OTHER
Dallas Fort Worth International Airport Board	PROVIDE FUNDING FOR INDENTIFICATION OF STRATEGIC CAMERA LOCATIONS, DETERMINING REQUIREMENTS FOR EACH LOCATION AND IDENTIFY CAMERAS THAT MEET EACH LOCATION REQUIREMENT. INSTALL SELECTED CAMERAS INTO THE EXISTING SURVEILLANCE SYSTEM AND INTEGRATE IN MRC CONTROL PROCESSES OF THE CURRENT ENVIRONMENT	$2,000,000.00	$2,000,000.00	8/13/07	8/31/08	ONLY ONE SOURCE - OTHER
Austin Straubel International Airport	PROVIDE AND INSTALL SPECTRA IV PAN-TILT-ZOOM CAMERAS AND DF5 DOMEPACKS AT TWO CHECKPOINTS AND AIRLINE TICKET COUNTERS AT GRB	$198,586.00	$198,598.00	8/24/07	8/31/07	ONLY ONE SOURCE - OTHER
State of Alaska Dept of Tran & Public Facilities	Expansion of CCTV system at Fairbanks International Airport (FAI).	$617,217.00	$617,217.00	8/21/07	8/31/09	ONLY ONE SOURCE - OTHER
Airport Authority for MSY	ELECTRICAL WORK FOR SCREENING EQUIPMENT IN BAGGAGE CLAIM AREA OF NEW ORLEANS INTERNATIONAL AIRPORT (MSY)	$ 20,000.00	$ 20,000.00	4/26/07	4/30/08	ONLY ONE SOURCE - OTHER
Norfolk Airport Authority	PROVIDE ELECTRICAL POWER FOR THE INSTALLATION OF 5 REVEAL CT80 REDUCED SIZE EDS (RS-EDS) AT NORFOLK INTERNATIONAL AIRPORT, TERMINAL LOBBY AREA	$ 55,000.00	$ 55,000.00	4/6/07	9/30/07	ONLY ONE SOURCE - OTHER
Metropolitan Washington Airports Authority	METROPOLITAN WASHINGTON AIRPORTS AUTHORITY OTA IAD SOUTH BAGROOM OTA FOR CONSTRUCTION OF AN IN-LINE SYSTEM. CONSTRUCTION COSTS OF BHS & INFRASTRUCTURE IMPROVEMENTS	$33,000,000.00	$33,000,000.00	9/10/07	9/30/09	ONLY ONE SOURCE - OTHER
Broward County	Funding modification to existing OTA for FLL.	$8,450,000.00	$18,450,000.00	9/12/07	6/30/10	ONLY ONE SOURCE - OTHER
Broward County	BROWARD COUNTY AVIATION DEPARTMENT OTA FORT LAUDERDALE-HOLLYWOOD INTERNATIONAL AIRPORT FLL TERMINAL 1 OTA FOR CONSTRUCTION FOR AN IN-LINE SYSTEM. CONSTRUCTION COSTS OF BHS & INFRASTRUCTURE IMPROVEMENTS	$10,000,000.00	$10,000,000.00	9/5/07	12/31/09	ONLY ONE SOURCE - OTHER
City of Des Moines	PROVIDE FUNDING TO DES MOINES AIRPORT FOR PRODUCING A SCHEMATIC DESIGN FOR A 2 EDS INLINE SYSTEM FOR CHECKED BAGGAGE SCREENING	$ 24,000.00	$ 24,000.00	6/11/07	12/31/07	ONLY ONE SOURCE - OTHER

Dane County, Wisconsin	PROVIDE FUNDING TO DANE COUNTY REGIONAL AIPORT TO PRODUCE CONCEPT LAYOUT AND COST ESTIMATE FOR 4 EDS SYSTEMS FOR SCREENING CHECKED BAGGAGE.	$ 14,000.00	$ 14,000.00	8/21/07	8/31/08	ONLY ONE SOURCE - OTHER
Raleigh Durham Airport Authority	RALEIGH DURHAM AIRPORT AUTHORITY OTA RDU OTA FOR CONSTRUCTION OF AN IN-LINE SYSTEM	$7,000,000.00	$7,000,000.00	7/19/07	3/31/11	ONLY ONE SOURCE - OTHER
Port of Portland	PDX (PORTLAND, OREGON) OTA FOR DESIGN AND CONSTRUCTION OF AN IN-LINE SYSTEM	$5,000,000.00	$5,000,000.00	9/10/07	12/31/10	ONLY ONE SOURCE - OTHER
City of Des Moines	PROVIDE FUNDING TO DES MOINES INTERNATIONAL AIRPORT TO COMPLETE INLINE SYSTEM DESIGN, PRODUCE BIDDING PACKAGE, AND CONSTRUCT AND COMMISSION AND INLINE SYSTEM SECURITY SYSTEM FOR CHECKED BAGGAGE SCREENING AT DES MOINES INTERNATIONAL AIRPORT	$2,000,000.00	$3,000,000.00	9/12/07	12/31/09	ONLY ONE SOURCE - OTHER
CITY OF DES MOINES	ADDITIONAL FUNDING PR FOR OTA WITH CITY OF DES MOINES. SEE ALSO PR 2107207DEP367	$1,000,000.00	$3,000,000.00	9/12/07	12/31/09	ONLY ONE SOURCE - OTHER
San Francisco	OTA for modfications/construction to Terminal 1 baggage screening system at SFO	$2,600,000.00	$2,600,000.00	9/12/07	12/31/08	ONLY ONE SOURCE - OTHER
Spectrum San Diego Inc.	To purchase up to 40 CPI units for deployment at federalized airports. (Replaces PR 2107207DEP431)	$1,700,000.00	$37,234,156.55	9/25/07	9/23/12	ONLY ONE SOURCE - OTHER
INVISION TECHNOLOGIES INCORPORATED	PURCHASE OF VARIOUS EQUIPMENT OF 20 FLAT POWERED CONVEYORS, 1 MUX NETWORK, 1 NETWORK PRINTER, 6 PTRI WORKSTATION, PTRI MOUNTING KITS & 6 BARCODE SCANNERS	$983,500.00	$983,500.00	3/12/07	9/30/07	UNIQUE SOURCE
INVISION TECHNOLOGIES INCORPORATED	PURCHASE OF VARIOUS EQUIPMENT OF 20 FLAT POWERED CONVEYORS, 1 MUX NETWORK, 1 NETWORK PRINTER, 6 PTRI WORKSTATION, PTRI MOUNTING KITS & 6 BARCODE SCANNERS	$ 89,207.00	$ 89,207.00	8/2/07	9/30/07	UNIQUE SOURCE
L-3 COMMUNICATIONS SECURITY AN	EQUIPMENT RELOCATION	$170,317.10	$170,317.10	8/8/07	9/30/07	ONLY ONE SOURCE - OTHER
L-3 COMMUNICATIONS SECURITY AN	EQUIPMENT RELOCATION	$173,522.80	$173,522.80	9/28/07	1/31/08	ONLY ONE SOURCE - OTHER
L-3 COMMUNICATIONS SECURITY AN	TO ORDER TO UPGRADE L-3 EDS MACHINES AT WASHINGTON DULLES INTERNATIONAL AIRPORT (IAD).	$ 67,707.06	$352,000,000.00	7/11/07	10/9/07	ONLY ONE SOURCE - OTHER
L-3 COMMUNICATIONS SECURITY AN	IN ORDER TO PROVIDE FUNDING FOR THE NEDS OF 3 UNITS AT WILLIAM P HOBBY INTERNATIONAL AIRPORT (HOU)	$110,433.28	$352,000,000.00	7/18/07	12/31/07	ONLY ONE SOURCE - OTHER
INVISION TECHNOLOGIES INCORPORATED	DECOMMISION OF 1 CTX 5500	$151,652.00	$151,652.00	5/9/07	8/15/07	UNIQUE SOURCE
L 3 COMMUNICATIONS CORPORATION (4475)	L-3- EBSP EXCEPTED MAINTENANCE	$ 12,543.69	$ 12,543.69	6/1/07	6/30/07	ONLY ONE SOURCE - OTHER
L 3 COMMUNICATIONS CORPORATION (4475)	L-3- EBSP EXCEPTED MAINTENANCE	$487,456.31	$487,456.31	7/10/07	6/30/07	ONLY ONE SOURCE - OTHER
L-3 COMMUNICATIONS SECURITY AN	REMOVE (1) LOT 1 EDS AND REPLACE WITH EXISTING LOT 2 EDS AT BWI	$123,017.47	$123,017.47	8/14/07	10/31/07	FOLLOW-ON CONTRACT

L-3 COMMUNICATIONS SECURITY AN	REMOVE (1) LOT 1 EDS AND REPLACE WITH EXISTING LOT 2 EDS AT BWI	$472,407.46	$472,407.46	9/24/07	8/31/08	FOLLOW-ON CONTRACT
L-3 COMMUNICATIONS SECURITY AN	PHASE C OF THE NEDS PROJECT FOR THE CENTRAL WEST POD EDS INSTALLATION AT MCO.	$1,638,209.43	$1,638,209.43	8/27/07	6/30/08	ONLY ONE SOURCE - OTHER
L-3 COMMUNICATIONS SECURITY AN	REFURBISHMENT OF FIVE (5) LOT 2, L3 EDS UNITS.	$3,569,948.39	$3,569,948.39	9/17/07	7/31/08	ONLY ONE SOURCE - OTHER
L 3 COMMUNICATIONS CORPORATION (4475)	THE PURPOSE OF THIS DELIVERY ORDER 014 IS TO PURCHASE X-RAY TUBES FOR THE PREVENTIVE AND CORRECTIVE MAINTENANCE FOR EXAMINER 6000 EXPLOSIVE DETECTION SYSTEMS.	$2,062,500.00	$2,062,500.00	8/15/07	3/10/08	ONLY ONE SOURCE - OTHER
L-3 COMMUNICATIONS SECURITY AN	INSTALLATION OF (4) L3 6000 UNITS AT LIH.	$948,861.80	$948,861.80	9/5/07	6/30/08	ONLY ONE SOURCE - OTHER
L-3 COMMUNICATIONS SECURITY AN	TO INSTALL TWENTY-FOUR (24) METER WIDE TUNNELS AT TAMPA INTL AIRPORT (TPA).	$638,986.86	$352,000,000.00	7/13/07	6/30/08	ONLY ONE SOURCE - OTHER
L-3 COMMUNICATIONS SECURITY AN	TO INSTALL TWENTY-FOUR (24) METER WIDE TUNNELS AT TAMPA INTL AIRPORT (TPA).	$ 75,245.01	$ 75,245.01	7/13/07	9/11/07	ONLY ONE SOURCE - OTHER
L-3 COMMUNICATIONS SECURITY AN	TO ORDER TO INSTALL EIGHT (8) EDS UNITS AT GEORGE BUSH HOUSTON INTERCONTINENTAL AIRPORT (IAH).	$1,485,408.86	$352,000,000.00	7/12/07	5/31/08	ONLY ONE SOURCE - OTHER
L-3 COMMUNICATIONS SECURITY AN	NEDS OF (10) FFOV W/MWT FOR TERMINAL C AT IAH.	$1,682,593.98	$1,682,593.98	9/7/07	6/30/08	ONLY ONE SOURCE - OTHER
L-3 COMMUNICATIONS SECURITY AN	UPGRADE KITS (25)	$1,775,000.00	$1,775,000.00	9/17/07	6/30/08	ONLY ONE SOURCE - OTHER
L 3 COMMUNICATIONS CORPORATION (4475)	L-3- STT MAINTENANCE BAGGAGE HANDLING SYSTEM	$ 90,853.72	$ 90,853.72	9/21/07	3/31/08	ONLY ONE SOURCE - OTHER
L-3 COMMUNICATIONS SECURITY AN	REPLACEMENT AND REMOVAL OF EQUIPMENT	$352,159.88	$352,159.88	8/16/07	12/31/07	ONLY ONE SOURCE - OTHER
L 3 COMMUNICATIONS CORPORATION (4475)	CORRECTIVE MAINTENANCE FOR OCTOBER 2007	$5,125,633.00	$5,125,633.00	9/18/07	10/31/07	ONLY ONE SOURCE - OTHER
L 3 COMMUNICATIONS CORPORATION (4475)	CORRECTIVE MAINTENANCE FOR OCTOBER 2007	$ 57,985.20	$ 57,985.20	9/17/07	12/31/07	ONLY ONE SOURCE - OTHER
L 3 COMMUNICATIONS CORPORATION (4475)	CORRECTIVE MAINTENANCE FOR OCTOBER 2007	$6,485,169.99	$6,485,169.99	9/17/07	3/10/08	ONLY ONE SOURCE - OTHER
L-3 COMMUNICATIONS SECURITY AN	ENGINEERING SUPPORT SERVICES - STIP	$1,411,380.00	$1,411,380.00	9/28/07	9/30/08	ONLY ONE SOURCE - OTHER
L-3 COMMUNICATIONS SECURITY AN	DECOMMISSIONING OF TEN (10) L3 EXAMINER 6000 EDS AT ORD.	$455,889.08	$455,889.08	9/19/07	10/30/08	ONLY ONE SOURCE - OTHER
L-3 COMMUNICATIONS SECURITY AN	IN ORDER TO PROCURE STAND-ALONE SIMULATORS	$291,200.00	$352,000,000.00	6/28/07	9/30/07	ONLY ONE SOURCE - OTHER
SPECTRUM SAN DIEGO INCORPORATED	SUGGESTED VENDOR: SPECTRUM SAN DIEGO, INC.	$ 60,000.00	$ 60,000.00	4/26/07	4/26/07	ONLY ONE SOURCE - OTHER
NOMADICS INCORPORATED	SENSING ELEMENTS (EXTENDED LIFE SENSING CARTRIDGE: FP-01-E)	$ 45,591.30	$ 45,591.30	7/25/07	11/21/07	ONLY ONE SOURCE - OTHER

NOMADICS INCORPORATED	SENSING ELEMENTS (EXTENDED LIFE SENSING CARTRIDGE: FP-01-E)	$3,287.27	$3,287.27	8/8/07	11/21/07	ONLY ONE SOURCE - OTHER
EGS INCORPORATED (2250)	THIS PR PROVIDES FY078 APPROPRIATIONS TO FUND A BRIDGE FOR CONTRACT (HSTS03-06-A-ACQ911) (REQUISITION #21-06-206AOP531) WITH EGS IN CONTINUING ADMINISTRATIVE SUPPORT AT BRADLEY, SEATTLE, DENVER, MIDLAND INTERNATIONAL, AMARILLO AND BURLINGTON AIRPORTS. THE CURRENT TASK ORDER WITH EGS INC. HAS BEEN FUNDED WITH FY067 APPROPRIATIONS WHICH ALL UNEXPENDED FUNDS MUST BE DE-OBLIGATED BY 30 SEPTEMBER 2007. THIS BRIDGE WILL CONTINUE SERVCIES UNTIL THE FY08 NATIONAL ADMIN SERVICES CONTRACT IS PUT IN PLACE.	$100,000.00	$100,000.00	9/17/07	5/12/11	URGENCY
REGAL DECISION SYSTEMS INCORPORATED	THIS PR IS THE FORTH TASK ORDER 4 UNDER THE BPA ESTABLISHED THROUGH CONTRACT HSTS02-06-A-AOP270. THE PERIOD OF PERFORMANCE FOR THIS TASK ORDER WILL BE FROM THE DATE OF AWARD THROUGH JULY 31, 2008. THE WORK TO BE PERFORMED UNDER THIS TASK ORDER IS OUTLINED IN THE ATTACHED TASK 4 STATEMENT OF WORK (SOW) AND THE ASSOCIATED REQUIRMENTS IDENTIFIED IN APPENDIX A OF TEH SOW.	$264,274.00	$264,274.00	3/14/07	5/9/08	ONLY ONE SOURCE - OTHER
REGAL DECISION SYSTEMS INCORPORATED	THIS PR IS THE FIFTH TASK ORDER UNDER THE BPA ESTABLISHED UNDER CONTRACT HSTS02-06-A-AOP270. THE PERIOD OF PERFORMANCE OF THE WORK ORDERED UNDER THIS PR WILL BE 4 MONTHS FROM THE DATE OF AWARD. THE WORK TO BE PERFORMED UNDER THIS TASK ORDER IS OUTLINED IN THE ATTACHED TASK 5 STATEMENT OF WORK (SOW) AND THE ASSOCIATED REQUIREMENTS DOCUMENT.	$185,095.54	$185,095.54	7/30/07	5/9/08	PATENT/DATA RIGHTS

REGAL DECISION SYSTEMS INCORPORATED	THIS PR IS THE FIFTH TASK ORDER UNDER THE BPA ESTABLISHED UNDER CONTRACT HSTS02-06-A-AOP270. THE PERIOD OF PERFORMANCE OF THE WORK ORDERED UNDER THIS PR WILL BE 4 MONTHS FROM THE DATE OF AWARD. THE WORK TO BE PERFORMED UNDER THIS TASK ORDER IS OUTLINED IN THE ATTACHED TASK 5 STATEMENT OF WORK (SOW) AND THE ASSOCIATED REQUIREMENTS DOCUMENT.	$1,329.38	$1,329.38	7/30/07	5/9/08	PATENT/DATA RIGHTS
OAG Worldwide	Software for access to OAG database to analyze and review flight data for staff planning.	$4,920.00	$4,920.00	3/8/07	1/0/00	ONLY ONE SOURCE - OTHER
Accelera Solutions Inc.	Replaces PR 2107207OSO057 and PR 2107207OSO152 accomadates and increase in price for this iteam associated with a small business. CITRIX	$ 38,848.73	$ 38,848.73	3/30/07	1/0/00	ONLY ONE SOURCE - OTHER
ALACHUA COUNTY OF (4843)	RATIFICATION ACTION FOR STORAGE FACILITIES FOR DISASTER PREPAREDNESS PLAN EQUIPMENT AND SUPPLIES GAINESVILLE REGIONAL AIRPORT POC: FRANK STAGL 3880 NE 39TH AVENUE, SUITE B GAINEVILLE, FLORIDA 32609 TSA HQ POC: JOHN DUPRAS, OSO MONTHLY PAYMENT OF $3000.00 FOR APPROX 4000SQ. FT. FOR PERIOD OF AUGUST 2006-SEPTEMBER 2007. PR IS TO INCREASE FROM $36,000.00 TO ADDITIONAL $3,000.00. TO A TOTAL $39,000.00 TO COVER A 13TH MONTH PERIOD.	$ 39,000.00	$ 39,000.00	9/24/07	9/30/07	UNIQUE SOURCE
Commercial Movers Inc.	RDU016 Storage and Distribution of Consumable Supplies 9 Storage bays.	$9,315.00	$9,315.00	8/23/07	1/0/00	ONLY ONE SOURCE - OTHER
CLASSIFIED DOMESTIC CONTRACTOR	MAY-SEPTEMBER 2007 FEES .	$ 87,500.00	$687,500.00	5/15/07	9/30/09	NATIONAL SECURITY
Grant Oliver	Parking decals for mission parking at Pittsburgh airport	$ 44,280.00	$235,086.00	10/1/07	9/30/07	ONLY ONE SOURCE - OTHER
Grant Oliver Corporation	Mission Parking Decals at Pittsburgh Airport. Option Year One - funded only under CR time frame.	$6,497.75	$ 50,777.55	10/16/07	11/16/07	ONLY ONE SOURCE - OTHER
Port of Seattle	Parking decals for mission parking at the Seattle / Tacoma airport	$ 58,853.76	$382,158.00	10/1/07	9/30/07	ONLY ONE SOURCE - OTHER
New South Parking	Parking decals for mission parking at airport	$108,000.00	$108,000.00	1/30/07	9/30/07	ONLY ONE SOURCE - OTHER

Metropolitan Airports Commission	parking decals for mission parking at airport	$ 26,984.00	$ 26,984.00	1/30/07	12/31/07	ONLY ONE SOURCE - OTHER
VP INTERNATIONAL SUPPLY INCORPORATED	LIFE FITNESS TREADMILL - 95TI FOR DETROIT.	$4,331.00	$4,331.00	5/9/07	6/27/07	ONLY ONE SOURCE - OTHER
VP INTERNATIONAL SUPPLY INCORPORATED	LIFE FITNESS TREADMILL - 95TI FOR DETROIT.	$343.00	$343.00	5/18/07	6/27/07	ONLY ONE SOURCE - OTHER
LEE TECHNOLOGIES SERVICES INCORPORATED	PRODUCT EXPANSION - UPS SYSTEM 10KVA EXPANDED TO 15KVA ON MODEL EPS3010, S/N: A03-11278 REFERENCE QUOTE: FWS-0715823A	$2,317.02	$2,317.02	5/18/07	6/22/07	ONLY ONE SOURCE - OTHER
PELICAN PRODUCTS INCORPORATED	60 EACH - MODEL 1500 PELICAN - BLACK WITH FOAM INSERT PRICE QUOTE PER TELECON NOEMEE GASBIAN - JULY 13, 2007 (PELICAN PRODUCTS) AND THE UNDERSIGNED.	$4,716.00	$4,716.00	7/16/07	8/15/07	SIMPLIFIED ACQUISITION PROCEDURES - NON-COMPETITIVE
DATAMAXX APPLIED TECHNOLOGIES INCORPORATED	PR TO FUND TISS LABOR AND TRAVEL FOR THE PERIOD OCTOBER 1, 2006-SEPTEMBER 30, 2007 $1,083,749.85(HSTS07-07-F-DM11)- CARRYOVER AIR TO GROUND FUNDS	$1,083,749.85	$1,083,749.85	3/1/07	9/30/07	ONLY ONE SOURCE - OTHER
DATAMAXX GROUP INCORPORATED	PR TO FUND RECURRING COSTS IN SUPPORT OF PDAS FOR THE PERIOD OCTOBER 1, 2006-SEPTEMBER 30, 2007, $7,078,125.28. (HSTS07-07-DM12)-FY07 BASE	$7,078,125.28	$7,078,125.28	10/16/06	9/30/07	ONLY ONE SOURCE - OTHER
DATAMAXX GROUP INCORPORATED	PR TO FUND RECURRING COSTS IN SUPPORT OF PDAS FOR THE PERIOD OCTOBER 1, 2006-SEPTEMBER 30, 2007, $7,078,125.28. (HSTS07-07-DM12)-FY07 BASE	$356,960.00	$356,960.00	2/9/07	9/30/07	ONLY ONE SOURCE - OTHER
DATAMAXX GROUP INCORPORATED	PR TO FUND RECURRING COSTS IN SUPPORT OF PDAS FOR THE PERIOD OCTOBER 1, 2006-SEPTEMBER 30, 2007, $7,078,125.28. (HSTS07-07-DM12)-FY07 BASE	$200,000.00	$200,000.00	7/13/07	9/30/07	ONLY ONE SOURCE - OTHER
DATAMAXX GROUP INCORPORATED	PR TO FUND PDA ACCESSORIES-CHARGERS, CABLES, PLUGS, BATTERIES, EARBUDS, $15,407.15. NOTE: PR-2107FAMISD004 "PR TO FUND RECURRING COSTS IN SUPPORT OF PDAS" WAS AMENDED FROM $7,078,125.28 TO $7,036,071.28. THE AMENDMENT DEOBLIGATED $42,054 TO BE USED ON ADDITIONAL PRS FOR PDA RELATED COST.	$ 15,407.15	$ 15,407.15	1/3/07	2/2/07	ONLY ONE SOURCE - OTHER
DATAMAXX GROUP INCORPORATED	PR TO FUND FAMS SIM MIGRATION EFFORT. TO BE FUNDED FROM FY04 AIR TO GROUND EARMARK	$ 53,216.00	$ 53,216.00	6/20/07	8/31/07	ONLY ONE SOURCE - OTHER

FEDERAL CARTRIDGE COMPANY	1000 ROUNDS OF FEDERAL GMM .223 REM GM223M3 77GR AMMO FOR MOBILE TRAINING TEAM. PRICE IS $114.20 PER 200 ROUNDS. ORL WOULD NEED THIS AMMUNITION DROP SHIPPED TO THEM BY WEDNESDAY 11/8/2007.	$571.00	$571.00	11/7/06	12/7/06	ONLY ONE SOURCE - OTHER
MISCELLANEOUS FOREIGN CONTRACTORS	123 PARTICIPANTS AT 10.00 EACH FOR FY07 RANGE USAGE. PERIOD OF PERFORMANCE WILL END 9/30/2007	$1,230.00	$1,230.00	12/18/06	9/30/07	FOLLOW-ON CONTRACT
MISCELLANEOUS FOREIGN CONTRACTORS	BLUE RIDGE ARSENAL - HQ RANGE USAGE (JAN. 07 - DEC. 07)	$9,600.00	$9,600.00	12/28/06	12/31/07	AUTHORIZED BY STATUTE
STONEWALL LIMITED	RANGE CONTRACT FOR 2007 DATE OF AWARD THROUGH DECEMBER 31, 2007 INCLUDES: 24 TWO SESSIONS ON PRIVATE RANGE, 2 EIGHT HOUR SESSIONS ON PRIVATE RANGE AND UNLIMITED USE OF PUBLIC RANGE BY INDIVIDUAL AGENTS	$2,500.00	$2,500.00	2/1/07	3/3/07	ONLY ONE SOURCE - OTHER
CLASSIFIED DOMESTIC CONTRACTOR	FY2007 TRANSACTION FEES	$ 20,000.00	$ 60,000.00	2/16/07	9/30/09	NATIONAL SECURITY
INTERNATIONAL ASSOCIATION OF CHIEFS OF POLICE	INT'L ASSOCIATION OF CHIEF OF POLICE (IACP) P.O.BOX 90976 WASHINGTON DC 20090-0976 1-800-THE-IACP RENEWAL OF 2007 MEMBERSHIP ($100 PER MEMBER) 30 MEMBERS X $100 = $3,000 NAMES PROVIDED IN LINE ITEM 1	$3,000.00	$3,000.00	2/20/07	3/22/07	UNIQUE SOURCE
PRADO FAMILY SHOOTING RANGE	PERIOD OF PERFORMANCE FOR THIS PURCHASE ORDER IS FROM DATE OF AWARD THROUGH DECEMBER 31, 2007 PRICING IS AS FOLLOWS $325.00 FOR 8 HOUR DAY, $225.00 FOR HALF DAY AND ADDITIONAL SHOOTING BAY IS $100.00. EMAIL INVOICES TO FIN-SMB-TSAINVOICES@USCG@MIL	$9,750.00	$9,750.00	2/22/07	12/31/07	SIMPLIFIED ACQUISITION PROCEDURES - NON-COMPETITIVE
CHESAPEAKE LOCK AND SAFE SERVICE COMPANY	PR PROVIDES FUNDING TO COMPLETE A WEAPONS STORAGE ROOM SECURITY CAGE AND PARTITION ENCLOSURE AT CEILING AT FAMS HQ RESTON VA. PHYSICAL SECURITY POC IS ANDY COBURN AT 703--487-3155.	$1,755.00	$1,755.00	3/2/07	4/11/07	ONLY ONE SOURCE - OTHER

AMERICAN BANK NOTE HOLOGRAPHICS	FFDO CREDENTIAL LAMINATES AMERICAN BANK NOTE HOLOGRAPHICS POC: MICHAEL BANAHAN 609-632-0842 CO: MICHELLE BENVENUTO. FAMS CONTRACT AND PROCUREMENT BRANCH, 609-813-3338	$ 50,000.00	$ 50,000.00	3/26/07	5/2/07	ONLY ONE SOURCE - OTHER
FEDERAL PRISON INDUSTRIES INCORPORATED (5705) 1515236	42" ROUND TABLE, MAHOGONY FURNITURE LINE: SYMPHONY PRODUCT NUMBER WITH COLOR CODE: S42R(MH) UNICOR WEST COAST POC IS: JOSEPH ROTH (818) 246-8334 (OFFICE) (818) 749-4923 (CELL)	$665.00	$665.00	4/10/07	5/10/07	UNICOR
MISCELLANEOUS FOREIGN CONTRACTORS	INDOOR FIREARMS RANGE USE FOR 17 DAYS FROM 1/31/07 THROUGH MAY 15 OF 2007. THE MAP AUDIT REQUIRED ALL MAKE-UP TRAINING AND ADDITIONAL FIREARMS TRAINING.	$6,500.00	$6,500.00	4/12/07	5/15/07	AUTHORIZED BY STATUTE
FEDERAL PRISON INDUSTRIES INCORPORATED (5705) 1531953	OFFICE FURNITURE FOR NEW ATSAC DESK, BOOKCASE, LATERAL FILE AND TWO CHAIRS	$4,465.89	$4,465.89	5/22/07	7/16/07	UNICOR
SIGARMS INCORPORATED	RECOMMENDED VENDOR: SIGARMS INERT, FULLY FUNCTIONAL TRAINING WEAPON THAT REPLICATES THE SIGARMS P 229-357 PISTOLS.	$3,894.00	$3,894.00	6/29/07	8/31/07	ONLY ONE SOURCE - OTHER
GRADUATE SCHOOL USDA	PROFESSIONAL DEVELOPMENT TRAINING. ATL SUBMITTING 182S TO OPT.	$9,150.00	$9,150.00	7/12/07	8/11/07	ONLY ONE SOURCE - OTHER
COMBINED SYSTEMS INCORPORATED	AMMO REQUEST FOR MTT - MULTIPLE VENDORS (FEDERAL, DEF-TEC, CTS - SEE LIST)	$1,071.18	$1,071.18	8/29/07	9/5/07	ONLY ONE SOURCE - OTHER
HECKLER AND KOCH DEFENSE INCORPORATED	SPARE PARTS KITS TO SUPPORT FUNCTION AND READINESS FOR FEMT RIFLES. POC JERALD BRANZ	$3,520.00	$3,520.00	9/7/07	2/8/08	ONLY ONE SOURCE - OTHER

UNITED STATES POSTAL SERVICE	PR IS FOR REIMBURSEMENT COSTS UNDER INTERAGENCY AGREEMENT BETWEEN FAMS AND US POSTAL INSPECTION SERVICE, CAREER DEVELOPMENT DIVISION, FIREARMS TRAINING FACILITY. NEW AGREEMENT NUMBER CONTRACTING OFFICER - STEVE DAVIS, FAMS CONTRACT & PROCUREMENT BRANCH. (609) 909-5712 POP - CURRENT DATE THROUGH MAY 8, 2008.	$3,000.00	$3,000.00	6/20/07	5/8/08	AUTHORIZED BY STATUTE
GOVERNMENT PRINTING OFFICE UNITED STATES	PRINTING	$ 11,523.00	$ 11,523.00	7/25/07	8/15/07	AUTHORIZED BY STATUTE
City of Phoenix	FY07 reimbursement allotment for Phoenix Sky Harbor International Airport (PHX).	$26,166,666.67	$91,500,000.00	9/24/07	12/31/09	ONLY ONE SOURCE - OTHER
SACRAMENTO	ADDITIONAL FUNDING FOR CCTV OTA WITH SACRAMENTO. SEE ALSO 2107207CTO213	$567,989.00	$567,989.00	9/19/07	9/30/12	ONLY ONE SOURCE - OTHER
VIRGIN ISLANDS PORT AUTHORITY	THE VIRIGIN ISLANDS PORT AUTHORITY STT OTA SUPPORTING CORRECTIVE REPAIS AND ENHANCMENTS TO ELECCTRICAL POWER INFRASTRUTURE SUPPORTING BAGGAGE SCREENING AT STT. MANGEMENT, LABOR AND MATERIAL COSTS OF INFRASTRUCTURE.	$495,000.00	$495,000.00	9/10/07	9/30/08	ONLY ONE SOURCE - OTHER
MITRE Corporation	The Mitre Corporation.	$350,000.00	$3,301,917.00	1/29/07	1/0/00	ONLY ONE SOURCE - OTHER
Aircraft Owners and Pilots Association (AOPA)	Earmarked funds for AOPA education efforts. A yearly OTA with AOPA.	$220,000.00	$220,000.00	6/14/07	7/8/08	ONLY ONE SOURCE - OTHER
Medeco Security Locks	The PR is to purchase locks for the Office of Security	$ 30,914.67	$ 30,914.67	8/29/07	9/30/07	ONLY ONE SOURCE - OTHER
EGS, Inc	Bridge for EGS	$100,000.00	$100,000.00	9/17/07	10/1/07	ONLY ONE SOURCE - OTHER

78. Please provide for the record a list of all contracts over $1 million in total value executed by TSA in 2007. Organize by contractor, purpose, dollar award, full performance value, contract start date, contract end date, and contract type (e.g., firmed fixed price, etc.).

ANSWER: Please see the following table.

Vendor Name	Description	Obligation	Base and Exercised Options Value	Date Signed	Completion Date	Type of Contract
3H TECHNOLOGY LIMITED LIABILITY COMPANY	COMPUTER FACILITIES MANAGEMENT SERVICES	$1,500,000	$1,500,000	7/26/07	7/25/08	FIXED PRICE
A TEK INCORPORATED	ALL OTHER TRAVEL ARRANGEMENT AND RESERVATION SERVICES	$1,281,834	$1,281,834	10/20/06	9/30/07	TIME AND MATERIALS
ACCENTURE LLP	ADMINISTRATIVE MANAGEMENT AND GENERAL MANAGEMENT CONSULTING SERVICES	$ 39,360,364	$ 39,360,364	11/16/06	12/11/07	FIXED PRICE
ACCENTURE LLP	ADMINISTRATIVE MANAGEMENT AND GENERAL MANAGEMENT CONSULTING SERVICES	$ -	$280,914,424	12/8/06	1/31/07	FIXED PRICE
ACCENTURE LLP	ADMINISTRATIVE MANAGEMENT AND GENERAL MANAGEMENT CONSULTING SERVICES	$9,417,891	$9,417,891	5/11/07	12/11/07	FIXED PRICE
ACE INFO SOLUTIONS INCORPORATED	OFFICE ADMINISTRATIVE SERVICES	$1,259,000	$1,259,000	5/30/07	6/17/12	LABOR HOURS
AMERICAN OPERATIONS CORPORATION	SECURITY SYSTEMS SERVICES (EXCEPT LOCKSMITHS)	$1,072,255	$1,072,255	2/26/07	7/9/07	COMBINATION (APPLIES TO AWARDS WHERE TWO OR MORE OF THE ABOVE APPLY)
AMERICAN OPERATIONS CORPORATION	SECURITY SYSTEMS SERVICES (EXCEPT LOCKSMITHS)	$1,759,923	$1,759,923	8/9/07	9/30/08	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
AMERICAN OPERATIONS CORPORATION	SECURITY SYSTEMS SERVICES (EXCEPT LOCKSMITHS)	$2,400,000	$2,400,000	1/12/07	1/15/08	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
AMERICAN OPERATIONS CORPORATION	SECURITY SYSTEMS SERVICES (EXCEPT LOCKSMITHS)	$1,296,840	$1,296,840	3/8/07	3/8/08	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)

AMERICAN OPERATIONS CORPORATION	SECURITY SYSTEMS SERVICES (EXCEPT LOCKSMITHS)	$1,039,523	$1,039,523	3/8/07	3/8/08	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
AMERICAN OPERATIONS CORPORATION	SECURITY SYSTEMS SERVICES (EXCEPT LOCKSMITHS)	$2,156,979	$2,156,979	3/28/07	5/2/08	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
AMERICAN OPERATIONS CORPORATION	SECURITY SYSTEMS SERVICES (EXCEPT LOCKSMITHS)	$1,077,336	$1,077,336	5/2/07	4/2/08	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
AMERICAN OPERATIONS CORPORATION	SECURITY SYSTEMS SERVICES (EXCEPT LOCKSMITHS)	$1,022,240	$1,022,240	8/22/07	9/14/07	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
AMERICAN OPERATIONS CORPORATION	SECURITY SYSTEMS SERVICES (EXCEPT LOCKSMITHS)	$1,394,224	$1,394,224	7/25/07	7/30/08	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
AMERICAN OPERATIONS CORPORATION	SECURITY SYSTEMS SERVICES (EXCEPT LOCKSMITHS)	$6,420,449	$6,420,449	7/26/07	7/30/08	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
AMERICAN OPERATIONS CORPORATION	SECURITY SYSTEMS SERVICES (EXCEPT LOCKSMITHS)	$5,164,326	$5,164,326	9/25/07	6/11/08	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
AMMUNITION ACCESSORIES	SMALL ARMS AMMUNITION MANUFACTURING	$1,835,106	$1,835,106	3/10/07	3/9/08	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
ANALOGIC CORPORATION	SEARCH, DETECTION, NAVIGATION, GUIDANCE, AERONAUTICAL, AND NAUTICAL SYSTEM AND INSTRUMENT MANUFACTURING	$7,947,855	$7,947,855	9/26/07	9/25/08	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
AOC SOLUTIONS INCORPORATED	FINANCIAL TRANSACTIONS PROCESSING, RESERVE, AND CLEARINGHOUSE ACTIVITIES	$1,224,400	$1,224,400	3/15/07	3/14/09	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)

BATTELLE MEMORIAL INSTITUTE	ALL OTHER PROFESSIONAL, SCIENTIFIC, AND TECHNICAL SERVICES	$1,670,101	$1,670,101	2/5/07	12/31/09	COMBINATION (APPLIES TO AWARDS WHERE TWO OR MORE OF THE ABOVE APPLY)
BATTELLE MEMORIAL INSTITUTE	ALL OTHER PROFESSIONAL, SCIENTIFIC, AND TECHNICAL SERVICES	$6,000,000	$6,000,000	9/5/07	8/31/08	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
BATTELLE MEMORIAL INSTITUTE	ALL OTHER PROFESSIONAL, SCIENTIFIC, AND TECHNICAL SERVICES	$2,423,998	$2,423,998	9/10/07	9/5/08	COMBINATION (APPLIES TO AWARDS WHERE TWO OR MORE OF THE ABOVE APPLY)
BEARAK REPORTS INC	CREDIT BUREAUS	$2,989,000	$2,989,000	5/7/07	5/6/08	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
BOOZ ALLEN HAMILTON INC.	ADMINISTRATIVE MANAGEMENT AND GENERAL MANAGEMENT CONSULTING SERVICES	$1,670,000	$1,670,000	6/12/07	12/3/09	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
BOOZ ALLEN HAMILTON INC.	ADMINISTRATIVE MANAGEMENT AND GENERAL MANAGEMENT CONSULTING SERVICES	$1,759,546	$1,759,546	12/4/06	12/3/09	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
BOOZ ALLEN HAMILTON INCORPORATED (3626)	ADMINISTRATIVE MANAGEMENT AND GENERAL MANAGEMENT CONSULTING SERVICES	$1,014,937	$1,014,937	12/4/06	5/31/07	LABOR HOURS
BOOZ ALLEN HAMILTON INCORPORATED (3626)	ADMINISTRATIVE MANAGEMENT AND GENERAL MANAGEMENT CONSULTING SERVICES	$1,111,339	$1,111,339	1/4/07	5/31/07	LABOR HOURS
BOOZ ALLEN HAMILTON INCORPORATED (3626)	ADMINISTRATIVE MANAGEMENT AND GENERAL MANAGEMENT CONSULTING SERVICES	$1,500,000	$1,500,000	9/25/07	12/3/10	LABOR HOURS
BOOZ ALLEN HAMILTON INCORPORATED (3626)	CUSTOM COMPUTER PROGRAMMING SERVICES	$1,650,000	$1,650,000	8/30/07	2/28/12	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
CACI INCORPORATED FEDERAL	ADMINISTRATIVE MANAGEMENT AND GENERAL MANAGEMENT CONSULTING SERVICES	$1,100,000	$1,100,000	9/25/07	9/30/09	LABOR HOURS
CACI TECHNOLOGIES INCORPORATED	OTHER SCIENTIFIC AND TECHNICAL CONSULTING SERVICES	$4,938,641	$4,938,641	9/20/07	10/1/11	FIXED PRICE AWARD FEE

CARTER AND BURGESS INCORPORATED	ENGINEERING SERVICES	$1,245,130	$1,245,130	2/21/07	12/31/09	COMBINATION (APPLIES TO AWARDS WHERE TWO OR MORE OF THE ABOVE APPLY)
CARTER AND BURGESS INCORPORATED	ENGINEERING SERVICES	$1,878,342	$1,878,342	9/13/07	9/30/08	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
CARTER AND BURGESS INCORPORATED	ENGINEERING SERVICES	$3,954,568	$3,954,568	5/16/07	5/21/08	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
CARTER AND BURGESS INCORPORATED	ENGINEERING SERVICES	$8,600,293	$8,600,293	5/16/07	5/21/08	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
CARTER AND BURGESS INCORPORATED	ENGINEERING SERVICES	$4,810,247	$4,810,247	5/16/07	5/15/08	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
CARTER AND BURGESS INCORPORATED	ENGINEERING SERVICES	$9,283,248	$9,283,248	9/12/07	10/16/08	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
CLARK COUNTY DEPT OF AVIATION	LESSORS OF NONRESIDENTIAL BUILDINGS (EXCEPT MINIWAREHOUSES)	$369	$1,257,811	1/10/07	2/28/09	FIXED PRICE
CLARK COUNTY DEPT OF AVIATION	LESSORS OF NONRESIDENTIAL BUILDINGS (EXCEPT MINIWAREHOUSES)	$572,243	$1,829,685	2/28/07	2/28/08	FIXED PRICE
CLP INDUSTRIAL PROPERTIES LIMITED LIABILITY COMPANY	LESSORS OF NONRESIDENTIAL BUILDINGS (EXCEPT MINIWAREHOUSES)	$167,140	$ 16,845,121	1/12/07	6/30/07	FIXED PRICE WITH ECONOMIC PRICE ADJUSTMENT
CLP INDUSTRIAL PROPERTIES LIMITED LIABILITY COMPANY	LESSORS OF NONRESIDENTIAL BUILDINGS (EXCEPT MINIWAREHOUSES)	$184,893	$ 17,030,014	3/15/07	6/30/07	FIXED PRICE WITH ECONOMIC PRICE ADJUSTMENT
CLP INDUSTRIAL PROPERTIES LIMITED LIABILITY COMPANY	LESSORS OF NONRESIDENTIAL BUILDINGS (EXCEPT MINIWAREHOUSES)	$724,022	$ 17,754,036	8/2/07	11/12/13	FIXED PRICE WITH ECONOMIC PRICE ADJUSTMENT
CLP INDUSTRIAL PROPERTIES LIMITED LIABILITY COMPANY	LESSORS OF NONRESIDENTIAL BUILDINGS (EXCEPT MINIWAREHOUSES)	$1,455,083	$1,455,083	11/9/06	11/13/13	FIXED PRICE WITH ECONOMIC PRICE ADJUSTMENT

COMMERCIAL NET LEASE REALTY INCORPORATED	LESSORS OF NONRESIDENTIAL BUILDINGS (EXCEPT MINIWAREHOUSES)	$5,200,750	$ 76,939,399	1/17/07	3/31/14	FIXED PRICE WITH ECONOMIC PRICE ADJUSTMENT
COMMERCIAL NET LEASE REALTY INCORPORATED	LESSORS OF NONRESIDENTIAL BUILDINGS (EXCEPT MINIWAREHOUSES)	$4,430,750	$ 81,370,149	5/2/07	3/31/14	FIXED PRICE WITH ECONOMIC PRICE ADJUSTMENT
COMMERCIAL NET LEASE REALTY INCORPORATED	LESSORS OF NONRESIDENTIAL BUILDINGS (EXCEPT MINIWAREHOUSES)	$5,177,994	$ 86,548,143	7/3/07	3/31/14	FIXED PRICE WITH ECONOMIC PRICE ADJUSTMENT
COMMUNICATIONS RESOURCE INCORPORATED	OTHER SCIENTIFIC AND TECHNICAL CONSULTING SERVICES	$1,916,677	$1,916,677	6/5/07	4/16/08	COMBINATION (APPLIES TO AWARDS WHERE TWO OR MORE OF THE ABOVE APPLY)
COOPERATIVE PERSONNEL SERVICES	ADMINISTRATIVE MANAGEMENT AND GENERAL MANAGEMENT CONSULTING SERVICES	$ 34,000,000	$ 34,000,000	6/8/07	12/25/07	COST PLUS AWARD FEE
COOPERATIVE PERSONNEL SERVICES	ADMINISTRATIVE MANAGEMENT AND GENERAL MANAGEMENT CONSULTING SERVICES	$5,000,000	$5,000,000	9/6/07	12/25/07	COST PLUS AWARD FEE
CORT BUSINESS SERVICES CORPORATION	OFFICE FURNITURE (EXCEPT WOOD) MANUFACTURING	$2,563,169	$2,563,169	12/29/06	1/28/07	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
CORT BUSINESS SERVICES CORPORATION	FURNITURE STORES	$1,304,320	$1,304,320	12/22/06	12/31/07	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
COVENANT AVIATION SECURITY LIMITED LIABILITY COMPANY	SECURITY GUARDS AND PATROL SERVICES	$7,220,984	$167,587,320	11/20/06	10/31/06	COST PLUS AWARD FEE
COVENANT AVIATION SECURITY LIMITED LIABILITY COMPANY	SECURITY GUARDS AND PATROL SERVICES	$2,468,189	$2,468,189	11/6/06	9/30/10	COST PLUS AWARD FEE
COVENANT AVIATION SECURITY LIMITED LIABILITY COMPANY	SECURITY GUARDS AND PATROL SERVICES	$ -	$2,552,237	9/11/07	9/30/10	COST PLUS AWARD FEE
COVENANT AVIATION SECURITY LIMITED LIABILITY COMPANY	SECURITY GUARDS AND PATROL SERVICES	$ 12,838,681	$ 12,838,681	11/1/06	9/30/10	COST PLUS AWARD FEE

COVENANT AVIATION SECURITY LIMITED LIABILITY COMPANY	SECURITY GUARDS AND PATROL SERVICES	$ 18,829,033	$ 18,829,033	11/1/06	9/30/10	COST PLUS AWARD FEE
COVENANT AVIATION SECURITY LIMITED LIABILITY COMPANY	SECURITY GUARDS AND PATROL SERVICES	$ 19,066,764	$ 19,066,764	11/1/06	9/30/10	COST PLUS AWARD FEE
COVENANT AVIATION SECURITY LIMITED LIABILITY COMPANY	SECURITY GUARDS AND PATROL SERVICES	$ 19,878,265	$ 19,878,265	11/1/06	9/30/10	COST PLUS AWARD FEE
COVENANT AVIATION SECURITY LIMITED LIABILITY COMPANY	SECURITY GUARDS AND PATROL SERVICES	$ -	$ 84,136,594	11/1/06	9/30/10	COST PLUS AWARD FEE
COVENANT AVIATION SECURITY LIMITED LIABILITY COMPANY	SECURITY GUARDS AND PATROL SERVICES	$6,223,803	$6,223,803	11/1/06	9/30/10	COST PLUS AWARD FEE
COVENANT AVIATION SECURITY LIMITED LIABILITY COMPANY	SECURITY GUARDS AND PATROL SERVICES	$6,915,336	$6,915,336	11/1/06	9/30/10	COST PLUS AWARD FEE
COVENANT AVIATION SECURITY LIMITED LIABILITY COMPANY	SECURITY GUARDS AND PATROL SERVICES	$ 17,749,364	$ 17,749,364	11/1/06	9/30/10	COST PLUS AWARD FEE
CREATIVE COMPUTING SOLUTIONS INCORPORATED	ADMINISTRATIVE MANAGEMENT AND GENERAL MANAGEMENT CONSULTING SERVICES	$1,820,749	$1,820,749	4/26/07	11/25/08	TIME AND MATERIALS
CURTIS, T. & CO, PC	OFFICES OF CERTIFIED PUBLIC ACCOUNTANTS	$1,536,672	$1,536,672	1/29/07	1/31/08	FIXED PRICE
DATAMAXX APPLIED TECHNOLOGIES INCORPORATED	SOFTWARE PUBLISHERS	$1,083,750	$1,083,750	3/1/07	9/30/07	LABOR HOURS
DATAMAXX GROUP INCORPORATED	CELLULAR AND OTHER WIRELESS TELECOMMUNICATIONS	$2,191,604	$2,191,604	1/3/07	9/30/07	FIXED PRICE
DATAMAXX GROUP INCORPORATED	SOFTWARE PUBLISHERS	$7,078,125	$7,078,125	10/16/06	9/30/07	FIXED PRICE
DELL MARKETING LIMITED PARTNERSHIP	ELECTRONIC COMPUTER MANUFACTURING	$6,008,002	$6,008,002	6/22/07	7/21/07	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
DELOITTE CONSULTING L.P.	CUSTOM COMPUTER PROGRAMMING SERVICES	$6,860,300	$6,860,300	7/16/07	4/30/08	TIME AND MATERIALS
DELOITTE CONSULTING L.P.	CUSTOM COMPUTER PROGRAMMING SERVICES	$2,000,000	$2,000,000	7/3/07	1/31/08	LABOR HOURS

DUN AND BRADSTREET INCORPORATED (2360)	CREDIT BUREAUS	$6,509,950	$6,509,950	5/22/07	5/22/08	FIXED PRICE
DYNAMIC SECURITY CONCEPTS INCORPORATED	ENGINEERING SERVICES	$1,760,441	$1,760,441	9/11/07	9/10/08	LABOR HOURS
EG SOLUTIONS LIMITED LIABILITY COMPANY	OTHER COMPUTER RELATED SERVICES	$1,774,997	$1,774,997	4/17/07	5/20/07	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
EG SOLUTIONS LIMITED LIABILITY COMPANY	OTHER COMPUTER RELATED SERVICES	$2,102,503	$2,102,503	5/7/07	6/7/07	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
EG SOLUTIONS LIMITED LIABILITY COMPANY	OTHER COMPUTER RELATED SERVICES	$1,820,513	$1,820,513	5/2/07	6/5/07	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
EG SOLUTIONS LIMITED LIABILITY COMPANY	OTHER COMPUTER RELATED SERVICES	$1,016,090	$1,016,090	6/11/07	7/10/07	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
EG SOLUTIONS LIMITED LIABILITY COMPANY	OTHER COMPUTER RELATED SERVICES	$1,121,328	$1,121,328	9/4/07	12/31/07	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
ELECTRONIC CONSULTING SERVICES INCORPORATED	COMPUTER SYSTEMS DESIGN SERVICES	$4,495,000	$4,495,000	8/29/07	9/30/12	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
ELECTRONIC CONSULTING SERVICES INCORPORATED	COMPUTER SYSTEMS DESIGN SERVICES	$1,367,673	$1,367,673	9/13/07	9/12/08	FIXED PRICE
ENTERPRISE SOLUTIONS REALIZED INCORPORATED	CUSTOM COMPUTER PROGRAMMING SERVICES	$1,090,241	$1,090,241	5/4/07	1/27/10	FIXED PRICE
EYAK TECHNOLOGY LIMITED LIABILITY COMPANY	COMPUTER AND COMPUTER PERIPHERAL EQUIPMENT AND SOFTWARE MERCHANT WHOLESALERS	$2,468,469	$2,468,469	12/5/06	8/29/10	FIXED PRICE
EYAK TECHNOLOGY LIMITED LIABILITY COMPANY	COMPUTER AND COMPUTER PERIPHERAL EQUIPMENT AND SOFTWARE MERCHANT WHOLESALERS	$3,121,990	$3,121,990	1/5/07	8/29/10	FIXED PRICE

FEDERAL SUPPLY SERVICE NATIONAL FURNITURE CENTER (3FN-CO)	HOTELS (EXCEPT CASINO HOTELS) AND MOTELS	$1,224,202	$1,224,202	1/18/07	7/18/08	FIXED PRICE
FIRSTLINE TRANSPORTATION SECURITY INCORPORATED	SECURITY GUARDS AND PATROL SERVICES	$ 11,020,000	$ 11,020,000	11/6/06	9/30/06	FIXED PRICE
FIRSTLINE TRANSPORTATION SECURITY INCORPORATED	SECURITY GUARDS AND PATROL SERVICES	$8,539,441	$ 20,098,352	12/27/06	3/31/06	FIXED PRICE
FIRSTLINE TRANSPORTATION SECURITY INCORPORATED	SECURITY GUARDS AND PATROL SERVICES	$ 10,133,538	$ 10,133,538	3/28/07	9/30/07	FIXED PRICE
FIRSTLINE TRANSPORTATION SECURITY INCORPORATED	SECURITY GUARDS AND PATROL SERVICES	$(154,439)	$8,030,732	6/28/07	9/30/10	FIXED PRICE
FIRSTLINE TRANSPORTATION SECURITY INCORPORATED	SECURITY GUARDS AND PATROL SERVICES	$ -	$ 37,895,449	8/31/07	9/30/10	FIXED PRICE
FIRSTLINE TRANSPORTATION SECURITY INCORPORATED	SECURITY GUARDS AND PATROL SERVICES	$ -	$2,011,267	9/28/07	9/30/10	FIXED PRICE
FORSMAN INCORPORATED	COMMERCIAL AND INSTITUTIONAL BUILDING CONSTRUCTION	$1,160,148	$1,160,148	7/18/07	11/30/07	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
GE ION TRACK INCORPORATED	OTHER MEASURING AND CONTROLLING DEVICE MANUFACTURING	$1,503,189	$1,503,189	12/27/06	1/31/08	FIXED PRICE
GE ION TRACK INCORPORATED (5392)	SECURITY SYSTEMS SERVICES (EXCEPT LOCKSMITHS)	$2,220,563	$2,220,563	3/30/07	3/28/08	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
GE ION TRACK INCORPORATED (5392)	SECURITY SYSTEMS SERVICES (EXCEPT LOCKSMITHS)	$6,035,985	$6,035,985	5/8/07	5/8/08	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
GMG MANAGEMENT CONSULTING INCORPORATED	ADMINISTRATIVE MANAGEMENT AND GENERAL MANAGEMENT CONSULTING SERVICES	$1,158,445	$1,158,445	9/27/07	9/30/12	FIXED PRICE
GOVERNMENT ACQUISITIONS INC	HARDWARE MERCHANT WHOLESALERS	$1,885,346	$1,885,346	1/26/07	2/28/07	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)

GOVERNMENT ACQUISITIONS INC	HARDWARE MERCHANT WHOLESALERS	$1,064,275	$1,064,275	1/25/07	2/28/07	FIXED PRICE
GOVERNMENT ACQUISITIONS INCORPORATED	OTHER COMPUTER RELATED SERVICES	$1,194,469	$1,194,469	6/27/07	7/12/07	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
GRANT THORNTON LLP	OTHER MANAGEMENT CONSULTING SERVICES	$4,226,474	$4,226,474	11/21/06	9/30/07	FIXED PRICE
HECKLER AND KOCH DEFENSE INCORPORATED	SMALL ARMS MANUFACTURING	$1,155,637	$1,155,637	8/30/07	11/30/07	FIXED PRICE
HI-TEC SYSTEMS INC	ENGINEERING SERVICES	$2,144,054	$2,144,054	9/17/07	9/16/08	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
IMMIXTECHNOLOGY INC	COMPUTER SYSTEMS DESIGN SERVICES	$9,051,884	$9,051,884	10/6/06	9/19/07	FIXED PRICE
IMMIXTECHNOLOGY INC	COMPUTER SYSTEMS DESIGN SERVICES	$1,484,383	$1,484,383	7/16/07	9/28/07	FIXED PRICE
IMMIXTECHNOLOGY INC	COMPUTER SYSTEMS DESIGN SERVICES	$1,168,061	$1,168,061	8/28/07	9/28/07	FIXED PRICE
INFOGLIDE SOFTWARE CORPORATION	CUSTOM COMPUTER PROGRAMMING SERVICES	$1,299,995	$1,299,995	10/3/06	9/30/07	FIXED PRICE
INFOGLIDE SOFTWARE CORPORATION	CUSTOM COMPUTER PROGRAMMING SERVICES	$1,970,058	$1,970,058	3/30/07	9/30/07	FIXED PRICE
INFOGLIDE SOFTWARE CORPORATION	SOFTWARE PUBLISHERS	$1,470,000	$1,470,000	12/6/06	12/31/07	FIXED PRICE
INFOZEN INCORPORATED	OTHER SCIENTIFIC AND TECHNICAL CONSULTING SERVICES	$1,964,386	$1,964,386	11/14/06	9/27/11	COST PLUS AWARD FEE
INFOZEN INCORPORATED	OTHER SCIENTIFIC AND TECHNICAL CONSULTING SERVICES	$2,261,351	$2,261,351	12/19/06	9/27/11	COST PLUS AWARD FEE
INFOZEN INCORPORATED	OTHER SCIENTIFIC AND TECHNICAL CONSULTING SERVICES	$2,286,477	$2,286,477	3/27/07	9/27/11	COST PLUS AWARD FEE
INFOZEN INCORPORATED	OTHER SCIENTIFIC AND TECHNICAL CONSULTING SERVICES	$1,519,688	$1,519,688	6/14/07	9/27/11	COST PLUS AWARD FEE
INFOZEN INCORPORATED	OTHER SCIENTIFIC AND TECHNICAL CONSULTING SERVICES	$1,195,463	$1,195,463	9/11/07	9/27/08	COST PLUS AWARD FEE
INFOZEN INCORPORATED	OTHER SCIENTIFIC AND TECHNICAL CONSULTING SERVICES	$3,815,524	$3,815,524	3/31/07	3/31/12	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)

INFOZEN INCORPORATED	OTHER SCIENTIFIC AND TECHNICAL CONSULTING SERVICES	$1,822,850	$1,822,850	7/31/07	3/31/12	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
INFOZEN INCORPORATED	OTHER SCIENTIFIC AND TECHNICAL CONSULTING SERVICES	$1,243,094	$1,243,094	3/14/07	9/27/11	COST PLUS AWARD FEE
INFOZEN INCORPORATED	OTHER SCIENTIFIC AND TECHNICAL CONSULTING SERVICES	$1,209,747	$1,209,747	7/23/07	9/27/11	COST PLUS AWARD FEE
INNOVATIONS GROUP INCORPORATED	CLAIMS ADJUSTING	$3,795,103	$3,795,103	8/15/07	8/31/08	COST PLUS FIXED FEE
INTERNATIONAL BUSINESS MACHINES CORPORATION	COMPUTER AND COMPUTER PERIPHERAL EQUIPMENT AND SOFTWARE MERCHANT WHOLESALERS	$1,500,000	$1,500,000	9/29/07	9/29/12	COST PLUS FIXED FEE
INTERNATIONAL BUSINESS MACHINES CORPORATION	COMPUTER AND COMPUTER PERIPHERAL EQUIPMENT AND SOFTWARE MERCHANT WHOLESALERS	$1,800,000	$1,800,000	9/29/07	9/29/12	COST PLUS FIXED FEE
INTERNATIONAL BUSINESS MACHINES CORPORATION	COMPUTER AND COMPUTER PERIPHERAL EQUIPMENT AND SOFTWARE MERCHANT WHOLESALERS	$8,684,719	$8,684,719	9/27/07	12/31/08	COST PLUS FIXED FEE
INVISION TECHNOLOGIES INCORPORATED	SECURITY SYSTEMS SERVICES (EXCEPT LOCKSMITHS)	$ 28,103,353	$ 28,103,353	10/20/06	3/10/07	FIXED PRICE
INVISION TECHNOLOGIES INCORPORATED	SECURITY SYSTEMS SERVICES (EXCEPT LOCKSMITHS)	$ 44,481,120	$ 44,481,120	3/16/07	3/10/10	FIXED PRICE
INVISION TECHNOLOGIES INCORPORATED	SECURITY SYSTEMS SERVICES (EXCEPT LOCKSMITHS)	$ 12,244,119	$ 12,244,119	8/21/07	3/10/10	FIXED PRICE
INVISION TECHNOLOGIES INCORPORATED	ARCHITECTURAL SERVICES	$2,340,000	$2,340,000	8/28/07	8/28/07	TIME AND MATERIALS
INVISION TECHNOLOGIES INCORPORATED	ARCHITECTURAL SERVICES	$1,100,000	$1,100,000	8/30/07	8/30/07	TIME AND MATERIALS
INVISION TECHNOLOGIES INCORPORATED	ARCHITECTURAL SERVICES	$1,258,200	$1,258,200	8/29/07	8/29/07	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
INVISION TECHNOLOGIES INCORPORATED	ARCHITECTURAL SERVICES	$1,832,000	$1,832,000	8/28/07	8/28/07	TIME AND MATERIALS
INVISION TECHNOLOGIES INCORPORATED	ARCHITECTURAL SERVICES	$1,514,220	$1,514,220	8/29/07	8/29/07	TIME AND MATERIALS

INVISION TECHNOLOGIES INCORPORATED	ARCHITECTURAL SERVICES	$ 76,080,000	$ 76,080,000	6/26/07	1/31/08	FIXED PRICE
INVISION TECHNOLOGIES INCORPORATED	ARCHITECTURAL SERVICES	$1,376,788	$1,376,788	8/6/07	8/13/08	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
INVISION TECHNOLOGIES INCORPORATED	ARCHITECTURAL SERVICES	$1,020,000	$1,020,000	6/29/07	8/30/07	FIXED PRICE
JACKSON HOLE AIRPORT BOARD	SECURITY GUARDS AND PATROL SERVICES	$ -	$4,716,063	8/31/07	9/30/10	FIXED PRICE
JACOBS CONSULTANCY	ADMINISTRATIVE MANAGEMENT AND GENERAL MANAGEMENT CONSULTING SERVICES	$2,276,447	$2,276,447	8/1/07	7/31/08	FIXED PRICE
KADIX SYSTEMS LIMITED LIABILITY COMPANY	ADMINISTRATIVE MANAGEMENT AND GENERAL MANAGEMENT CONSULTING SERVICES	$1,458,706	$1,458,706	3/20/07	3/20/08	FIXED PRICE
KASEMAN LIMITED LIABILITY COMPANY	ALL OTHER TRANSIT AND GROUND PASSENGER TRANSPORTATION	$ -	$2,895,969	4/2/07	3/31/08	FIXED PRICE
KASEMAN LIMITED LIABILITY COMPANY	ENGINEERING SERVICES	$1,637,022	$1,637,022	6/6/07	6/10/08	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
KASEMAN LIMITED LIABILITY COMPANY	ENGINEERING SERVICES	$1,800,355	$1,800,355	5/3/07	2/28/08	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
KASEMAN LIMITED LIABILITY COMPANY	ENGINEERING SERVICES	$1,303,255	$1,303,255	8/3/07	8/12/08	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
KASEMAN LLC	ENGINEERING SERVICES	$1,905,000	$1,905,000	9/19/07	9/30/10	COMBINATION (APPLIES TO AWARDS WHERE TWO OR MORE OF THE ABOVE APPLY)
KASEMAN LLC	ENGINEERING SERVICES	$1,188,602	$1,188,602	6/1/07	5/31/08	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
KLN STEEL PRODUCTS COMPANY	OFFICE FURNITURE (EXCEPT WOOD) MANUFACTURING	$1,910,540	$1,910,540	8/13/07	12/21/07	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)

KLN STEEL PRODUCTS COMPANY	OFFICE FURNITURE (EXCEPT WOOD) MANUFACTURING	$1,928,933	$1,928,933	6/7/07	12/7/07	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
KNOWLEDGE CONSULTING GROUP	MARKETING RESEARCH AND PUBLIC OPINION POLLING	$4,445,384	$4,445,384	7/5/07	6/22/11	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
KROLL GOVERNMENT SERVICES	ALL OTHER PROFESSIONAL, SCIENTIFIC, AND TECHNICAL SERVICES	$3,350,292	$3,350,292	10/31/06	11/1/07	FIXED PRICE
L 3 COMMUNICATIONS CORPORATION (4475)	ENGINEERING SERVICES	$ -	$174,010,000	3/22/07	9/9/07	FIXED PRICE
L 3 COMMUNICATIONS CORPORATION (4475)	ENGINEERING SERVICES	$ 23,826,534	$ 23,826,534	10/18/06	3/10/07	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
L 3 COMMUNICATIONS CORPORATION (4475)	ENGINEERING SERVICES	$ 32,190,665	$ 32,190,665	3/16/07	9/30/07	FIXED PRICE
L 3 COMMUNICATIONS CORPORATION (4475)	ENGINEERING SERVICES	$2,062,500	$2,062,500	8/15/07	3/10/08	FIXED PRICE
L 3 COMMUNICATIONS CORPORATION (4475)	ENGINEERING SERVICES	$5,125,633	$5,125,633	9/18/07	10/31/07	COMBINATION (APPLIES TO AWARDS WHERE TWO OR MORE OF THE ABOVE APPLY)
L 3 COMMUNICATIONS CORPORATION (4475)	ENGINEERING SERVICES	$6,485,170	$6,485,170	9/17/07	3/10/08	COMBINATION (APPLIES TO AWARDS WHERE TWO OR MORE OF THE ABOVE APPLY)
L 3 COMMUNICATIONS CORPORATION (4475)	NATIONAL SECURITY	$1,700,000	$1,700,000	9/20/07	7/24/09	FIXED PRICE
L 3 COMMUNICATIONS CORPORATION (4475)	NATIONAL SECURITY	$1,891,576	$1,891,576	8/3/07	2/3/08	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
L-3 COMMUNICATIONS SECURITY AN	ENGINEERING SERVICES	$ -	$223,091,093	12/5/06	5/31/07	TIME AND MATERIALS

L-3 COMMUNICATIONS SECURITY AN	ENGINEERING SERVICES	$ -	$223,494,036	3/30/07	9/30/07	FIXED PRICE
L-3 COMMUNICATIONS SECURITY AN	ENGINEERING SERVICES	$361,403	$1,730,097	6/27/07	6/30/08	FIXED PRICE
L-3 COMMUNICATIONS SECURITY AN	ENGINEERING SERVICES	$ -	$223,494,036	3/30/07	9/30/07	FIXED PRICE
L-3 COMMUNICATIONS SECURITY AN	ENGINEERING SERVICES	$ -	$224,294,702	2/8/07	2/28/07	FIXED PRICE
L-3 COMMUNICATIONS SECURITY AN	ENGINEERING SERVICES	$ 54,520	$154,884,166	7/17/07	8/28/07	FIXED PRICE
L-3 COMMUNICATIONS SECURITY AN	ENGINEERING SERVICES	$ -	$223,091,093	1/3/07	1/31/07	COMBINATION (APPLIES TO AWARDS WHERE TWO OR MORE OF THE ABOVE APPLY)
L-3 COMMUNICATIONS SECURITY AN	ENGINEERING SERVICES	$ 81,221	$225,101,931	3/21/07	6/30/07	TIME AND MATERIALS
L-3 COMMUNICATIONS SECURITY AN	ENGINEERING SERVICES	$520,000	$225,020,710	3/6/07	9/30/07	TIME AND MATERIALS
L-3 COMMUNICATIONS SECURITY AN	ENGINEERING SERVICES	$1,664,000	$2,184,000	6/25/07	11/6/07	TIME AND MATERIALS
L-3 COMMUNICATIONS SECURITY AN	ENGINEERING SERVICES	$2,698,305	$2,698,305	7/2/07	12/31/07	FIXED PRICE
L-3 COMMUNICATIONS SECURITY AN	ENGINEERING SERVICES	$1,203,609	$1,203,609	12/20/06	11/20/07	TIME AND MATERIALS
L-3 COMMUNICATIONS SECURITY AN	ENGINEERING SERVICES	$ 35,770,792	$ 35,770,792	6/28/07	12/30/08	FIXED PRICE
L-3 COMMUNICATIONS SECURITY AN	ENGINEERING SERVICES	$1,638,209	$1,638,209	8/27/07	6/30/08	TIME AND MATERIALS
L-3 COMMUNICATIONS SECURITY AN	ENGINEERING SERVICES	$3,569,948	$3,569,948	9/17/07	7/31/08	COMBINATION (APPLIES TO AWARDS WHERE TWO OR MORE OF THE ABOVE APPLY)
L-3 COMMUNICATIONS SECURITY AN	ENGINEERING SERVICES	$1,485,409	$1,485,409	7/12/07	5/31/08	FIXED PRICE

L-3 COMMUNICATIONS SECURITY AN	ENGINEERING SERVICES	$1,682,594	$1,682,594	9/7/07	6/30/08	COMBINATION (APPLIES TO AWARDS WHERE TWO OR MORE OF THE ABOVE APPLY)
L-3 COMMUNICATIONS SECURITY AN	ENGINEERING SERVICES	$1,775,000	$1,775,000	9/17/07	6/30/08	COMBINATION (APPLIES TO AWARDS WHERE TWO OR MORE OF THE ABOVE APPLY)
L-3 COMMUNICATIONS SECURITY AN	ENGINEERING SERVICES	$6,105,000	$6,105,000	6/28/07	12/31/08	FIXED PRICE
L-3 COMMUNICATIONS SECURITY AN	ENGINEERING SERVICES	$1,411,380	$1,411,380	9/28/07	9/30/08	FIXED PRICE
LANIER WORLDWIDE INCORPORATED	PHOTOGRAPHIC AND PHOTOCOPYING EQUIPMENT MANUFACTURING	$1,164,981	$1,164,981	3/9/07	4/30/11	FIXED PRICE
LOCKHEED MARTIN CORPORATION	ADMINISTRATIVE MANAGEMENT AND GENERAL MANAGEMENT CONSULTING SERVICES	$1,128,000	$1,128,000	1/29/07	1/31/12	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
LOCKHEED MARTIN CORPORATION	ADMINISTRATIVE MANAGEMENT AND GENERAL MANAGEMENT CONSULTING SERVICES	$1,128,000	$1,128,000	6/8/07	1/31/12	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
LOCKHEED MARTIN CORPORATION	ADMINISTRATIVE MANAGEMENT AND GENERAL MANAGEMENT CONSULTING SERVICES	$1,075,409	$1,075,409	7/25/07	1/31/12	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
LOCKHEED MARTIN CORPORATION	ADMINISTRATIVE MANAGEMENT AND GENERAL MANAGEMENT CONSULTING SERVICES	$2,634,325	$2,634,325	6/20/07	9/7/07	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
LOCKHEED MARTIN CORPORATION	ADMINISTRATIVE MANAGEMENT AND GENERAL MANAGEMENT CONSULTING SERVICES	$2,484,795	$2,484,795	7/12/07	12/31/07	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
LOCKHEED MARTIN TECHNICAL SERVICES INCORPORATED	PROFESSIONAL AND MANAGEMENT DEVELOPMENT TRAINING	$5,040,559	$5,040,559	1/8/07	5/6/07	FIXED PRICE INCENTIVE
LOCKHEED MARTIN TECHNICAL SERVICES INCORPORATED	PROFESSIONAL AND MANAGEMENT DEVELOPMENT TRAINING	$1,611,109	$ 19,447,343	2/8/07	2/8/07	FIXED PRICE INCENTIVE

LOCKHEED MARTIN TECHNICAL SERVICES INCORPORATED	PROFESSIONAL AND MANAGEMENT DEVELOPMENT TRAINING	$591,897	$ 20,039,240	2/21/07	2/21/07	FIXED PRICE INCENTIVE
LOCKHEED MARTIN TECHNICAL SERVICES INCORPORATED	PROFESSIONAL AND MANAGEMENT DEVELOPMENT TRAINING	$1,741,398	$1,741,398	8/10/07	5/6/08	FIXED PRICE INCENTIVE
LOCKHEED MARTIN TECHNICAL SERVICES INCORPORATED	PROFESSIONAL AND MANAGEMENT DEVELOPMENT TRAINING	$3,148,940	$3,148,940	11/1/06	5/6/07	FIXED PRICE INCENTIVE
LOCKHEED MARTIN TECHNICAL SERVICES INCORPORATED	PROFESSIONAL AND MANAGEMENT DEVELOPMENT TRAINING	$2,564,416	$ 48,462,006	1/31/07	5/12/07	FIXED PRICE INCENTIVE
LOCKHEED MARTIN TECHNICAL SERVICES INCORPORATED	PROFESSIONAL AND MANAGEMENT DEVELOPMENT TRAINING	$ 42,275	$ 48,504,281	4/9/07	11/15/07	FIXED PRICE INCENTIVE
LOCKHEED MARTIN TECHNICAL SERVICES INCORPORATED	PROFESSIONAL AND MANAGEMENT DEVELOPMENT TRAINING	$1,295,238	$1,295,238	10/31/06	10/31/07	FIXED PRICE INCENTIVE
LOCKHEED MARTIN TECHNICAL SERVICES INCORPORATED	PROFESSIONAL AND MANAGEMENT DEVELOPMENT TRAINING	$ -	$5,733,111	3/13/07	3/13/07	FIXED PRICE INCENTIVE
LOCKHEED MARTIN TECHNICAL SERVICES INCORPORATED	PROFESSIONAL AND MANAGEMENT DEVELOPMENT TRAINING	$122,619	$ 10,559,004	2/20/07	4/30/07	FIXED PRICE INCENTIVE
LOCKHEED MARTIN TECHNICAL SERVICES INCORPORATED	PROFESSIONAL AND MANAGEMENT DEVELOPMENT TRAINING	$4,070,181	$4,070,181	8/10/07	5/6/08	FIXED PRICE INCENTIVE
LOCKHEED MARTIN TECHNICAL SERVICES INCORPORATED	PROFESSIONAL AND MANAGEMENT DEVELOPMENT TRAINING	$2,837,715	$2,837,715	9/6/07	5/6/08	FIXED PRICE INCENTIVE
LOCKHEED MARTIN TECHNICAL SERVICES INCORPORATED	PROFESSIONAL AND MANAGEMENT DEVELOPMENT TRAINING	$ 13,615,334	$ 80,701,810	1/25/07	6/30/07	FIXED PRICE INCENTIVE
LOCKHEED MARTIN TECHNICAL SERVICES INCORPORATED	PROFESSIONAL AND MANAGEMENT DEVELOPMENT TRAINING	$4,465,632	$4,465,632	4/25/07	11/30/07	FIXED PRICE INCENTIVE
LOCKHEED MARTIN TECHNICAL SERVICES INCORPORATED	PROFESSIONAL AND MANAGEMENT DEVELOPMENT TRAINING	$2,935,693	$2,935,693	10/31/06	1/31/07	COMBINATION (APPLIES TO AWARDS WHERE TWO OR MORE OF THE ABOVE APPLY)

LOCKHEED MARTIN TECHNICAL SERVICES INCORPORATED	PROFESSIONAL AND MANAGEMENT DEVELOPMENT TRAINING	$3,129,136	$ 17,356,706	1/26/07	5/12/07	COMBINATION (APPLIES TO AWARDS WHERE TWO OR MORE OF THE ABOVE APPLY)
LOCKHEED MARTIN TECHNICAL SERVICES INCORPORATED	PROFESSIONAL AND MANAGEMENT DEVELOPMENT TRAINING	$713,992	$3,669,767	1/24/07	3/31/07	COMBINATION (APPLIES TO AWARDS WHERE TWO OR MORE OF THE ABOVE APPLY)
LOCKHEED MARTIN TECHNICAL SERVICES INCORPORATED	PROFESSIONAL AND MANAGEMENT DEVELOPMENT TRAINING	$3,260,200	$ 17,666,322	6/7/07	5/6/08	COMBINATION (APPLIES TO AWARDS WHERE TWO OR MORE OF THE ABOVE APPLY)
LOCKHEED MARTIN TECHNICAL SERVICES INCORPORATED	PROFESSIONAL AND MANAGEMENT DEVELOPMENT TRAINING	$3,422,720	$3,422,720	7/26/07	12/31/07	COMBINATION (APPLIES TO AWARDS WHERE TWO OR MORE OF THE ABOVE APPLY)
LTM INCORPORATED	OTHER COMPUTER RELATED SERVICES	$7,601,263	$7,601,263	8/30/07	9/30/08	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
MISCELLANEOUS FOREIGN CONTRACTORS	HOTELS (EXCEPT CASINO HOTELS) AND MOTELS	$600,000	$1,163,360	1/18/07	7/18/07	FIXED PRICE
NOBLE SALES COMPANY INCORPORATED	HARDWARE STORES	$1,019,951	$1,019,951	6/28/07	4/10/11	FIXED PRICE
NOMADICS INCORPORATED	OTHER APPAREL ACCESSORIES AND OTHER APPAREL MANUFACTURING	$3,382,509	$3,382,509	8/31/07	4/1/08	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
NORTHROP GRUMMAN SPACE AND MISSION SYSTEMS CORPORATION	ADMINISTRATIVE MANAGEMENT AND GENERAL MANAGEMENT CONSULTING SERVICES	$3,820,435	$3,820,435	8/6/07	11/26/07	FIXED PRICE
NORTHROP GRUMMAN SYSTEMS CORPORATION (5430)	ENGINEERING SERVICES	$ -	$ 25,271,315	12/29/06	2/28/07	FIXED PRICE
NORTHROP GRUMMAN SYSTEMS CORPORATION (5430)	ENGINEERING SERVICES	$ -	$ 37,447,568	2/22/07	3/31/07	FIXED PRICE

NORTHROP GRUMMAN SYSTEMS CORPORATION (5430)	ENGINEERING SERVICES	$ -	$ 30,617,561	3/30/07	6/30/07	FIXED PRICE
NORTHROP GRUMMAN SYSTEMS CORPORATION (5430)	ENGINEERING SERVICES	$4,200,000	$4,300,085	3/20/07	6/28/07	FIXED PRICE
NORTHROP GRUMMAN SYSTEMS CORPORATION (5430)	ENGINEERING SERVICES	$1,113,395	$1,113,395	5/7/07	6/28/07	FIXED PRICE
OBERON ASSOCIATES INCORPORATED	CUSTOM COMPUTER PROGRAMMING SERVICES	$1,561,331	$1,561,331	4/3/07	5/17/08	TIME AND MATERIALS
OMNIPLEX WORLD SERVICES CORPORATION	SECURITY GUARDS AND PATROL SERVICES	$6,427,385	$6,439,632	2/15/07	1/14/08	LABOR HOURS
ONYX OF ALEXANDRIA INCORPORATED	CUSTOM COMPUTER PROGRAMMING SERVICES	$1,211,537	$1,211,537	9/21/07	9/23/08	FIXED PRICE
ORACLE SOLUTION AND SERVICES LIMITED LIABILITY COMPANY	CUSTOM COMPUTER PROGRAMMING SERVICES	$1,378,960	$1,378,960	1/23/07	1/31/08	FIXED PRICE
P3 PARTNERS LIMITED LIABILITY COMPANY	ALL OTHER PROFESSIONAL, SCIENTIFIC, AND TECHNICAL SERVICES	$2,000,000	$2,000,000	7/6/07	7/4/10	FIXED PRICE
PERFORMANCE ASSESSMENT NETWORK INCORPORATED	HUMAN RESOURCES CONSULTING SERVICES (2007), HUMAN RESOURCES AND EXECUTIVE SEARCH CONSULTING SERVICES (2002)	$1,172,877	$1,172,877	5/24/07	5/31/07	FIXED PRICE
PLANNING SYSTEMS INCORPORATED	NATIONAL SECURITY	$3,000,000	$3,000,000	9/21/07	9/21/09	FIXED PRICE
PRAGMATICS INCORPORATED	COMPUTER SYSTEMS DESIGN SERVICES	$780,000	$5,187,427	9/25/07	9/24/08	LABOR HOURS
PRICEWATERHOUS ECOOPERS LLP (8324)	ADMINISTRATIVE MANAGEMENT AND GENERAL MANAGEMENT CONSULTING SERVICES	$2,512,631	$2,512,631	8/20/07	9/19/08	FIXED PRICE
PRICEWATERHOUS ECOOPERS LLP (8324)	ADMINISTRATIVE MANAGEMENT AND GENERAL MANAGEMENT CONSULTING SERVICES	$1,015,381	$1,015,381	9/10/07	9/19/08	FIXED PRICE
PROFESSIONAL SOLUTIONS LIMITED LIABILITY COMPANY	OTHER SCIENTIFIC AND TECHNICAL CONSULTING SERVICES	$1,559,572	$1,559,572	5/1/07	4/30/12	FIXED PRICE
PROGRAM MANGT ASSO	ADMINISTRATIVE MANAGEMENT AND GENERAL MANAGEMENT CONSULTING SERVICES	$3,340,403	$3,340,403	4/3/07	6/27/09	FIXED PRICE

RAPISCAN SECURITY PRODUCTS (USA) INCORPORATED	SEARCH, DETECTION, NAVIGATION, GUIDANCE, AERONAUTICAL, AND NAUTICAL SYSTEM AND INSTRUMENT MANUFACTURING	$9,269,768	$9,269,768	9/27/07	9/25/08	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
RAYTHEON TECHNICAL SERVICES COMPANY LIMITED LIABILITY COMPANY (5772)	ENGINEERING SERVICES	$1,383,275	$1,383,275	5/31/07	10/31/07	LABOR HOURS
RAYTHEON TECHNICAL SERVICES COMPANY LIMITED LIABILITY COMPANY (5772)	ENGINEERING SERVICES	$3,000,000	$3,000,000	4/6/07	4/5/08	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
RAYTHEON TECHNICAL SERVICES COMPANY LIMITED LIABILITY COMPANY (5772)	ENGINEERING SERVICES	$ 11,069,664	$ 11,069,664	9/20/07	4/5/08	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
RAYTHEON TECHNICAL SERVICES COMPANY LIMITED LIABILITY COMPANY (5772)	ENGINEERING SERVICES	$5,496,000	$5,496,000	9/19/07	9/18/08	TIME AND MATERIALS
RAYTHEON TECHNICAL SERVICES COMPANY LIMITED LIABILITY COMPANY (5772)	SECURITY GUARDS AND PATROL SERVICES	$2,016,050	$2,016,050	5/24/07	9/30/11	COST PLUS AWARD FEE
RESOURCE MANAGEMENT CONCEPTS,	ENVIRONMENTAL CONSULTING SERVICES	$3,039,972	$3,039,972	6/12/07	7/11/09	FIXED PRICE
REVEAL IMAGING TECHNOLOGIES INCORPORATED	ALL OTHER MISCELLANEOUS MANUFACTURING	$9,856,500	$9,856,500	2/8/07	9/30/07	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
REVEAL IMAGING TECHNOLOGIES INCORPORATED	ALL OTHER MISCELLANEOUS MANUFACTURING	$ 11,168,200	$ 11,168,200	6/20/07	9/30/08	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
REVEAL IMAGING TECHNOLOGIES INCORPORATED	ALL OTHER MISCELLANEOUS MANUFACTURING	$1,097,400	$1,097,400	8/29/07	9/23/10	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
REVEAL IMAGING TECHNOLOGIES INCORPORATED	ALL OTHER MISCELLANEOUS MANUFACTURING	$ 10,758,600	$ 10,758,600	9/11/07	9/23/10	COMBINATION (APPLIES TO AWARDS WHERE TWO OR MORE OF THE ABOVE APPLY)

REVEAL IMAGING TECHNOLOGIES INCORPORATED	SEARCH, DETECTION, NAVIGATION, GUIDANCE, AERONAUTICAL, AND NAUTICAL SYSTEM AND INSTRUMENT MANUFACTURING	$5,865,710	$5,865,710	9/26/07	9/25/08	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
ROBBINS GIOIA LIMITED LIABILITY COMPANY	ADMINISTRATIVE MANAGEMENT AND GENERAL MANAGEMENT CONSULTING SERVICES	$1,879,565	$1,879,565	11/17/06	12/26/07	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
ROBBINS GIOIA LIMITED LIABILITY COMPANY	ADMINISTRATIVE MANAGEMENT AND GENERAL MANAGEMENT CONSULTING SERVICES	$3,267,671	$3,267,671	2/12/07	6/27/09	LABOR HOURS
ROBBINS GIOIA LIMITED LIABILITY COMPANY	ADMINISTRATIVE MANAGEMENT AND GENERAL MANAGEMENT CONSULTING SERVICES	$1,382,901	$1,382,901	8/16/07	6/27/09	LABOR HOURS
SCIENCE APPLICATIONS INTERNATIONAL CORPORATION	ENGINEERING SERVICES	$4,053,877	$4,053,877	12/26/06	3/31/07	COMBINATION (APPLIES TO AWARDS WHERE TWO OR MORE OF THE ABOVE APPLY)
SCIENCE APPLICATIONS INTERNATIONAL CORPORATION	ENGINEERING SERVICES	$1,400,000	$1,400,000	3/28/07	6/30/07	COMBINATION (APPLIES TO AWARDS WHERE TWO OR MORE OF THE ABOVE APPLY)
SCIENCE APPLICATIONS INTERNATIONAL CORPORATION	ENGINEERING SERVICES	$1,350,000	$1,350,000	4/6/07	6/30/07	COMBINATION (APPLIES TO AWARDS WHERE TWO OR MORE OF THE ABOVE APPLY)
SCIENCE APPLICATIONS INTERNATIONAL CORPORATION	ENGINEERING SERVICES	$2,239,217	$2,239,217	6/15/07	12/31/07	COMBINATION (APPLIES TO AWARDS WHERE TWO OR MORE OF THE ABOVE APPLY)
SCIENCE APPLICATIONS INTERNATIONAL CORPORATION	ENGINEERING SERVICES	$1,299,508	$1,299,508	11/30/06	9/30/07	COST PLUS AWARD FEE
SCIENCE APPLICATIONS INTERNATIONAL CORPORATION	REMEDIATION SERVICES	$6,931,922	$6,931,922	10/24/06	9/14/11	FIXED PRICE
SCIENCE APPLICATIONS INTERNATIONAL CORPORATION	COMPUTER FACILITIES MANAGEMENT SERVICES	$818,113	$1,460,145	8/30/07	8/31/08	COST PLUS AWARD FEE

SETA CORPORATION	CUSTOM COMPUTER PROGRAMMING SERVICES	$1,628,419	$1,628,419	1/5/07	1/11/09	COST PLUS AWARD FEE
SETA CORPORATION	CUSTOM COMPUTER PROGRAMMING SERVICES	$4,885,257	$4,885,257	4/10/07	1/11/09	COST PLUS AWARD FEE
SETA CORPORATION	CUSTOM COMPUTER PROGRAMMING SERVICES	$1,809,276	$1,809,276	1/10/07	1/11/09	COST PLUS AWARD FEE
SIEMENS MAINTENANCE SERVICES LIMITED LIABILITY COMPANY	PROCESS, PHYSICAL DISTRIBUTION, AND LOGISTICS CONSULTING SERVICES	$ 84,856,595	$ 84,856,595	10/26/06	9/30/07	FIXED PRICE
SIEMENS MAINTENANCE SERVICES LIMITED LIABILITY COMPANY	PROCESS, PHYSICAL DISTRIBUTION, AND LOGISTICS CONSULTING SERVICES	$6,250,000	$6,250,000	2/6/07	9/30/07	FIXED PRICE
SIEMENS MAINTENANCE SERVICES LIMITED LIABILITY COMPANY	PROCESS, PHYSICAL DISTRIBUTION, AND LOGISTICS CONSULTING SERVICES	$1,500,000	$1,500,000	3/20/07	9/30/07	FIXED PRICE
SIEMENS MAINTENANCE SERVICES LIMITED LIABILITY COMPANY	PROCESS, PHYSICAL DISTRIBUTION, AND LOGISTICS CONSULTING SERVICES	$ 10,000,000	$ 10,000,000	7/26/07	9/30/08	FIXED PRICE
SMITHS DETECTION DANBURY	SEARCH, DETECTION, NAVIGATION, GUIDANCE, AERONAUTICAL, AND NAUTICAL SYSTEM AND INSTRUMENT MANUFACTURING	$6,853,316	$6,853,316	3/30/07	3/28/08	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
SMITHS DETECTION DANBURY	SEARCH, DETECTION, NAVIGATION, GUIDANCE, AERONAUTICAL, AND NAUTICAL SYSTEM AND INSTRUMENT MANUFACTURING	$ 16,533,682	$ 16,533,682	5/8/07	5/8/08	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
SMITHS DETECTION INCORPORATED (2823)	SEARCH, DETECTION, NAVIGATION, GUIDANCE, AERONAUTICAL, AND NAUTICAL SYSTEM AND INSTRUMENT MANUFACTURING	$ 20,960,000	$ 20,960,000	9/26/07	9/26/08	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
ST NET APPTIS FIRSTSOURCE JOINT VENTURE	OTHER COMPUTER RELATED SERVICES	$1,081,374	$1,081,374	6/18/07	7/18/07	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
SYSTEMS INTEGRATION INCORPORATED	OTHER COMPUTER RELATED SERVICES	$6,471,806	$6,471,806	3/8/07	4/30/09	FIXED PRICE AWARD FEE
SYSTEMS RESEARCH AND APPLICATI	ADMINISTRATIVE MANAGEMENT AND GENERAL MANAGEMENT CONSULTING SERVICES	$2,018,730	$2,018,730	12/1/06	12/31/07	FIXED PRICE LEVEL OF EFFORT

SYTEX INCORPORATED	OTHER APPAREL ACCESSORIES AND OTHER APPAREL MANUFACTURING	$1,786,432	$1,786,432	8/24/07	12/27/10	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
SYTEX, INC.	OTHER APPAREL ACCESSORIES AND OTHER APPAREL MANUFACTURING	$1,781,692	$1,781,692	1/3/07	12/27/10	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
SYTEX, INC.	OTHER APPAREL ACCESSORIES AND OTHER APPAREL MANUFACTURING	$1,400,000	$1,400,000	4/2/07	12/27/10	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
THE MITRE CORPORATION	ENGINEERING SERVICES	$3,301,917	$3,301,917	1/29/07	10/1/07	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
TKC TECHNOLOGY SOLUTIONS LIMITED LIABILITY COMPANY	DATA PROCESSING, HOSTING, AND RELATED SERVICES	$1,693,250	$1,693,250	11/20/06	9/30/07	FIXED PRICE
TOTAL ENTERPRISES INCORPORATED	FINANCIAL TRANSACTIONS PROCESSING, RESERVE, AND CLEARINGHOUSE ACTIVITIES	$1,808,355	$3,530,611	12/22/06	12/31/07	FIXED PRICE
UNISYS CORPORATION	ALL OTHER SUPPORT SERVICES	$2,907,407	$2,907,407	1/9/07	12/31/07	FIXED PRICE
UNISYS CORPORATION	ALL OTHER SUPPORT SERVICES	$2,254,571	$2,254,571	12/11/06	12/31/07	FIXED PRICE
UNISYS CORPORATION	ALL OTHER SUPPORT SERVICES	$4,992,750	$4,992,750	9/27/07	6/30/08	FIXED PRICE
UNISYS CORPORATION	ALL OTHER SUPPORT SERVICES	$2,211,294	$2,211,294	10/26/06	10/31/07	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
UNISYS CORPORATION	ALL OTHER SUPPORT SERVICES	$2,087,616	$2,087,616	10/26/06	10/31/07	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
UNISYS CORPORATION	ALL OTHER SUPPORT SERVICES	$1,044,633	$1,044,633	12/20/06	12/31/07	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
UNISYS CORPORATION	ALL OTHER SUPPORT SERVICES	$3,310,186	$3,310,186	5/15/07	12/31/07	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)

UNISYS CORPORATION	ALL OTHER SUPPORT SERVICES	$1,268,984	$1,268,984	7/12/07	12/31/07	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
UNISYS CORPORATION	ALL OTHER SUPPORT SERVICES	$1,583,046	$1,583,046	1/17/07	7/31/07	FIXED PRICE
UNISYS CORPORATION	ALL OTHER SUPPORT SERVICES	$1,059,048	$1,059,048	1/29/07	12/31/07	FIXED PRICE
UNISYS CORPORATION	ALL OTHER SUPPORT SERVICES	$1,359,843	$1,359,843	1/10/07	9/30/07	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
UNISYS CORPORATION	ALL OTHER SUPPORT SERVICES	$2,195,680	$2,195,680	5/11/07	5/10/08	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
UNISYS CORPORATION	ALL OTHER SUPPORT SERVICES	$7,254,468	$7,254,468	12/5/06	9/30/07	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
UNISYS CORPORATION	ALL OTHER SUPPORT SERVICES	$1,098,336	$1,098,336	12/28/06	3/31/07	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
UNISYS CORPORATION	ALL OTHER SUPPORT SERVICES	$4,208,614	$4,208,614	5/3/07	9/30/07	FIXED PRICE
UNISYS CORPORATION	ALL OTHER SUPPORT SERVICES	$2,188,075	$2,188,075	9/13/07	12/31/07	FIXED PRICE
UNISYS CORPORATION	ALL OTHER SUPPORT SERVICES	$ 82,912,931	$ 82,912,931	1/1/07	3/31/07	FIXED PRICE
UNISYS CORPORATION	ALL OTHER SUPPORT SERVICES	$ 24,708,805	$ 24,708,805	3/30/07	12/31/07	FIXED PRICE
UNISYS CORPORATION	ALL OTHER SUPPORT SERVICES	$ 25,298,689	$ 25,298,689	7/1/07	12/31/07	FIXED PRICE
UNISYS CORPORATION	ALL OTHER SUPPORT SERVICES	$ 24,114,515	$ 24,114,515	9/10/07	12/31/07	FIXED PRICE
UNISYS CORPORATION	ALL OTHER SUPPORT SERVICES	$1,530,581	$1,530,581	1/23/07	9/30/07	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
UNISYS CORPORATION	ALL OTHER SUPPORT SERVICES	$1,052,469	$1,052,469	3/23/07	12/31/07	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
UNISYS CORPORATION	ALL OTHER SUPPORT SERVICES	$2,381,624	$2,381,624	8/20/07	12/31/07	FIXED PRICE

UNISYS CORPORATION	ALL OTHER SUPPORT SERVICES	$1,756,240	$1,756,240	3/29/07	12/31/07	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
UNISYS CORPORATION	ALL OTHER SUPPORT SERVICES	$1,294,541	$1,294,541	8/23/07	8/15/08	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
UNISYS CORPORATION	ALL OTHER SUPPORT SERVICES	$1,683,512	$1,683,512	7/26/07	8/31/08	OTHER (APPLIES TO AWARDS WHERE NONE OF THE ABOVE APPLY)
UNISYS CORPORATION	ALL OTHER SUPPORT SERVICES	$1,262,670	$1,262,670	9/12/07	9/11/08	TIME AND MATERIALS
UNISYS CORPORATION	ALL OTHER SUPPORT SERVICES	$1,049,217	$1,049,217	8/13/07	12/31/07	TIME AND MATERIALS
VF IMAGEWEAR INCORPORATED	INDUSTRIAL LAUNDERERS	$8,500,000	$8,500,000	2/21/07	3/31/08	FIXED PRICE
VF IMAGEWEAR INCORPORATED	INDUSTRIAL LAUNDERERS	$4,000,000	$ 40,124,476	7/18/07	6/30/08	FIXED PRICE
VIC THOMPSON COMPANY	ENGINEERING SERVICES	$1,119,404	$1,119,404	12/19/06	2/22/07	FIXED PRICE
VIC THOMPSON COMPANY	ENGINEERING SERVICES	$2,877,283	$2,877,283	3/21/07	3/21/08	TIME AND MATERIALS
WRIGHT SOLUTIONS, INC.	OFFICE ADMINISTRATIVE SERVICES	$222,982	$1,962,051	3/19/07	3/22/08	FIXED PRICE

79. Please provide for the record a list of all TSA contracts, grants and other transactions where work is performed outside of the United States. Organize by contractor, purpose, dollar award, full performance value, contract start date, and contract end date.

ANSWER: Please see the chart on the following page.

Vendor Name	Place of Performance Country Name	Description of Requirement	Action Obligation	Base and Exercised Options Value	Effective Date	Completion Date
EKMAN GROUP TRAINING DIVISION THE	CANADA	THE PURPOSE OF THIS PROCUREMENT IS TO OBTAIN SERVICES TO PROVIDE A TWO DAY TRAINING COURSE ENTITLED "EVALUATING TRUTHFULNESS AND DETECTING DECEPTION". IT CONSISTS OF VERBAL, NON-VERBAL, FACIAL EXPRESSIONS, VOICE PITCH, CRITERIA-BASED CONTENT ANALYSIS (CBCA), STATEMENT ANALYSIS AND MEMORY RECALL AS IT RELATES TO DECEPTION OR TRUTHFULNESS.	$ 990,900	$ 990,900	7/15/07	8/18/07
EKMAN GROUP TRAINING DIVISION THE	CANADA	THE PURPOSE OF THIS PROCUREMENT IS TO OBTAIN SERVICES TO PROVIDE A TWO DAY TRAINING COURSE ENTITLED "EVALUATING TRUTHFULNESS AND DETECTING DECEPTION". IT CONSISTS OF VERBAL, NON-VERBAL, FACIAL EXPRESSIONS, VOICE PITCH, CRITERIA-BASED CONTENT ANALYSIS (CBCA), STATEMENT ANALYSIS AND MEMORY RECALL AS IT RELATES TO DECEPTION OR TRUTHFULNESS.	$ 54,000	$ 54,000	7/24/07	8/18/07
MIDPOINT INTERNATIONAL INCORPORATED	CANADA	PURCHASE OF PLASTIC RECYCLING BINS FOR SELECTED FIELD LOCATIONS.	$ 6,708	$ 6,708	10/27/06	6/14/10
SOREQ NAHAL SOREQ NUCLEAR RESEARCH CENTER	ISRAEL	SUPPORT REQUIREMENTS IN PROPOSAL TITLED	$ -	$ -	2/28/07	3/29/08

80. How much funding was awarded by TSA using the GSA schedule in 2007? What do you anticipate in 2008?

ANSWER: $174,943,209 was awarded by the Transportation Security Administration (TSA) using the General Services Administration schedule in 2007. TSA expects to award a similar amount in 2008.

Bonuses

81. Please list for the record all political positions at TSA that received a bonus in 2007. Include the position, the office, and the amount of the bonus.

ANSWER:

ORG	Position Title	Total Award Amount
POLITICALS		
HQ	Advisor to the Assistant Secretary	$ 462.00
HQ SC&PA	Assistant Administrator, Strategic Communications & Public Affairs (Arlington VA)	$10,000.00

82. Please list for the record all career positions at TSA that received a bonus or quality step increase in 2007. Include the position, the office, and the amount of the bonus/step increase.

ANSWER: TSES do not receive in band (or quality step) increases; they are eligible for annual pay adjustment considerations.

Office	Position Title	Amount
FAMS	Special Agent-in-Charge, Miami Field Office	$15,000
FAMS	Asst. Dir - Office of Security Services and Assessment (Reston VA)	$20,000
FAMS	Deputy Assistant Administrator for Law Enforcement/FAMS (Arlington VA)	$25,000
FAMS	Assistant Director, Office of Field Operations (Reston, VA)	$15,000
FAMS	FAMS - Special Agent-in-Charge, Atlanta Field Office	$15,000
FAMS	Deputy Assistant Director, Office of Field Operations (Reston, VA)	$15,000
FAMS	Special Agent-in-Charge, Washington Field Office	$15,000
FAMS	Special Agent-in-Charge, Chicago Field Office	$8,000
FAMS	Special Agent-in-Charge, Philadelphia Field Office	$10,000
FAMS	Special Agent-in-Charge, Los Angeles Field Office	$8,000
FAMS	Special Agent-in-Charge, Newark Field Office	$8,000
FAMS	Plans Officer	$10,000
FAMS	Assistant Director, Office of Flight Operations (Reston VA)	$25,000
FAMS	Special Agent-in-Charge, Houston Field Office	$10,000
FAMS	Special Agent-in-Charge, Dallas Field Office	$15,000
FAMS	Special Agent-in-Charge, Detroit Field Office	$10,000
FAMS	Special Agent-in-Charge, Orlando Field Office	$8,000
FAMS	Deputy Assistant Director, Office of Security Services and Assessment (Reston VA)	$10,000

Office	Position Title	Amount
FAMS	Deputy Assistant Director- TSOC, Herndon, VA	$20,000
FIELD	FSD - Cat 1 (Austin - Bergstrom International Airport)	$10,000
FIELD	FSD Cat 1 (San Diego International Airport)	$15,000
FIELD	SFE - Western Area (Denver International Airport)	$10,000
FIELD	DFSD/Acting FSD Cat X (Denver International Airport)	$8,000
FIELD	FSD Cat X (Detroit Metro Wayne County Airport)	$15,000
FIELD	FSD Cat X (Luis Munoz Marin International Airport, PR)	$8,000
FIELD	SFE - Central Area - (Arlington VA)	$15,000
FIELD	FSD Cat X (Reagan National Airport Arlington VA)	$10,000
FIELD	FSD Cat 1 (Anchorage, AK)	$10,000
FIELD	DFSD. Cat X (LaGuardia International Airport, NY, NY)	$8,000
FIELD	DFSD Cat X (Detroit Metro Wayne County Airport)	$10,000
FIELD	FSD - Cat X (Los Angeles International Airport)	$15,000
FIELD	SFE -Eastern Area (JFK, NY NY)	$15,000
FIELD	Acting FSD - Savannah Int. Airport/DFSD - Cat X (Hartsfield Atlanta International Airport, GA)	$8,000
FIELD	FSD - Cat X (Miami International Airport NJ)	$10,000
FIELD	FSD - Cat X (LaGuardia International Airport, NY, NY)	$12,500
FIELD	FSD - Cat 1 (Portland International Airport, OR)	$15,000
FIELD	FSD - Cat X (Orlando International Airport FL)	$20,000
FIELD	FSD - Cat X (Minneapolis/St Paul, MN)	$30,000
FIELD	FSD - Cat X (Washington-Dulles International Airport, VA)	$8,000
FIELD	FSD- Cat I (Fort Lauderdale, FL)	$8,000
FIELD	FSD - Cat 1 (Houston Intercontinental Airport TX)	$8,000

Office	Position Title	Amount
FIELD	FSD - Cat X (George Bush International Airport TX)	$8,000
FIELD	DFSD - Cat X (Phoenix International Airport)	$8,000
FIELD	FSD- Cat X (Chicago O' Hare Airport)	$8,000
FIELD	FSD - Cat X (McCarran International Airport), Las Vegas, NV	$15,000
FIELD	DFSD Cat X (Baltimore Washington International)	$10,000
FIELD	DFSD - Cat X (Orlando International Airport)	$10,000
FIELD	FSD - Cat X (Baltimore Washington International)	$15,000
FIELD	FSD - Cat X (Lambert St. Louis International Airport)	$10,000
FIELD	DFSD/Acting FSD - Cat X (John F. Kennedy International Airport)	$10,000
FIELD	FSD - Cat 1 (San Antonio International Airport)	$10,000
FIELD	SFE - Western Area (John Wayne Airport CA)	$15,000
FIELD	FSD - Cat X (Hartsfield Atlanta International Airport)	$8,000
FIELD	FSD - Cat X (Cincinnati/Northern Kentucky International Airport)	$10,000
FIELD	DFSD - Cat X (Miami International Airport)	$10,000
FIELD	FSD - Cat 1 (San Jose International Airport)	$8,000
HQ ACQ	Exec. Director Prog. Analysis & Support (Arlington VA)	$8,000
HQ ACQ	Assistant Administrator for Acquisition (Arlington VA)	$19,000
HQ ACQ	Deputy Assistant Administrator for Acquisitions (Arlington VA)	$10,000
HQ ADM	Deputy Assistant Secretary for TSA (Arlington VA)	$25,000
HQ FAMS	Assistant Administrator for Law Enforcement/FAMS (Arlington VA)	$20,000
HQ FIN & ADMIN	Director of Financial Management (Arlington VA)	$10,000
HQ FIN & ADMIN	Dep. Fin & Admin, Director, Budget and Peformance (Arlington VA)	$10,000
HQ FIN & ADMIN	Assistant Administrator for Fin and Admin (Arlington VA)	$20,000
HQ FIN & ADMIN	Dept. Fin & Admin, Chief, Administrative Officer (Arlington VA)	$15,000

Office	Position Title	Amount
HQ INSP	Assistant Administrator for OIAPR (Arlington VA)	$25,000
HQ INTEL	Assistant Administrator for Intelligence and Analysis (Arlington VA)	$10,000
HQ OCC	Dep Chief Counsel - Ops (Arlington VA)	$19,000
HQ OCC	Acting DAA OHC/Dep Chief Counsel - Administration (Arlington VA)	$20,500
HQ OCC	Legislative Counsel (Arlington VA)	$19,000
HQ OCC	Chief Counsel (Arlington VA)	$23,000
HQ OCC	Dep Chief Counsel Litigation (Arlington VA)	$17,500
HQ OCC	Dep Chief Counsel Regulations (Arlington VA)	$17,500
HQ OCC	Dep Chief Counsel Procurement (Arlington VA)	$15,000
HQ OPT	Director/Deputy Chief Technology Officer (Arlington VA)	$12,500
HQ OPT	Director/Deputy Chief Information Officer (Arlington VA)	$10,500
HQ OSO	General Manager Operational Plans and Programs (Arlington VA	$10,000
HQ OSO	Area Director - Western Area (Arlington, VA)	$10,000
HQ OSO	General Manager of Field Operations (Arlington VA)	$10,000
HQ OSO	Area Director - Eastern Area (Arlington VA)	$10,000
HQ OSO	General Manager of Operational Performance (Arlington VA)	$10,000
HQ OSO	Assistant Administrator for Security Operations - (Arlington VA)	$49,000
HQ OSO	Assistant General Manager, Screening (Arlington VA)	$8,000
HQ SPEC COUNS	Special Counselor (Arlington VA)	$20,000
HQ TSNM	General Manager, Highway & Motor (Arlington VA)	$10,000
HQ TSNM	General Manager, Pipeline (Arlington VA)	$10,000
HQ TSNM	General Manager, Rail (Arlington VA)	$10,000
HQ TSNM	General Manager, Transportation Sector Network Integration	$19,000
HQ TSNM	Senior International Advisor (London, England)	$15,000
HQ TSNM	General Manager, International (Arlington VA)	$13,450
HQ TSNM	Sr. Advisor, International Affairs	$5,000

83. Please list by office and pay grade level the number of non-SES employees (not including screeners) who received a bonus or quality step increase (qsi) in 2007, the total bonus/qsi expenditures for the particular office and pay grade, and the total number of employees in the office and pay grade.

ANSWER: TSA does not award quality step increases. These are found in the Federal civil services but not in the TSA compensation system. A list of bonuses follows:

CASH AWARD SUMMARY FOR CALENDAR YEAR 07 BY TSA ORGANIZATION AND PAY BAND

		PAY BAND												
TSA ORGANIZATIONS	CATEGORIES	B	C	D	E	F	G	H	I	J	K	L	M	Grand Total
Acquisition	Total Number of Employees		2		5	12	38	26	20	31	20			154
	# of Employees Who Received an Award				4	2	7	15	6	10	8			52
	Total $ Value of Awards Received				$2,250	$1,250	$4,625	$12,750	$5,375	$7,500	$8,750			$42,500
Assistant Secretary	Total Number of Employees		2	1	1	3		4	4	1	3			19
	# of Employees Who Received an Award					1			2		1			4
	Total $ Value of Awards Received					$2,000			$5,000		$6,000			$13,000
Business Transformation and Culture	Total Number of Employees			1		1	1	2	4	11	10	1		31
	# of Employees Who Received an Award									3	1			4
	Total $ Value of Awards Received									$785	$670			$1,455
Chief Counsel	Total Number of Employees	1	1	11	1	6	6	7	18	48	91	47		237
	# of Employees Who Received				2		1	1	3	6	13	10		36
	Total $ Value of Awards Received				$1,100		$750	$500	$1,750	$4,250	$14,350	$10,750		$33,450
Finance & Administration / CFO	Total Number of Employees			1	1	17	26	28	26	72	31			202
	# of Employees Who Received an Award					12	11	8	18	15	5			69
	Total $ Value of Awards Received					$2,300	$3,825	$2,175	$6,650	$8,925	$7,500			$31,375
Human Capital	Total Number of Employees				1	11	14	23	38	80	48	2		217
	# of Employees Who Received an Award					5	11	12	11	31	21			91
	Total $ Value of Awards Received					$1,450	$4,600	$5,750	$4,136	$17,556	$17,450			$50,942
Inspection	Total Number of Employees	1				2	10	12	12	134	33			204
	# of Employees Who Received an Award						5	1	1	52	16			75
	Total $ Value of Awards Received						$4,100	$465	$500	$35,048	$31,850			$71,963
Intelligence & Analysis	Total Number of Employees						3	18	29	48	19			117
	# of Employees Who Received an Award							2	9	11	6			28
	Total $ Value of Awards Received							$500	$8,500	$19,250	$26,300			$54,550
Law Enforcement	Total Number of Employees													Protected information
	# of Employees Who Received an Award		1			5	20	30	57	28	13	5		159
	Total $ Value of Awards Received		$250			$1,250	$16,482	$10,890	$30,716	$14,530	$9,000	$3,300		$86,418

CASH AWARD SUMMARY FOR CALENDAR YEAR 07 BY TSA ORGANIZATION AND PAY BAND

TSA ORGANIZATIONS	CATEGORIES	PAY BAND												
		B	C	D	E	F	G	H	I	J	K	L	M	Grand Total
Legislative Affairs	Total Number of Employees					1	2	2	4	1	1			**11**
	# of Employees Who Received an Award					2		1		2	2			**7**
	Total $ Value of Awards Received					$5,500		$500		$10,000	$6,500			**$22,500**
Office of Global Strategy	Total Number of Employees													
	# of Employees Who Received an Award								10	11	10			**31**
	Total $ Value of Awards Received								$10,420	$4,850	$10,400			**$25,670**
Operational Process & Technology	Total Number of Employees	2	2		1	4	9	12	22	134	98	16		**300**
	# of Employees Who Received an Award					2	2	4	9	41	33	6		**97**
	Total $ Value of Awards Received					$880	$1,500	$2,500	$4,820	$33,620	$34,095	$11,170		**$88,585**
Operations Directorate (COO)	Total Number of Employees	1	3	1	3	5	5	16	24	22	5			**85**
	# of Employees Who Received an Award									1				**1**
	Total $ Value of Awards Received									$175				**$175**
Security Operations	Total Number of Employees			8	71	185	219	1,513	1,584	672	396	4		**4,652**
	# of Employees Who Received an Award			2	61	147	274	677	674	266	102			**2,203**
	Total $ Value of Awards Received			$625	$44,030	$84,062	$209,196	$467,689	$327,587	$144,460	$77,631			**$1,355,280**
Special Counselor	Total Number of Employees		1		2	7	14	17	28	31	21	2		**123**
	# of Employees Who Received an Award					3	5	6	10	16	6			**46**
	Total $ Value of Awards Received					$600	$1,500	$1,584	$3,036	$6,500	$5,000			**$18,220**
Strategic Communications & Public Affairs	Total Number of Employees		1			3	1	5	6	16	5			**37**
	# of Employees Who Received an Award							1		2	1			**4**
	Total $ Value of Awards Received							$300		$1,500	$500			**$2,300**

CASH AWARD SUMMARY FOR CALENDAR YEAR 07 BY TSA ORGANIZATION AND PAY BAND

TSA ORGANIZATIONS	CATEGORIES	PAY BAND												
		B	C	D	E	F	G	H	I	J	K	L	M	Grand Total
Support Systems Directorate CSSO	Total Number of Employees				1	2	1	2	3	7	1			**17**
	# of Employees Who Received an Award							1						**1**
	Total $ Value of Awards Received							$250						**$250**
Transportation Sector Network Management	Total Number of Employees		1		1	12	15	18	28	86	86	4		**251**
	# of Employees Who Received an Award					3	4	10	17	34	39	1		**108**
	Total $ Value of Awards Received					$917	$3,000	$13,750	$14,510	$39,602	$66,327	$3,000		**$141,106**
Transportation Threat Assessment & Credentialing	Total Number of Employees					5	10	22	28	62	47	5		**179**
	# of Employees Who Received an Award							2	1	2	4	3		**12**
	Total $ Value of Awards Received							$2,000	$2,000	$5,500	$7,250	$30,000		**$46,750**
Total Number of Employees														
Total # of Employees Who Received an Award			1	2	67	182	340	772	828	531	281	25		**3,028**
Total $ Value of Awards Received			**$250**	**$625**	**$47,380**	**$100,209**	**$249,578**	**$523,603**	**$424,998**	**$354,051**	**$329,572**	**$58,220**		**$2,086,487**

** Omitted all Transportation Security Officers (screeners, lead and supervisory)

** Omitted all Transportation Security Managers

** Omitted all employees who received the Transportation Success Increase (TSI) - this a general award

Pay Band B includes all student trainees who received an award during the fiscal year.

Office of Global Strategy was an amalgamation of OSO and TSNM and therefore, the "total number of employees" in that row is blank.

Total number of employees is higher than the number of employees in the President's FY 2009 Budget for two reasons: 1) it includes employees on-board during the entire year, including employees who have left, and 2) includes interns.

84. Please provide a table showing how much is requested in the 2009 budget for bonuses for TSA political employees, TSA SES employees, and TSA non-SES employees.

ANSWER: The fiscal year 2009 Transportation Security Administration (TSA) Budget does not contain a specific request for bonus funding. Awards and bonuses are paid out of each program's allocation for personnel funding.

Travel

85. Please provide for the record a table that shows all funds expended by TSA political employees for travel in 2007. Include name of individual traveling, purpose of travel, location(s) visited, and total cost.

ANSWER: Please see the following table.

FY 2007 Travel by TSA Political Appointees

Name and Purpose of Travel	Location(s) Visited	Trip Cost
Kip Hawley		
Conference Attendance	Sydney, Australia	$13,207.38
Conference Attendance	St. Louis, MO	993.87
Conference Attendance	Orlando, FL	758.35
Conference Attendance	Brussels, Belgium	1,915.84
Site Visit	Manhattan, NY; Newark, NJ; and London, Great Britain	2,897.71
Site Visit	Gulfport, MS	951.04
Conference Attendance	Ottawa, Canada	625.52
Site Visit	Gulfport, MS	794.51
Conference Attendance	Phoenix, AZ	1,220.05
Conference Attendance	Manhattan, NY	554.50
Site Visit	San Francisco, CA	1,496.48
Conference Attendance	Brussels, Belgium; Paris, France; and Amsterdam, The Netherlands	4,351.87
Conference Attendance	Newark, NJ	379.25
Conference Attendance	San Francisco, CA	2,175.08
Conference Attendance	San Francisco, CA	1,248.71
Conference Attendance	Portland, ME	1,447.08
Conference Attendance	Boston, MA	429.45
Conference Attendance	Manhattan, NY	179.25
Conference Attendance	Miami, FL	683.52
Conference Attendance	Brussels, Belgium	2,641.50
Total Kip Hawley		$38,950.96
Ellen Howe		
Special Mission Travel	Manhattan, NY	$875.36
Special Mission Travel	Manhattan, NY	924.82
Conference Attendance	New Orleans, LA	1,124.30
Special Mission Travel	Phoenix, AZ	2,088.80
Site Visit	Manhattan, NY	819.64
Conference Attendance	Lexington, KY	1,020.33

Site Visit	Atlanta, GA	908.55
Speech or Presentation	Queens, NY	299.05
Information Meeting	Queens, NY	262.68
Site Visit	Dallas, TX	745.70
Total Ellen Howe		$9,069.23
Robert Jamison		
Conference Attendance	New Delhi, India; and Amsterdam, The Netherlands	$7,787.20
Conference Attendance	New Orleans, LA	905.10
Speech or Presentation	Queens, NY	274.30
Site Visit	Adelaide, Australia	14,241.54
Total Robert Jamison		$23,208.14
Jeffrey Sural		
Speech or Presentation	New Orleans, LA	$970.69
Conference Attendance	Boston, MA	1,317.08
Other (Congressional delegation)	San Francisco, CA; and Washington, DC	1,735.43
Total Jeffrey Sural		$4,023.20
Rebekah Williams		
Information Meeting	Kuwait City, Kuwait; and Bangkok, Thailand	$3,253.03
Information Meeting	Sydney, Australia	7,717.86
Conference Attendance	Gulfport, MS	678.65
Conference Attendance	Brussels, Belgium	1,117.17
Site Visit	Manhattan, NY	717.50
Conference Attendance	Manhattan, NY; Newark, NJ; and London, Great Britain	2,940.64
Site Visit	New Orleans, LA	1,226.78
Conference Attendance	Ottawa, Canada	1,902.98
Site Visit	Gulfport, MS	803.41
Conference Attendance	Phoenix, AZ	1,402.60
Conference Attendance	Monterey, CA	601.87
Conference Attendance	San Jose, CA	342.00
Conference Attendance	Oakland, CA	239.09
Conference Attendance	Manhattan, NY	573.55
Conference Attendance	Detroit, MI and Quebec, Canada	2,206.64
Conference Attendance	Gulfport, MS; Monterey, CA; and San Francisco, CA	2,229.25
Conference Attendance	Brussels, Belgium; Paris, France; and Amsterdam, The Netherlands	3,559.01
Conference Attendance	Newark, NJ	390.00
Conference Attendance	Portland, ME	1,014.48
Conference Attendance	Manhattan, NY	196.25
Conference Attendance	Boston, MA	459.45
Conference Attendance	Miami, FL	683.52
Conference Attendance	Brussels, Belgium	2,541.50
Total Rebekah Williams		$36,797.23
Total		$112,048.76

Note: Two political appointees, Ashley Cannatti and William Clint Fisher, who were on board during FY 2007 did not incur travel costs.

Unobligated Balances

86. Please provide unobligated balances within TSA, by appropriation account, and when you anticipate that they will be expended.

ANSWER: As of January 31, 2008, TSA's unobligated funds for all appropriations, including fee accounts:

Appropriation	$M
Aviation Security[1]	4,618.8
Surface Transportation Security	40.3
Transportation Threat Assessment & Credentialing[2]	161.4
Transportation Security Support	427.1
Federal Air Marshals	526.1
Research and Development	7.8

[1] Aviation Security includes $250 million in mandatory fees for Aviation Security Capital Fund and $250 million in mandatory fees for Airport Checkpoint Security Fund; and payroll for over 45,000 Transportation Security Officer FTE
[2] Transportation Threat Assessment & Credentialing appropriation includes $88.9 million in estimated discretionary and mandatory fees

The majority of the unobligated funds are comprised of recently enacted fiscal year (FY) 2008 funds, the FY 2007 Supplemental funds received at the end of that fiscal year, and a small amount of carryover funds. TSA expects to obligate most of these funds in FY 2008.

87. Of the funding provided in the 2007 supplemental, how much funding remains unobligated? Please answer for the three categories—explosive detection purchases and installations, checkpoint support, and air cargo. What are your plans to obligate this funding in a timely fashion?

ANSWER: As of January 31, 2008, $283 million in Explosive Detection System Procurement and Installation, $22 million in Checkpoint Support, and $77 million in Air Cargo fiscal year (FY) 2007 Supplemental funds were unobligated.

TSA intends to obligate the majority of these funds in FY 2008. The Air Cargo and Checkpoint Support funding will be obligated per the spend plans submitted to Congress in Fall 2007. The explosive detection purchase and installation funds will be obligated in support of the FY 2008 spend plan, which will be forwarded to Congress in the near future.

Questions for the Record
from the
Honorable Harold Rogers, Ranking Member
Subcommittee on Homeland Security

Personnel

1. Please list, by position/title and in terms of both FTE and FTP, the estimated staffing for TSA supported by the FY 09 budget request.

ANSWER: The President's fiscal year (FY) 2009 request includes 54,087 full time positions (FTP) and 51,448 full time equivalents (FTE) for the Transportation Security Administration (TSA) and provides the necessary funding to support mission requirements. Each program determines how to distribute these staffing levels and specific skill sets to best achieve TSA's missions.

EDS Procurement / Checkpoint Recapitalization

1. Please explain how TSA will make up for the shortfall of $426 million for procurement and checkpoint recapitalization if the proposal to increase the passenger surcharge is not authorized.

ANSWER: If the surcharge is not authorized, the Transportation Security Administration (TSA) will continue to execute available funds consistent with the checked baggage strategic plan. The focus will be on providing Explosives Detection System (EDS) equipment and deploying optimal in-line systems to airports with the most benefit. Attention would be also be centered on airports that need to maintain 100 percent electronic checked baggage screening compliance based upon anticipated growth and recapitalization needs.

Certified Shipper Standards

1. Please explain when the new Certified Shipper Standards will be released and how industry will have the opportunity to comment and provide input.

ANSWER: The Transportation Security Administration (TSA) has already begun, and intends to maintain, continuous outreach with key security partners during the implementation of the Certified Cargo Screening Program. Among these industry security partners are shippers, manufacturers, freight forwarders, third party logistics providers, contract manufacturers, warehouses, and distribution centers. TSA began the process of soliciting industry for feedback prior to the start up of the phase one deployment. TSA also plans to offer the opportunity for public comment on an Interim Final Rule (IFR) that would promulgate intended standards. The IFR is currently targeted for release in fall 2008.

Passenger Wait Times

1. Please explain, for the record, how TSA has addressed wait times at the nation's busiest airports. Please include specific details on how TSA has worked with the airport authorities in some of the busiest airports, including those in Atlanta, Chicago, Los Angeles, New York, Newark, Dallas-Fort Worth, Washington, DC, Denver, Salt Lake City, and Cincinnati.

ANSWER: All but two of these airports (Salt Lake City and Cincinnati) are scheduled to receive enhanced technology deployments (AT X-Ray and Whole Body Imagers (WBI)) by the end of fiscal year 2008. While

these technologies are being deployed, the current checkpoint layouts will be optimized with the latest checkpoint designs and best practices, which will improve throughput.

Checkpoint design changes will include:

- Installing 2-1 configurations in which 1 walk-through metal detector is used for every two x-ray machines, thus freeing up 1 Transportation Security Officer (TSO) for every two lanes. Extra TSOs will provide better response time on bag checks and passenger alarm processing.

- Removing the larger wanding stations and replacing with smaller wanding corrals or holding stations. Doing so opens up the composure area and allows for better passenger egress from the checkpoint.

- Adding additional rollers or tables to divest and composure areas of the checkpoints, which will reduce downtime on the x-ray and improve passenger throughput.

- Removing and re-allocating unnecessary surplus equipment. This action reduces congestion and improves passenger movement in the checkpoint.

In addition to these optimization efforts, checkpoint capacity has been increased for several airports on the list. In Atlanta, two temporary lanes will be added to the T-South checkpoint on April 3, 2008, to meet the increased spring break passenger loads and 10 permanent lanes will be added by August 2008. In Dallas-Fort Worth, an additional lane was added in December 2007 that incorporates Auto-EDS technology. In Denver, two lanes were added prior to the Thanksgiving rush in November 2007. Additionally, Denver's staffing and scheduling were reviewed and modified to improve their effectiveness, and best practices were developed and implemented to fit Denver's unique operational demands.

Screening Partnership Program

1. Please provide an assessment for each airport participating in the Screening Partnership Program (SPP) that includes the daily averages (peak and non-peak, if appropriate) for passenger throughput, passenger wait-time, number of lanes used, number of screeners used, and a separate listing of all airports that have submitted an application to participate in the program.

ANSWER: The Transportation Security Administration (TSA) estimates that the Screening Partnership Program (SPP) costs for these airports would be approximately $4.3 million of which equipment costs would be expected to be $1.6 million. These costs are based on a full year of service. However, these airports were previously served by Big Sky Air which has ceased operations. While TSA expects that another airline will replace operations at these airports, until service recommences, the level and timing will not be finalized and costs may vary accordingly.

Airports Submitting TSA SPP Applications

Airport Code	Airport Name
SDY	Sidney-Richland Municipal, MT
OLF	L M Clayton, MT
GGW	Wokal Field/Glasgow International, MT
HVR	Havre City-County, MT
MLS	Frank Wiley Field, MT
GDV	Dawson Community, MT
LWT	Lewistown Municipal, MT
EKO	Elko Airport, NV - Later withdrew application

Number of Lanes [1]

Airport Code	Airport Name	Number of Lanes
SFO	San Francisco Intnl Airport	48
MCI	Kansas City International Airport	22
ROC	Greater Rochester International Airport	6
JAC	Jackson Hole Airport	3
TUP	Tupelo Regional Airport	1
FSD	Joe Foss Field	2
EYW	Key West	1
STS	Sonoma County-Charles M.Schulz Airport	1
ROW	Roswell Industrial Air Center	1
GUP*	Gallup Municipal Airport	1
6N5	E34th Street Heliport	1

Source: PMIS as of March 19, 2008

* GUP ceases commercial carrier operation and screening eff 30 Mar 2008

Total Customer Throughput per Fiscal Year [2]

Airport Code	Airport Name	2007	2008 YTD
SFO	San Francisco Intnl Airport	17,729,600	8,464,664
MCI	Kansas City International Airport	7,229,861	3,240,780
ROC	Greater Rochester International Airport	1,633,560	722,367
JAC	Jackson Hole Airport	291,608	117,448
TUP	Tupelo Regional Airport	37,748	14,869
FSD	Joe Foss Field	449,788	215,217
EYW	Key West	397,928	178,622
STS	Sonoma County-Charles M.Schulz Airport	34,954	33,325
ROW	Roswell Industrial Air Center	2,176	13,316
GUP*	Gallup Municipal Airport	175	392
6N5	E34th Street Heliport	6,459	5,667

Source: PMIS as of March 19, 2008

Note: GUP and ROW began operations as SPP airports in 2007, so data is not a complete year.

* GUP ceases commercial carrier operation and screening eff 30 Mar 2008

Average Customer Throughput per Hour [3]

Airport Code	Airport Name	2007	2008 YTD
SFO	San Francisco Intnl Airport	149.24	173.38
MCI	Kansas City International Airport	110.52	104.19
ROC	Greater Rochester International Airport	68.36	71.21
JAC	Jackson Hole Airport	21.28	18.61
TUP	Tupelo Regional Airport	22.78	26.46
FSD	Joe Foss Field	83.79	85.57
EYW	Key West	77.95	73.05
STS	Sonoma County-Charles M.Schulz Airport	58.35	33.16
ROW	Roswell Industrial Air Center	42.67	38.82
GUP*	Gallup Municipal Airport	1.62	1.25
6N5	E34th Street Heliport	4.35	5.63

Source: PMIS as of March 19, 2008
Note: GUP and ROW began operations as SPP airports in 2007, so data is not a complete year.
* GUP ceases commercial carrier operation and screening eff 30 Mar 2008

Average Wait Time per Fiscal Year [4]

Airport Code	Airport Name	2007	2008 YTD
SFO	San Francisco Intnl Airport	2.90	3.43
MCI	Kansas City International Airport	3.74	4.40
ROC	Greater Rochester International Airport	4.54	4.96
JAC	Jackson Hole Airport	1.36	1.32
TUP	Tupelo Regional Airport	3.03	3.00
FSD	Joe Foss Field	3.89	2.54
EYW	Key West	4.22	1.36
STS	Sonoma County-Charles M.Schulz Airport	5.00	7.92
ROW	Roswell Industrial Air Center	3.64	2.98
GUP*	Gallup Municipal Airport	1.64	2.01
6N5	E34th Street Heliport	0.00	0.00

Source: PMIS as of March 19, 2008
Note: GUP and ROW began operations as SPP airports in 2007, so data is not a complete year.
* GUP ceases commercial carrier operation and screening eff 30 Mar 2008

Average Peak Wait Time per Fiscal Year [5]

Airport Code	Airport Name	2007	2008 YTD
SFO	San Francisco Intnl Airport	7.72	8.51
MCI	Kansas City International Airport	6.87	8.60
ROC	Greater Rochester International Airport	11.65	13.06
JAC	Jackson Hole Airport	7.60	8.27
TUP	Tupelo Regional Airport	5.19	3.20
FSD	Joe Foss Field	9.45	6.36
EYW	Key West	15.76	8.51
STS	Sonoma County-Charles M.Schulz Airport	9.79	16.21
ROW	Roswell Industrial Air Center	5.05	3.47
GUP*	Gallup Municipal Airport	4.58	14.79
6N5	E34th Street Heliport	0.00	0.00

Source: PMIS as of March 19, 2008
Note: GUP and ROW began operations as SPP airports in 2007, so data is not a complete year.
* GUP ceases commercial carrier operation and screening eff 30 Mar 2008

Average Number of Screening Staff [6] Each Month per Fiscal Year (FTE)

Airport Code	Airport Name	2007	2008 YTD
SFO	San Francisco Intnl Airport	884.0	886.0
MCI	Kansas City International Airport	536.0	601.0
ROC	Greater Rochester International Airport	187.3	190.5
JAC	Jackson Hole Airport	38.0	37.3
TUP	Tupelo Regional Airport	9.4	9.4
FSD	Joe Foss Field	34.7	39.8
EYW	Key West	23.8	26.0
STS	Sonoma County-Charles M.Schulz Airport	7.0	9.2
ROW/GUP*	Roswell Industrial Air Center/Gallup Municipal	-	9.7
6N5	E34th Street Heliport	0.0	0.0

Source: Data for FY2006-FY2008 from Monthly Staffing Details Reports, Performance & Labor Reports

* GUP ceases commercial carrier operation and screening eff 30 Mar 2008

Average Number of Screening Staff[6] Each Month per Fiscal Year (Headcount)

Airport Code	Airport Name	2007	2008 YTD
SFO	San Francisco Intnl Airport	1,003.1	973.8
MCI	Kansas City International Airport	525.3	583.9
ROC	Greater Rochester International Airport	187.3	190.5
JAC	Jackson Hole Airport	42.9	42.3
TUP	Tupelo Regional Airport	8.9	9.0
FSD	Joe Foss Field	37.3	41.3
EYW	Key West	29.0	31.0
STS	Sonoma County-Charles M.Schulz Airport	8.0	10.1
6N5	E34th Street Heliport	0.0	0.0

Source: Monthly Staffing Details Reports (and Performance & Labor Reports).

[1] Screening lanes are defined by the number of walk through metal detectors at a checkpoint.

[2] Total customer throughput is counted by the walk through metal detector and includes all individuals who goes through the device including TSA and airport personnel.

[3] Average customer throughput is the result of the total customer throughput divided by the total number of hours of screening.

[4] Average wait time is calculated by summing all wait times collected and dividing by the number of wait times collected.

[5] Average peak wait time is a derived calculation using average wait time and standard deviation. It represents the average of approximately the top 5 percent of all wait times collected.

[6] The number of screeners includes all screening staff authorized by the contract such as those working in the airport operations center.

Questions for the Record
Submitted by Congresswoman Lowey
Improving the Efficiency of the Aviation Security System
Hearing Date 2/28/08

Question 1
In recent interviews Secretary Hawley has mentioned lifting the cap of 45,000 Transportation Security Officers (TSOs) and adding part-time employees for flexibility.

Is there a strategy in place to retain the part-time employees you propose hiring on a more permanent basis should the need arise?

ANSWER: The Transportation Security Administration (TSA) utilizes a mix of part-time, full-time, and alternative work schedule Transportation Security Officers (TSOs) to efficiently meet its staffing requirements. In order to increase retention of part-time employees, a valuable part of the workforce, TSA now provides all part-time TSOs with full-time equivalent health benefits. In addition, TSA has increased the minimum and maximum of the TSO paybands, created a career progression program, provided premium pay for TSOs working split shifts, and established a TSO pay for performance system. Due to the minimum training and certification requirements of the Aviation and Transportation Security Act, TSA does not rely upon temporary employees as TSOs.

Question 2
Where does the 11.6% attrition rate for full-time TSOs and the 37.2% rate for part-time TSOs rank compared to other federal agencies?

ANSWER: The Transportation Security Administration (TSA) compared Transportation Security Officer (TSO) attrition data to the Office of Personnel Management's (OPM's) FedScope data, which summarizes the Central Personnel Data File (CPDF) for the entire Federal Government. The CPDF attrition data is as follows:

- Full-Time Federal attrition rate is 8.6%, and
- Non-Full-Time Federal Attrition rate is 25.6%.

When comparing the average Federal rates to the rates for TSO's it is important to note that there is not direct correlation, since a comparable skill set and payband is not be readily available in the CPDF data. TSA calculated overall CPDF Federal attrition data by selecting categories that were the similar to TSA's to obtain the closest possible comparison for fiscal year 2007.

It is interesting to note that the current attrition rate for TSO's is significantly lower than that of the pre 9/11 private screener workforce which had an attrition rate of over 100 percent.

Question 3
On Wednesday, February 27th, TSA announced a memorandum of agreement (MOA) allowing TSOs the right of appeal to the Merit Systems Protection Board (MSPB) in whistleblower retaliation cases. The MOA seems to allow TSA to withdraw from the MOA in all circumstances and still denies the right of TSOs to pursue relief in the federal court system.

Are TSOs in fact still denied the right to appeal any retaliation through the federal court system under this MOA?

ANSWER: Under the Memorandum of Agreement (MOA) between the Transportation Security Administration (TSA) and the Merit Systems Protection Board (MSPB), Transportation Security Officers (TSOs) will be able to appeal whistleblower retaliation complaints to the MSBP. However, the MOA does not change the provisions of the Aviation and Transportation Security Act of 2001, Section 111(d), which specifies that the provisions of Title 5, including section 7702 of that title, does not apply to TSOs. (Section 7702 is the provision that Congress enacted to provide for federal court review of appeals from MSPB decisions in whistleblower cases.) Through ATSA, Congress exempted TSOs from the judicial review provisions of section 7702 of Title 5. Thus, under this provision, TSOs cannot appeal MSPB decisions to the U.S. court of Appeals for the Federal Circuit.

Question 4
Will TSA be bound by previous rulings of the MSPB if it subsequently withdraws from the agreement?

ANSWER: The Transportation Security Administration will comply with Merit System Protection Board (MSPB) orders issued in Transportation Security Officers individual right of action appeals if the orders are dated prior to the effective date of the termination of the agencies' agreement on handling these appeals.

Question 5
TSA recently announced that seven airports will be piloting various methods to screen employees entering the secure and sterile areas of airports, including 100% physical screening of employees at three airports.

How many airports expressed interest in participating as one of the seven airports?

ANSWER: Over 100 airports expressed an interest in participating in this pilot program.

Question 6
Did any airports decline to participate in the pilot program after being approached by TSA? If so, which airports?

ANSWER: Stewart International Airport in New York State initially agreed to participate, but later withdrew due to a change in airport management.

Question 7
Will employees at cargo specific companies, such as DHL and FedEx, whose SIDA badges allow them access to secure and sterile areas of airports be screened at those airports conducting 100% physical screening?

ANSWER: Yes. Employees accessing the secured and sterile areas at those airports conducting 100 percent physical screening will be screened.

Question 8
What percentage of TSA's overall budget is dedicated towards aviation security versus rail and mass transit security?

ANSWER: The President's FY 2007 budget included $7,102 million for TSA. This amount included $6,448 million (90.8%) for aviation security; $22 million for rail security (0.3%); and $632 million (0.9%) to support all modes of transportation including aviation, rail, and mass transit security.

HON. LUCILLE ROYBAL-ALLARD
Questions for the Record
Assistant Secretary Hawley
February 28, 2008

Comprehensive Airport Security

1. According to a GAO report on aviation security released last October:

> "DHS's efforts to enhance perimeter security at airports may not be sufficient to provide for effective security."

In speaking to airport security experts in southern California, there is a concern that a "guns, guards, and gates" approach to address airport infrastructure vulnerabilities is inadequate.

Los Angeles World Airports security officials have developed a comprehensive technology approach that includes radiation detection and identification, criminal network analysis, automatic license plate recognition and improved video capabilities. It is this kind of holistic approach that will close the security gap that GAO and others have identified.

Security officials at LA World Airports have approached TSA staff with their innovative Security Technology Integration plan and associated funding outline.

Is TSA aware of this initiative and has the TSA considered providing funding for technological security improvements for L.A. World Airports to serve as state of the art laboratory for airport security?

ANSWER: The Transportation Security Administration (TSA) is aware of the Security Technology Integration project of Los Angeles World Airports (LAWA) to upgrade security at Los Angeles International Airport (LAX) using advanced technology. TSA will continue to work closely with LAWA as this initiative progresses and they will be able to participate in the process for allocating airport perimeter security funds.

2. Has TSA evaluated any comprehensive security approaches, such as L.A. World Airport's plan, in order to address the concern that DHS's current airport protection approach is inadequate?

ANSWER: The Transportation Security Administration (TSA) has actively consulted with Los Angeles World Airports (LAWA) regarding LAWA's Security Technology Integration initiative. TSA continues to be an active partner with airports across the country to implement state-of-the-art airport security systems.

3. How does TSA assure that new approaches to transportation security are making their way from security officials on the ground to senior management?

ANSWER: The Transportation Security Administration's (TSA) senior officials on the ground are the Federal Security Directors (FSDs). These FSDs work closely with local security partners to identify effective, risk-based countermeasures to security threats, including new approaches to security that incorporates advanced technology for restricted area access control and surveillance, communications, and incident management. Security partners include airport directors, local law enforcement, airline security managers, and others.

FSDs report the results of their collaboration with security partners to senior management in TSA's Office of Security Operations (OSO). These managers, in turn, present the new approaches to security with the potential for nationwide impact to TSA management and to TSA offices at headquarters that conduct pilot programs for field deployment. Innovations that demonstrate strong potential to improve security objectives are a significant factor in establishing TSA budget and operational priorities.

Air cargo security plan for inbound cargo

1. In reports released in April and October of last year on aviation security, the GAO acknowledged TSA's completion of an Air Cargo Strategic Plan that outlined a threat-based risk management approach to securing the nation's domestic air cargo system. However, the GAO stated that TSA had not developed a similar strategy for securing cargo transported into the U.S. from foreign countries.

Is TSA now partnering with U.S. Customs and Border Protection and international air cargo stakeholders to develop a strategy for securing cargo transported into the U.S.?

ANSWER: A key component of the Transportation Security Administration's (TSA's) risk-based strategy is to work with U.S. Customs and Border Protection (CBP) to pilot and leverage the capabilities of the CBP's Automated Targeting System (ATS) to assist in identifying elevated-risk cargo departing from international last points of departure airports. Ultimately, TSA plans to collaborate with CBP to leverage ATS' data collection and targeting regime to determine what cargo is of an elevated risk and require further scrutiny of such cargo before it may be placed on any passenger aircraft departing for a U.S. port of entry.

2. When will the strategy be completed?

ANSWER: TSA expects to complete a high level strategic plan refresh in the fourth quarter of 2008. This will include the TSA strategy for international inbound air cargo security.

Replacement of Carry-On Baggage Screening Equipment

1. The proposed surcharge in the passenger security fee will, according to DHS, generate an additional $426 million to be dedicated to replacing some existing checked baggage screening systems.

This large investment in checked baggage screening system replacement suggests that other screening equipment may need to be replaced as well. For instance, when will carry-on baggage equipment need to be replaced in order to keep Americans safe?

ANSWER: As part of the lifecycle management of the carry-on baggage equipment, the Transportation Security Administration (TSA) analyzes operational and maintenance data to determine replacement requirements. Also, as emerging technologies with enhanced detection capabilities are procured and deployed, they will replace legacy equipment. TSA has begun the replacement of explosives trace detection systems and will begin replacing threat image projection ready X-ray systems with advanced technology X-ray systems this fiscal year.

2. When such carry-on baggage screening systems are replaced, would be appropriate to install new replacement systems capable of providing 3D images?

ANSWER: The Transportation Security Administration (TSA) continues to identify and evaluate carry-on baggage technologies to determine operational effectiveness, suitability, and maintainability. This process allows TSA to identify systems capable of meeting TSA's technical and operational requirements.

3. How does TSA envision paying for the replacement of carry-on baggage screening system?

ANSWER: The Implementing Recommendations of the 9/11 Commission Act of 2007 authorized $250 million in mandatory funds for the Transportation Security Administration (TSA) to procure and install security technologies for carry-on baggage. These funds will be used to replace existing systems. The President's fiscal year 2009 budget includes $127.6 million to continue progress on replacements.

Air Cargo Security Exemptions

1. According to an October 2007 report by GAO, TSA has undertaken evaluations of existing exemptions to air cargo security screening to determine whether those exemptions pose a security risk. Please indicate how much longer this evaluation is set to continue, and what changes TSA has implemented stemming from this review.

ANSWER: In response to Section 1602 of the Implementing Recommendations of the 9/11 Commission Act of 2007, on February 25, 2008, the Department of Homeland Security delivered a document entitled *'Report to Congress on Air Cargo Subject to Alternate Screening'* to the Chairmen and Ranking Members of the House Committee on Homeland Security, the Senate Committee on Commerce, Science, and Transportation, and the Senate Committee on Homeland Security and Governmental Affairs, as well as the Government Accountability Office. The Transportation Security Administration plans to implement changes indicated in the report as it phases in the Certified Cargo Screening Program, to ensure that industry screens 100 percent of cargo by August 2010.

Questions for the Record from The Honorable Sam Farr for Assistant Secretary Kip Hawley, TSA Administrator

Intelligence Issues

Q. TSA has faced major challenges in building the intelligence capabilities it needs to secure our nation's transportation systems. Those challenges involve not only strengthening TSA own analytic expertise, but also establishing the coordination and data sharing systems that TSA requires.

What programs do you have underway to help your intelligence analysts and other key officials meet these challenges?

ANSWER: The Transportation Security Administration (TSA) Office of Intelligence has the following programs underway to help our intelligence analysts and other key officials meet the challenges of building the intelligence capabilities it needs to secure our nation's transportation systems:

Analytical Training	Broadening and improving training for its analytical personnel as part of the overarching Department of Homeland Security (DHS) Intelligence Enterprise "Learning Roadmaps for Intelligence Professionals." In addition to supporting the DHS Enterprise, this office has developed its own strategies to improve the proficiency of its intelligence workforce.
Analytical Tools	Evaluating the analytic tools and databases it uses to store, retrieve, and analyze the intelligence information it obtains from multiple sources. The office is working through the first phase of this evaluation, ensuring that the tools already in place are being fully-utilized, and beginning to explore new tools that fill critical gaps.
Modal Orientation	Developing modal orientation trips for its modal analysts to enhance their level of expertise and to create those all-important connections with the modal experts in the field.
Intelligence Internships	Launching an Internship Program, to recruit new analysts without prior intelligence experience and develop them from the ground-up as transportation security intelligence analysts, which will build analytic dept in the organization.
Tuition Re-imbursement	Seeking to provide tuition re-imbursement for its employees to address the ever-changing intellectual requirements of the intelligence field and to aid the professional development of our personnel. This incentive assists with the recruitment of new intelligence analysts and with the retaining of our seasoned professionals.
Intelligence Liaisons	Integrating intelligence analysts into the following federal agencies: National Counterterrorism Center, Office of the Director of the Department for National Intelligence, Federal Bureau of Investigation National Joint Terrorism Task Force, and the Department of Homeland Security Intelligence & Analysis. These analysts improve the flow of critical information and assists in identifying and assessing threats to the transportation systems.
Analytic Exchanges	Hosting quarterly analytic exchanges with the Federal Aviation Administration and Department of Transportation to share best practices and threat information.
Watch Transition	Transforming its 24/7 Watch Operations from "Gathers" to a "Hunters" of threat information mindset. This paradigm shift will make it possible for the TSA to identify emerging threats to the U.S. transportation systems and the people and commerce that use them.
Analytic Product Line	Developing an analytic product line to support the new TSA Office of Global Strategies, to increase joint analytic production with Intelligence Community partners, deliver threat briefings to the inspectors, Federal Air Marshals, and the uniformed workforce across the country.
Transportation Security Officer Support	Working with the TSA Office of Security Operations to provide training to the Transportation Security Officer workforce to enhance their understanding of the threat environment and the tactics, techniques, and procedures used by or adversaries.

In your opinion, what are the most important TSA intelligence areas for the next administration to focus on?

ANSWER: The most important intelligence area to focus on is developing our analytical ability and knowledge management. We need the analytic depth to quickly and efficiently identify, assess, and report threats on a 24/7 basis, as well as meet the Transportation Security Administration's (TSA's) operational intelligence needs. A knowledge management system is critical to capturing and retaining the tactical and explicit knowledge TSA has today and will obtain in the future on terrorist tactics, techniques, and procedures as well as threats to our Nation's transportation systems.

Transportation Networks

Q. I asked this question last year, and you agreed that looking at transportation security from a "network" perspective is a good approach.

Please tell me what steps you have taken since last year to adopt the "network" approach?

ANSWER: The Transportation Security Administration (TSA) continues to work toward the goal of creating a seamless connection among all transportation security partners -- government agencies, international allies, and industry partners. The Office of Transportation Sector Network Management (TSNM) serves as the information hub, receiving information from the other organizational elements and distributing, as pertinent, to the private sector, other government agencies and organizations, industry and trade associations. Within TSNM, a General Manager with significant industry experience is charged with responsibility for the security each mode of transportation.

TSA continues to work to ensure a risk-based planning focus while maintaining the flexibility to reorient operations and to respond quickly to emergent risks. TSNM's strategy for promoting effective, efficient, and standardized operations within and among transportation modes includes:

- Conducting industry threat, vulnerability, and consequence assessments and developing baseline security standards;
- Assessing operator security status versus existing industry standards; and
- Developing plans to close gaps in security standards and enhance systems of security.

Model Ports of Entry

In January 2006, the Rice-Chertoff Joint Vision for Secure Borders and Open Doors created a Model Ports of Entry pilot program to provide a more transparent and welcoming process for international travelers entering the United States.

The Model Ports Task Force, composed of various DHS entities and private sector companies, was established to develop best practices for the Model Ports program. It is my understanding TSA has not actively participated in this program.

Q. Considering that TSA is a key agency involved in the entry process of international visitors, why hasn't TSA been more engaged in the development of the Model Ports program?

ANSWER: The Transportation Security Administration (TSA) is not involved in the entry process of visitors arriving at United States airports on either international or domestic flights. The entry process is managed and administered by U.S. Customs and Border Protection. The security screening that TSA administers is a process that applies to departure and not arrival. Security screening at foreign airports is conducted by authorities in those countries.

Q. When will TSA appoint a lead official to join the Model Ports Task Force like CBP, the airport authority, and private sector entities have already done?

ANSWER: The Transportation Security Administration (TSA) does not plan to appoint a lead official to the Model Ports Task Force as TSA is not involved in the entry process of international or domestic passengers. If the Task Force requests TSA's participation, TSA will consider the request at that time.

In FY08, this committee appropriated $40 million to expand the Model Ports of Entry program to the top 20 international inbound airports.

Q. Can you access some of this funding to improve the TSA screening process for international travelers?

ANSWER: The $40 million appropriated for the Model Port of Entry program was provided to U.S. Customs and Border Protection. Consequently, the Transportation Security Administration (TSA) does not have access to this funding. Nevertheless, with the Committee's support, TSA has an aggressive program in fiscal year (FY) 2008, and continued in FY 2009, to deploy new technologies, practices, and procedures to the security checkpoint that will enhance overall security while informing all passengers and improving the traveler experience.

Q. What role do you expect TSA to play as the Model Ports program expands to the top 20 international inbound airports?

ANSWER: The Transportation Security Administration (TSA) does not plan to play a role in the Model Ports program as TSA is not involved in the entry process of international or domestic passengers. If the Model Ports Task Force requests that TSA play a role, TSA will consider the request at that time.

TSA Checkpoints

When passengers arrive from Canada or other airports with pre-clearance check points, such as some EU countries, their baggage is re-screened upon entering the US. The Rice-Chertoff Joint Vision for Secure Borders and Open Doors Advisory Committee has called for the elimination of unnecessary re-screening

Q. Do you agree with the Advisory Committee recommendation regarding re-screening?

ANSWER: The Aviation and Transportation Security Act of 2001 (ATSA) requires that a U.S. Federal employee must carry out the screening of passengers and property carried aboard passenger aircraft on flights or flight segments originating in the United States. The Federal employee requirement is satisfied by the presence of U.S. Customs and Border Protection (CBP) officers at twelve Canadian and Caribbean preclearance airports, and plans are being made for airports in Shannon and Dublin, Ireland, to become CBP preclearance airports in the future. Without a CBP (or other Federal government) preclearance program in place at the foreign origin airport, TSA is restricted by ATSA from exempting from rescreening connecting passengers and their property arriving in the United States from an overseas location.

A U.S.-Canada working group has been exploring options that would accept the checked baggage screening conducted at the eight Canadian preclearance airports, and thereby eliminate the need for TSA rescreening of connecting baggage at the connecting U.S. airport. The group is evaluating the technology and other security

processes that comprise the baggage screening system at these Canadian airports in order to determine whether the Canadian screening meets the ATSA requirements.

Q. If not, why not?

ANSWER: The Aviation and Transportation Security Act of 2001 (ATSA) requires that a U.S. Federal employee must carry out the screening of passengers and property carried aboard passenger aircraft on flights or flight segments originating in the United States. The Federal employee requirement is satisfied by the presence of U.S. Customs and Border Protection (CBP) officers at twelve Canadian and Caribbean preclearance airports, and plans are being made for airports in Shannon and Dublin, Ireland, to become CBP preclearance airports in the future. Without a CBP (or other Federal government) preclearance program in place at the foreign origin airport, TSA is restricted by ATSA from exempting from rescreening connecting passengers and their property arriving in the United States from an overseas location.

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WEDNESDAY, MARCH 12, 2008.

INVESTING IN SCIENCE AND TECHNOLOGY

WITNESSES

RICH DAVIS, RTI INTERNATIONAL
MARC SAGEMAN, RTI INTERNATIONAL
SCOTT ATRAN, RTI INTERNATIONAL
CHRISTOPHER DARBY, CEO, IN-Q-TEL
JAY COHEN, UNDERSECRETARY FOR SCIENCE AND TECHNOLOGY

OPENING STATEMENT OF CHAIRMAN PRICE

Mr. PRICE. The Subcommittee will come to order and our hearing will begin. We offer our apologies for the confusing start to this hearing. I must say it is not totally unprecedented, but we are a little late in starting and we appreciate your patience. We hope we will not have too many distractions in the way of floor votes, but we are not certain.

This morning, we are going to hear from two panels on identifying and investing in research and technologies that can be adapted to make our homeland more secure. Our first panel will consist of Mr. Rich David, Marc Sageman, and Scott Atran from RTI International and Mr. Christopher Darby, President and CEO from In-Q-Tel. The first three panelists from RTI will brief the Subcommittee on their research into the process of radicalization, as it relates to terrorism and political violence.

I want to be very clear that our discussion here today is not referring to anyone who simply holds political views that might be labeled by someone as radical. That is not what we are talking about. In this context, radicalization refers to the process by which an individual becomes open to the prospect of committing violent political acts, terrorist acts. We need a much better understanding of the process of radicalization, if we want to keep homegrown terrorism from escalating in the United States. No one should forget that long before the 9/11 attacks, a homegrown terrorist successfully carried out an attack on the federal building in Oklahoma City. This discussion will focus on specific cases on how this kind of research should be informing U.S. policy.

Thereafter, Mr. Darby will discuss how In-Q-tel acts as an innovation forum to foster the development of the introduction of next generation technologies needed by the Federal Government, similar to what the innovation office in the Science and Technology Directorate is trying to do for DHS.

Let me point out that the work of the witnesses before us this morning is not at this moment being funded by the Science and Technology Directorate. We believe it is the kind of work that DHS should be aware of and that is why we have asked them to testify today. S&T should be spreading a wide net and identifying both re-

search topics and technology solutions that can help better secure our homeland.

When the first panel concludes, we will hear from Undersecretary Jay Cohen from the Science and Technology Directorate about his plans for research and technology investments for the Department of Homeland Security in fiscal year 2009.

In total, the President's budget requests $869 million for the Science and Technology Directorate, including $132 million for management and administration and $737 million for research, development, acquisition, and operations. This is a five percent increase over 2008. I am pleased to see that the budget carries forward many key initiatives that have been important in this Subcommittee over the past three years, including funding for the University Centers of Excellence program, the design and construction of key laboratories, and enhancements to cargo and conveyance security.

I am also pleased to note that the budget doubles the amount of funding requested for detecting, deterring, and responding to improvised explosive devices or IEDs. IEDs have been a concern since the Oklahoma City bombing, well before September 11, 2001, and their threat has increased over time after each unfortunate incident in Europe and Asia and the Middle East. This is the kind of effort we really should have started years ago and I hope we will be able to expedite the development of countermeasure technologies that are truly effective.

S&T's budget request is $1.7 million less in 2009 than it was in 2008 for research on emerging cyber security threats and ways to thwart them. A cut in this area seems counterintuitive given the increasing number of media reports indicating that China and other countries have targeted the U.S. Government and privately-owned cyber infrastructure. Given the large and growing dependence of our economy on the Internet, we cannot afford to see a U.S. version of what happened in April of 2007, when Estonia was essentially shut down after its computer infrastructure was overwhelmed by cyber attacks. Technology and research will play a critical role in seeing that we thwart this threat.

Gentlemen, we look forward to hearing your testimony. Please summarize your oral statement in about five minutes. Your entire written statements will be placed in the record. We will begin with the first panel and then turn to Undersecretary Cohen. Before we begin, though, let me turn to the distinguished ranking member, Mr. Rogers, for his comments.

OPENING STATEMENT OF RANKING MEMBER ROGERS

Mr. ROGERS. I thank you, Mr. Chairman. Welcome to our witnesses. I have been advocating for many years that we simply need to do more to embrace the talent and depth of knowledge that exists in the commercial sector. So, I appreciate the participation from those of you from outside of the department and outside the government.

We have testifying today a purely unique mix of industry experts from RTI International and In-Q-tel. I hope their testimony will be stimulating and challenging to our own preconceptions as to what techniques and approaches may be available to help minimize the

threat against our critical infrastructure and key resources. After all, it should never be lost on anyone that our national security interests start here inside our own borders.

Our adversaries are incessantly adapting and inhibited by radical ideology. Last week's Time Square bombing, though we are still unsure of its source and intent, even the London bombings 2½ years ago exemplify the simplicity of threats we face. They are also indicative of the complexities that confront our ability to prevent them. It is often repeated that "the terrorists need to be right just one time, but we must be right 100 percent of the time." So, it is imperative, absolutely imperative that we stay out in front.

Today's panel exemplifies the out-of-the-box style of thinking that I believe is absolutely necessary to predict a terror and mitigate that attack on our homeland. RTI International has conducted over 10,000 R&D projects in its 50-year history and is currently engaged in over 1,000 projects for government and private sector customers, much of which involves the abstract world of basic and applied research, where there may be no tangible or functional result, rather just more of an accurate—a key in understanding.

In-Q-tel began in 1999 as a venture catalyst firm, as opposed to venture capitalist charted and funded by the U.S. Government. This organization was charged with the mission of canvassing industry for investment opportunities in technologies for solutions to specific security-related problem sets. It is my understand that due to their very unique ability to reach deep into industry, much of what In-Q-tel has provided the federal government has been instrumental to our national security. I believe these companies represent the realm of what is possible for the Department of Homeland Security or at the very least something to learn from, in terms of how to push the envelope towards our common goal of improved security.

We would like to also welcome Secretary Cohen back to the committee. Mr. Secretary, as you would expect, we continue to demand the highest return from our investment in science and technology. Last year, you testified that 2008 would be a transition year and we agreed. Accordingly, in the 2008 Appropriations Act, we did not fence funding, as we had done previously. We were supportive of the plan you put before us, so you were given a degree of flexibility to do one thing, produce demonstrable results. On paper, the directorate appears to have laid the critical foundation for its customer-driven output-oriented approach. On paper, it appears to have been a judicious reorganization. But, we are just halfway through this year and, in my opinion, it is still too early to proclaim success.

In 2009, S&T will manage $737 million within its investment portfolio, including well over 100 individual R&D programs throughout its six divisions, transition to its customers, roughly 35 of those, and initiate another 30 or so new starts. This is a solid improvement from where we were just a few short years ago. But the proof is not in the numbers, but rather in the technical solutions you deliver to those on the front line. It appears S&T is on a positive course, but that does not mean we should relax in our zeal to do more. In light of the prepared testimony submitted by the first panel, we will be listening closely to hear how willing and

able S&T is to embrace industry as an enabler for improving their security.

Lastly, it needs to be said that we are nearing the end of an administration. This Committee needs to ensure that the structural integrity of S&T is not disrupted by a turnover in executive leadership during the transition. It has taken us some time to get to this point and we need to establish continuity. Prudent investments in basic and applied research opportunities and a predefined road map toward the development of enterprising technologies will continue to be the foundation under which S&T executes its piece of the department's mission to protect this great nation. Thank you, Mr. Chairman.

Mr. PRICE. Thank you, Mr. Rogers. We will now proceed first with the RTI witnesses. I understand the plan is for Mr. Davis to give a 2- to 3-minute overview and then Mr. Sageman and Mr. Atran to contribute around five minutes each. I know that is constricting. On the other hand, it will let us get on to the discussion and, at the same time, we will, of course, be happy to have your full statements printed in the record. We will then turn to our In-Q-tel witness, Mr. Darby, for five or six minutes and we will then turn to the panel for questions.

I, of course, want to say that I am proud to have the Research Triangle Institute headquartered in the research triangle area of North Carolina. It is an organization, though, as Mr. Rogers has said, with worldwide reach. That was most recently demonstrated to me when our House Democracy Assistance Commission was in Indonesia and there was an RTI team working very effectively with the Indonesian parliament to strengthen their capacity, as well as other agencies of the Indonesian Government.

Today, though, we are seeing another aspect of RTI's reach and RTI's operation. We are happy to have you gentlemen here to enlighten us on this line of research, which I know you think is promising and which I believe we should hear about. So——

Mr. ROGERS. Mr. Chairman, would you briefly yield?

Mr. PRICE. I would be happy to.

Mr. ROGERS. When the Research Triangle concept was first broached by the then North Carolina governor, I was working in a small radio station in western North Carolina and everyone thought that this was an idiotic idea. And I know you have been working ever since to disprove that theory.

Mr. PRICE. I tell you, if we have not disproved this to you, Mr. Rogers, I do not know what kind of evidence it would take. People do forget that though, that there was a long period where this looked like a really risky venture. And IBM became the anchor tenant and the rest is history. But, it did prove to be a concept, whose idea had come. It has made a tremendous difference in our part of the South.

Mr. ROGERS. If you can learn to play basketball, we would be in business.

Mr. PRICE. Yes. I do not think I need to comment on that. Mr. Davis, will you please start. Thank you.

STATEMENT OF RICH DAVIS, RTI INTERNATIONAL

Mr. DAVIS. Yes. Chairman Price, ranking member Rogers, other members, thank you for the opportunity for us to be here today and to testify. The opportunity to challenge the Subcommittee is exactly what we are here for. Government-sponsored research, if I just go right into it, government-sponsored research exists for one primary reason and that is that it gives us the information, in order to be able to understand how to intervene properly. And in terms of radicalization and terrorism, the challenge that the country faces is that we have a lack of capacity in the country today to really understand what radicalization is happening and how it is happening around the world.

And the reason we have this deficit is twofold. First, our intelligence community does not have the apparatus to go into our local communities or into local communities around the world, like the Mezuak neighborhood of Tetuan within Hebron in the West Bank. These type of areas are not conducive to the type of work that the intelligence community does.

Second, there is a deficit, as a result of the fact that the government-funded research today does not have as much of a component of field-based science work as it needs to have. So, the field-based work—and within the written testimony, you can see that I have actually defined what that means—but the science-based field research is actually necessary, in order to be able to understand the process of radicalization and ultimately to give us the information necessary on how to intervene. And the reason why RTI International and its sister organization, which it has established, helped establish to be able to do this field-based science work, called ARTES, research and risk modeling, the reason it has prepared this sort of capability to do this is because it believes it is in the national interest to be able to have the science-based field work coming to the forefront and helping increase the knowledge base that our science is able to produce.

To give you a better understanding of what we mean by this science-based field work, we have Dr. Sageman and Dr. Atran, who are here to give you a little bit of insight as to what information we are finding from the field. But before I turn it over to them, I did want to address kind of the structural element to the way that I see government operating at this moment within the Department of Homeland Security and how it relates to overall the science and technology context of the U.S. Government.

Under the leadership of Undersecretary Cohen, the Office of Science and Technology Policy is actually—they have a Committee on homeland and national security and this Committee has actually developed a Subcommittee on human factors whereby they are bringing the research and program directors of the human factors from across the departments and agencies underneath one umbrella at the Office of Science and Technology Policy out of the White House, to be able to look and study these issues further. We believe, after having briefed all across the departments and agencies, we believe that such a kind of coordinating function is actually important for the country.

As Marc and Scott detail the case studies that they have, you are going to find these case studies come from northern Africa, they come from the Middle East, they come from Europe, and there is even some information on northern Virginia. I will turn it over to Mr. Sageman.

STATEMENT OF MARC SAGEMAN, RTI INTERNATIONAL

Mr. SAGEMAN. Thank you. Thank you, Mr. Chairman, Mr. Ranking Member. I want to just give you a broad outline of what is emerging from the field and I will let Scott give you specific cases. Basically, from the field what we is very different from what we see here in the United States, simply because I think that we are dealing with very different information. Most people here have secondary information of account, based their information on the Internet. We have a lot of bragging and pretending. We actually go to the field to actually gather that information. And what is happening in the field, the broad outline on this process of radicalization that everybody is interested in is that it is really young people and it is driven by a desire for adventure, dreams of glory, a sense of belonging, or a greater sense of significance and we basically see four factors driving this process. And they are not particular orders. They are not chronological. They are not in a linear fashion, in the sense you have 24 pathways, if you think about it.

One is a sense of moral outrage and it could be a sense of moral outrage in seeing a large global violation, for instance, Muslims dying in Iraq. But, you also have a local component, for instance, police harassment. And the global and the local here seems to reenforce each other.

But that is not enough. That has to be framed in a certain way and that is the second prong. The frame is a simple sound bite, a war on Islam. Because what we found is that right now, the terrorists around the world are not intellectual, not Islamic scholars. It is really paper thin and you have a fairly large portion, a quarter have absolutely no ideology.

So, this notion, this frame is embedded in large ideas. And this is where the United States differ from Europe, because we have a notion that we are a melting pot and also this American dream and this undermines the notion that we are at war against our own communities. Of course, this does not play well abroad, but, here, it is almost protective within the United States. Europe does not have this protective element and so the threat is much worse over there.

The third prong, the reason that this sound bite, this frame sticks to people is that it resonates with a personal experience. And here, we have a large local variation. And, again, if we look at the European versus the American context, we see very much that we are dealing with two very different population. In a sense, we have the elite of the Muslim world here, upper middle class with a fairly higher average income per family than the average American. In Europe, of course, it is quite the opposite, where you have the children of unskilled labor. And so, they are facing very, very different labor markets. They are facing discrimination and exclusion from the economy. And so what you have is very different numbers. If

you look at the number of Muslims arrested for violent terrorist activities, it is about 2,400 in Europe since 9/11 up to last September and it is about 60 in the United States. You see it is a huge, huge disparity.

But so far, you have a lot of angry young people. What transformed them into terrorists is that they mobilize by networks, by groups. So, first, a formation of those networks, networks of trust, are really on the basis of friendship, about 70 percent, and kinship. And by the way, this is almost identical to what we found in Saudi Arabia, as well. So, the process seems to be the same. So, we have a spontaneous self-organized networks of trust from the bottom up. It is really a consequence in the sense of regular group dynamics, where you have mutual escalation of grievances to the point that people do this for each other.

And what I wanted to conclude with is that right now, our research in Europe shows that the threat has changed dramatically. In a sense, I have written about this in my formal book. And what I found then was that the terrorists were fairly well educated. They were married. They came from the upper middle class. But the people that we find now in Europe are the opposite. They are not well educated. They are much younger. They are about 20. We are facing a third wave, as I call it, and the third wave is really a natural evolution of the threat over time. What we are gearing up, I think, in terms of the government, in terms of ideas and so on, is really geared toward the first two waves. Those have almost gone. We are not dealing with the third wave. There, the strategy would be quite different.

And with that, I will turn it over to Scott to illustrate what I just said. Thanks.

STATEMENT OF SCOTT ATRAN, RTI INTERNATIONAL

Mr. ATRAN. I am an academic also at John Jay College and University of Michigan and I try to get out of teaching by going to the field. And I have worked with Marc and others and I have interviewed people from Indonesian Islands, like Borneo and Sulawesi, all the way to suburbs of Paris and London and North Africa, working with Jihads, talking to the leaders of the Hamas and the foot soldiers and the families of suicide bombers. And what we find is that ideals and ideology are fairly superficial. It is not about the Koran. It is not about any theological understanding of anything at all. It is about young people trying to be heros, trying to find excitement for their lives, and trying to find meaning. And we find, like young people everywhere, the most dynamic aspect of what makes people become terrorists is whether their friends do it. And it is almost a random process, like traffic. You never know which car is going to be stuck in the traffic jam. You know there are sort of general conditions. And trying to figure out which particular people are going to be terrorists, I do not think is probably the right way to go. We have to understand the context, in terms of which these people become terrorists, the local conditions, and why they are moving down this path of violence, and most important what we can do to front end prevention, so that these people will take different paths in the future, because that is where things are important. Once we are into law enforcement and military measures,

in a sense, it is already too late. You have already lost the battle for the future.

So, let me just give you an example, a couple of examples of what is going on around the world, what we are finding in terms of this sort of third wave. The first one is a very interesting one, is that we find that five of the seven plotters, who helped plan the train bombings in Madrid in March 11, 2004, the anniversary was yesterday, four years ago, came from a small area in a neighborhood called the Jemaa Mezuak in Tetuan, Morocco. It is a sort of tumble-down neighborhood, not particularly religious. If you walk down the neighborhood, you find it is not a particular morose place. It is a pretty happy place, actually. And these guys were immigrants to Madrid and they got involved in petty criminal activity and drugs. And one of the reasons that we are finding this new wave of Jihad linked to criminality is because, in effect, the policies of the United States stop funding of Jihad have been too successful. So, now, they are looking for money wherever they can find it and these things, like criminal networks, are there to provide money. And we find that the criminals, themselves, want to find meaning in life, especially petty criminals. They want something more than just to be criminals. And so, we find that five of the seven guys, who blew themselves up, did not even know about Jihad or the plot even six months before. And, yet, they are the guys, who died and blew themselves up.

And when we went to the neighborhood, when we walked around the neighborhood, we found lo and behold just across the street were another five guys, who had gone to Iraq to blow themselves up. They had debated among themselves. They were confused by what happened in Madrid. Some of them were related by marriage, cousins and friendship, the other guys. All of these guys, the ones who went to Iraq to blow themselves up, the ones who blew themselves up in Madrid, they are all from the same elementary school, Abdelkarim Khattahi elementary school. All but one went to the same high school. They were friends. And the whole neighborhood believes what they do. The whole neighborhood believes that they, too, should go to Iraq. It is the most heroic thing in the world. It is what I hear from people in Sulawesi who have never been out of their villages. Imagine a young kid to fight the greatest army in the world in what they consider to be a noble cause.

It is the same sort of thing in places like Hebron, for different reasons. It is not against the United States, but the dynamics of it are almost exactly the same. We went to interview the families of the suicide bombers of Dimona, February, our last month, and what we find is here is a soccer team with 12 guys on this one soccer team, the Masjad al-Jihad, in one neighborhood, the Wad Abu Katila in Hebron, who blew themselves up over a six-month period in 2003. These guys, also on the soccer team, were too young. They were arrested by the Israeli authorities. They were too young. They dreamt about their buddies. The mother of the guys, who just blew themselves up a month ago, told us, you know, my son, he loved those boys. He was a good boy. He loved those boys. He loved soccer and he loved those boys. And, in a sense, he was waiting to emulate his friends. The Hamas had a truce from December 2004, no suicide bombings, but that truce was broken down after the kill-

ing of Mahmoud Zahar's son and the breaking down of the wall. And so, these kids had a chance and it was easy to task. Almost anybody could come along and say, hey, we have something to do.

If you look at something like the Harold Square bombing, to bomb Harold Square, or the paint ball bombing, the paint ball in Virginia that you had, you find the same sort of thing. You do not find particularly criminal minds or pathological minds or motivating individual causes, you find a group dynamic. And one of the things we are learning from the field is that notions of selves, of recruiters, of leadership really do not make much sense. It is more bureaucratic mirroring of what is going out in the world than what is going out in the world.

One last comment, so we were in Saudi Arabia last week and the Saudis were very open about what they said to us. Well, you know, we find that 64.4 percent of the prisoners we have into Jihad are recruited through their friends and 24 percent are recruited through their family. You know, we are saying, is 90 percent recruited through family and friends? No, it is not recruited through family and friends. You follow the path of your family and friends. And this is something, I think, that we are not really dealing with, with these sort of talked down measures that, again, are being applied too late.

Mr. PRICE. Thank you. We will return to this extremely interesting and important topic in the question period. I now want to turn to Mr. Darby to invite him to give us an oral summation of his testimony.

STATEMENT OF CHRISTOPHER DARBY, CEO, IN-Q-TEL

Mr. DARBY. Chairman Price, ranking member Rogers, members of the subcommittee, my name is Christopher Darby and I am the President and CEO of In-Q-tel. First of all, I applaud your efforts today. I think that the United States' private industry is a source for innovative solutions and technologies that can be brought to bear on the challenges that face homeland security and the broader safety of our Nation.

In-Q-tel was formed in 1999 largely as a response to a shift in innovation in corporate America. In the last 1980s and through the 1990s, corporate America began to cut their funding of core research and development projects. And led by people like John Chambers from Cisco, corporate America began to let a Darwinian process happen within the venture community. So, you had small companies being funded by venture capitalists in places like Silicon Valley, Boston, and, yes, RTI. I am proud to say I managed one of those companies in RTI. What corporate America did is they allowed these companies to grow and then when they saw the leader, they acquired it. And so, they changed their mode of acquiring innovation. As opposed to growing it at home, they went out and they bought these start-ups and that was the way they jumped started their innovative technologies.

The CIA and the larger intelligence community are the customers of In-Q-tel. In-Q-tel is an independent not-for-profit company. CIA and the intelligence community recognized that they were not getting always the upstream technology. They were not

seeing what was coming from the venture community early enough. And so, In-Q-tel was formed to allow them to tap into that market.

When you think about In-Q-tel, we are a strategic investor. We invest for one reason only and that is to accelerate innovation within our community. And so, we look at speed and we look at cost as the two drivers for what we do. The way we do this, we start by understanding the customer requirements. And so, we have 60 percent of our organization with top secret security clearances and we spend a huge amount of time in the field, whether it is Beijing, Kabul, Baghdad, we spend time in the field with our customers, understanding the problems that they face today.

We, then, provide a translation facility, because we then go to the venture capital communities and the people doing the investing, we say, look, we are looking for technologies in these areas, sensors, biochem nano types of technologies, software and analytics to parse the huge amounts of data that we are gathering around the world today. And then once we have understood their requirements and once we have made these connections with these emerging companies, whether they be in the Valley, New York, Texas, it really does not matter with us, we engage the company in what we call the work program. And so when we look at an investment, we are looking for largely non-equity investments. And this is important. What we do is we allow that company to maintain their development path, but to tweak the development so that the product is applicable to our community, because our community has some very unique requirements. And this is good for the company, in other words, they get an injection of capital for their research and development. It is also good for our community, because when we do this, we leverage for every dollar that we spend, nine dollars of venture capital. So, simplistically speaking, you can think of this as costing one-tenth of what it would have, if you had just gone and tried to buy it off the shelf.

We believe we add values to these companies and so we will take, for example, warrant coverage on that investment that we make and we think that is only good for the American taxpayer. So, that if one of these companies becomes a huge success, we can take the profit generated from that and turn it right back into investments for the community.

The investment piece is only half of it, because once that work program starts, we have to be totally focused on transferring that technology into the government and that is no small task. The government apparatus is very well equipped for dealing with large project-based programs. There are a number of vendors that are well understood and relied upon. Dealing with small companies, who may not have a lawyer on staff, is something that we have to help with. We have to act as that bridge between that small company and the government customer.

We spend a lot of time monitoring the success of the adoption and the pilot within the customer set, because that is how we are measured. Is the technology being piloted and is it being adopted? And to date, In-Q-tel has made approximately 110 investments, of which 70 of those companies have deployed technologies within our customer set. That is an incredibly good hit rate, when you compare it to venture capital, where only one in 10 companies is suc-

cessful. So, we are doing a lot better than that and let me give you and end with a couple of good examples.

Some of you are familiar with Google Earth. Google Earth is an In-Q-tel product and company. So, when In-Q-tel found Google Earth, they were focused on the real estate market. And In-Q-tel went in early, pre-revenue for Keyhole, and invested in Keyhole, allowed it to grow its technology base, and then ultimately that company was acquired by Google.

Other examples, Polycromix is a hand-held spectrometer, so it is used to identify chemical components in sand. When we found Polycromix, it was actually being used to separate carpet types for recycling. They were using this handheld device and they would point it to the carpet, it would tell what the compounds of the carpet were and they could decide what bin to put it in for recycling purposes, which is a noble and worthy exercise in and of itself, but we felt that it could be re-purposed. And so, you can create libraries associated with this and what used to take us two weeks, where someone would go gather a sample in the fields, send it back to the United States, the sample would be prepped and analyzed, and we would get a result two weeks later, we can now take this handheld spectrometer, point it at the sand, click the button, and it will tell you what is in the sand, based on the libraries that have been developed.

And so, these are two examples of things that I think In-Q-tel has done that have been very, very successful in the market. I can go on with other examples, but, ultimately, that is how we are measured is through what technologies are we deploying.

IMPACT OF THIRD WAVE ON THREAT OF RADICALIZATION

Mr. PRICE. Thank you, sir. Thanks to all of you. This is very interesting and very stimulating testimony. Unfortunately, we have votes on the House floor, which will break us up here in just a moment. But, let me began with our RTI team, to ask you to elaborate a bit on some of the things you said. Dr. Sageman, Dr. Atran, as I understand, you are both suggesting that we are now at a third wave of radicalization and that the critical variable often with these young radicals is a kind of group dynamic that pulls them in, because of what their friends are doing, not so much because of any inherent qualities that they have in terms of religion or ideology or psychological factors. Dr. Atran, you said at the very end of your statement that this understanding of this third wave raised serious issues about what you called our top-down approach with dealing with the threat of radicalization. I think we would all like to have you elaborate that, because, after all, the bottom line here is what do these findings imply, in terms of our policy and our counter-terrorism strategies.

Mr. ATRAN. Well, I will let Marc handle most of this. The idea is that radicalization is a path people take to violence. And this path, itself, is determined by the environment, by the context, by group dynamics and that the only way we are going to ever understand what is going on is to embed ourselves in local context and communities and find out what alternate paths, what alternate dreams are for these young people, because dreams ultimately move people in life. They are movements. It even moves civiliza-

tions and cultures, ultimately, even more than material incentives, although those, too, are important. We have got to find alternate dreams for these people. I must mention that the FBI is also very much interested in this type of approach and more and more are trying to figure out how within the local communities and context, they can start moving people towards ultimate alternate paths than the path of violence.

EXAMPLE OF THIRD WAVE RADICALIZATION

Mr. SAGEMAN. Yes. Let me give you one example. Mohammed Atta went looking for Al Qaeda. Al Qaeda did not go looking for Mohammad Atta. If you want to stop this, you have to stop it from the Mohammad Attas looking for something. It is a bottom-up process, in that sense. So the question is why do some people, young people, at a particular time, particular place, why they are attracted to these ideas and that really is the other way around.

And to just give you an illustration, we defeated the Communist, but we did not defeat the Communist by making comments on Marx, saying that the Communist ideology is wrong. The movement degraded by itself for its own reason and not so much because of a top-down ideological approach.

Mr. PRICE. I must say, though, when you talk about these remote villages that become the hotbed of this kind of radicalization, you think, how many such villages there are. Of course, most of them do not become radicalized but there appears to be an almost random quality of when something truly takes hold. The idea of how we anticipate that and reach it and affect it is daunting.

Mr. SAGEMAN. Mr. Chairman, let me just correct you. Again, you look at it from a top-down, so when does this viral anti-Jihad take hold. It is not that way. It is young people searching for ideas that would inspire them. And it could be anything that could lead to violence.

Mr. PRICE. Yes, but small groups of friends in many, many communities find all sorts of ways to bond together and to find a purpose. And when there is a particularly toxic turn that that takes, it seems to me that anticipating where and when that is, is a huge challenge. Why do not we recess for just a moment. I apologize. We will resume as quickly as we can get back.

[Whereupon, a short recess was taken.]

POLICY IMPLICATIONS OF PROVIDING ALTERNATIVES TO YOUNG PEOPLE

Mr. PRICE. Mr. Sageman, Mr. Atran, if you could just wrap-up what you were saying very rapidly when we adjourned, I would appreciate it. But, the question, I remind you, had to do with the policy implications under what have to be regarded as very difficult circumstances, to offer alternatives to these young people, who are taking this path. What are the implications, just in a nutshell for national policy? We want to continue this discussion, believe me, and we know that we can only touch the—skim the surface this morning.

Mr. SAGEMAN. Well, I think that we are dealing with a youth culture, al-jihad and so on, and that is probably where we need to address our policy recommendation, namely just as Scott said, at the

front end of the pathway. By the time we get at the end, such as rehabilitation centers, social work, we are a little bit later and it is much easier to deviate people from traveling that path early on than later on.

UNDERSTANDING COMMUNITIES

Mr. ATRAN. Let me just say that one thing we should do is, as I said, get involved in understanding the communities. That does not mean get involved in every community. That means getting a good enough scientific sample, so we know what is liable to happen in different communities. Knowing what happened in Mezuak, for example, and knowing, for example, there are 50 guys from Dimona, Libya, on their way to Iraq, leads us to believe probably the same processes are involved. We do not have to do it all over in Dimona. Knowing what happened to the guys, who wanted to do the Herold Square bombing, and knowing how the paint ball group gets involved in Virginia, we have a pretty idea about what kind of thing is going on. But, we need enough control studies, enough scientific studies where we know of the millions and millions of people, who support this idea, who are attracted to this, why only a very few make the move? And just looking at the guys, who did it, is not going to give you the answer, okay. You have to know why the other guys do not do it and no one is really doing that.

Mr. PRICE. Well, I can imagine that there are serious implications here for intelligence policy, for foreign assistance policy, and certainly for our cooperative efforts with our friendly allies, with countries with whom we have a joint interest in preventing this sort of activity. Mr. Davis?

APPLICATION OF FIELD-BASED WORK TO NATIONAL POLICY

Mr. DAVIS. Yes. Chairman Price, by way of background, I came to work with Scott and Marc as a policymaker first. I was at the White House serving on the Homeland Security Council with the responsibility, the portfolio of radicalization. So, I have made it my business over the past couple of years to understand how to apply the field-based work to national policy and understand how to build national capacity for this. So, to address your question quite succinctly, you touched on the fact that foreign assistance is the single tool that the United States has to actually address challenges that we have in radicalization around the world. We certainly want to address radicalization before either the military or law enforcement or bullets are necessary. So, the single tool that we have right now is actually this foreign assistance capability.

Now, the best way to target foreign assistance capability is to understand what is happening in the local communities with the young men, who have actually radicalized. And so what we are arguing here today is ultimately what needs to happen is there needs to be a requirement by the Committee, by the Department of Homeland Security, and by the other departments and agencies to require that more of the funding that goes to terrorism research actually be required to go into the field and to actually study this and then studying the implications of what sort of foreign assistance programs and interventions can actually work in those communities with those particular kids.

ADAPTATION AND APPLICATION OF NEW TECHNOLOGIES

Mr. PRICE. Thank you. Mr. Darby, let me briefly turn to you. Mr. Rogers and I were talking on the floor about how interesting your testimony is and also how interesting the experience of your organization is, in terms of providing a way for new technologies to be vetted and considered from the institutions and businesses out there that have something to contribute or think they do and also strengthening the agencies you are working with in figuring out a way to consider the many, many ideas that come over. Even if one idea out of 10 is a good one, nonetheless, it is very important to have a way of supporting that idea and its development.

Based on your experience, what would you say—this is something, I am sure, Undersecretary Cohen will address, because he has wrestled with it at Homeland Security—what would you say about how the Science and Technology Directorate at Homeland Security should accelerate the development of new technologies and the adaptation of existing technologies? Based on your experience, what kind of advice would you give about how to evaluate these ideas and quickly procure what needs procuring to address pressing needs?

Mr. DARBY. Well, Mr. Chairman, one of the things that we do is try and understand the customer requirements first and foremost. And having not spent time yet with Undersecretary Cohen, it would presumptuous of me to specifically talk to the homeland situation. I will say that as In-Q-tel relates to the S&T directorate within CIA, I think they use us for two different things. First and foremost is that acceleration and economical solution to technology problems, because small companies want to sell their product. They want to solve the problem today. They do not want to solve it three years from now or five years from now. There is an economic imperative with small companies, generate revenue and make sure your product meets the needs of your customer. That is just basic business in the United States. And so, they are not looking for long-term rigmarole associated with trying to introduce their technologies. These companies want to get in and solve the problem fast. And the S&T recognizes that and uses In-Q-tel to foster those relationships and make sure that it gets in fast.

We cannot solve huge programmatic things with these small technologies. So, this is not a replacement for the systems integrators and the larger providers of project-oriented things. But, I will say that within these large projects, you have an option sometimes. You can either buy an off-the-shelf piece of technology from one of these small companies or you can develop it over three years. And as a taxpayer, I think it is more economical often to just buy the off-the-shelf piece of technology and integrate it quickly. And so, I think that that makes good sense.

I think the other thing that we do is we bring situational awareness to the table. So, through the history, we have only made 110 or so investments. However, we have seen 6,000 companies and we document that and we talk about what the relative pros and cons are to those technologies. And so, there is a fairly detailed database of what is out there and we allow our customers to survey that

database very quickly and determine whether what they are doing is state-of-the-art today.

I think American creativity is underrated and I think the creativity is happening in the garages. It is happening in that three-person and four-person enterprise right now, where these people are working 24 hours a day to get the best product out there. And we have to tap into that.

Mr. PRICE. Thank you. Mr. Rogers.

Mr. ROGERS. Well, you could not be plucking my strings more than what you are. This is something I have been preaching at with the department now for five or six years, ever since we started on this Subcommittee. Time and again, people would come to my office, still are, and they will say, I have this gizmo that you can put in a container crate and it will tell you whether or not it has been broken into. And, in fact, there was a small individual inventor from North Carolina. Well, I thought we had created S&T at the Department of Homeland Security to do just that, what you are doing. Sadly, I was mistaken. I have sent people like this inventor with this gizmo to S&T. I said to him that S&T will evaluate and tell you whether or not they already have one or whether this was good, bad, or indifferent. And if it is good, they will proceed with it and so on. When I sent him down there, I never heard from the poor guy again. He fell into that deep, dark black hole that, at that time, was S&T. We are going to find out whether or not that has changed here in a few minutes with the Undersecretary.

But what you are doing, as I understand it, is precisely what needs to be done and that is provide a way for the government to find entrepreneurs out there with an idea that could be applied in a broad sense by the government in need of a solution. And you make money on it, or the non-profit does, perhaps, but the government gets what it needs.

There was a reason why during World War II, we went from nowhere; no army, no planes, no bullets, no jeeps, nothing. Four years later, just four years later, we became the world's superpower, destroying two major allegiances of enemies on both sides of the world. It was an incredible undertaking. We had no airplanes and, yet, four years later, we had built almost 300,000 planes. We had no armor and, yet, a few years later, we had 86,000 tanks, 65,000 landing craft, three-and-a-half million jeeps and personnel carriers, 53 million deadweight tons of cargo vessels, 12 million rifles, carbines, machine guns, 47 million tons of artillery shells, and on and on and on. It was an incredible performance. And I think the reason we were able to do that was the government said to industry that we have some important gaps to fill. We have to have an airplane that will deliver x number of pounds, tons of bombs, so many miles, and so many minutes, can you do it? And people like you said that we will find you somebody, sir, and you did. And off we went.

I do not know why we cannot do that now, but we are not. There are gizmos and inventors out there by the acres-full, with ideas that solve the problems that we have. How do we protect our aircraft landing and taking off from the 440 commercial airports in this country, how do we protect them from stinger missiles? Well, we are trying, but, I wish we had turned to people like you sooner.

How do we protect container boxes from all points of the world, going to all points in the U.S., through a lot of good choke points? How do we know when one of those have been broken into, whether or not it had something bad in it at the outset? And how do we tell that fireman, who finds the wrecked train, leaking white fluid from one of these containers, whether or not that is milk or hydrochloric acid?

The private sector can solve that. But, we have not yet. I do not think we have adequately turned to people like this, to integrate between the government and the private sector to find the gizmos and the answers to the solutions that you are looking for. I wish we had the Undersecretary at the table with us now for this conversation. What do you think about this?

Mr. DARBY. Well, I think you are right obviously, but I do empathize with the position that the Undersecretary is in however. Without an intermediary like In-Q-Tel, the S&T Directorate within our customer set would be overwhelmed because there is always an inventor out there who has a solution to a problem. Is not that true, Mr. Undersecretary?

And to be able to vet that inventor, to be able to vet that technology before it takes up time within the agencies that we serve, I think is an incredibly valuable thing because, as I have said, we have looked at over 6,000 different companies; we made 110 investments in companies, so we do an awful lot of technology vetting, and we are not big.

Mr. ROGERS. Let me ask you how this operates. You work with the CIA?

Mr. DARBY. Yes, sir.

Mr. ROGERS. Do they tell you: Look, we need an x, y or z answer to the problem, and here is the problem? And then they say to you: Can you help us find somebody to help solve it?

Mr. DARBY. It is above and beyond that, sir.

Mr. ROGERS. Tell me how that operates.

Mr. DARBY. I think it probably started that way with requirements, documents saying we need a technology that will do x. We do not have it today.

Today, we are far more sophisticated inasmuch as we will start with the dialogue around the problem set at a high level, but we, then, spend time in the field asking them questions. I think this is a very important role that we play because, within our organization, most of us recently come out of private industry, so we have built companies and we have built technologies right up until coming to In-Q-Tel.

And this is a handicap sometimes: We are not government, but we understand what is going on in private industry. Therefore, when we interrogate CIA about a problem set, we are asking different questions. We are looking at the problems with a different lens than perhaps they are. So I think there is this interrogative period of time to help qualify.

There had been occasions when they thought they wanted x. Yet, by the time we go through this process, they actually want y because we bring to bear an alternative technology that they maybe did not know about.

Mr. ROGERS. But, basically, do they tell you: We have got a problem in this field. what do you think we do about that?

Mr. DARBY. Absolutely.

Mr. ROGERS. Then, you go out and check in the field and see what is available; and you may uncover something that maybe a bit different but it is a better idea than they had, right?

Mr. DARBY. Yes, sir.

Mr. ROGERS. Is that the type of thing you do?

Mr. DARBY. Yes. Let me give you an example. One of the things that we have been monitoring and actually starting to invest in is this notion of virtual worlds.

Some of you may be familiar with these things. The Internet has virtual worlds, and communities from around the world are going on-line and representing themselves on these virtual worlds, having dialogues, and creating relationships, and so on.

When you are my age, it is kind of foreign to you. But certainly the younger members, and the Jihadists in different neighborhoods, are participating in these on-line environments. So, what are the technologies that can be brought to bear in these environments?

How do you begin to assess behaviors in these environments? Are these operational environments for different people?

We know that money is moving in these environments. So I think it is probably fair to say that In-Q-Tel was one of the catalysts for examining these new and emerging environments within our community.

Mr. ROGERS. Would you have your company, or a company like yours, working with S&T and the department in a similar vein?

Mr. DARBY. Absolutely. I think it starts with understanding the problem set. And In-Q-Tel, specifically, has probably a number of different overlapping technology practices, so we have a Bio-chem, Nano practice; we have a Coms and Infrastructure practice, Software and Analytic practice, Embedded Systems and Power; and we have a Digital Security Technology practice.

So, those five practices, probably overlap at a certain level with some of the problem sets that are facing Homeland today. For us to re-purpose a lot of the investments and create economies of scale, potentially would make sense. But whether it is our organization or another one that is set up, I think a couple of key things.

First of all, we are not venture capital. So the individuals do not profit from the companies going public. Right now, we are metrixed on base and bonus, and bonus associated with technologies being deployed. That is a very strategic investor model, much like Intel Capital, it is the Intel Corporation. I think that model works.

Secondly, we are technologists at heart. We have some people that are in the investment community, and have been there for a long time, but most of the employees at In-Q-Tel are technologists, Ph.D.s that come out of private industry, have built companies and been successful, and have those relationships back into the entrepreneur's community and into the investment community.

Mr. ROGERS. So can we say that you are the guy in the James Bond movies who invented all the gizmos, Q?

Mr. DARBY. That is the Q in In-Q-Tel, yes.

Mr. ROGERS. Ah, so, you are Mr. Q?

Mr. DARBY. I am today, yes.

Mr. PRICE. All right, thank you.

Mr. Farr.

Mr. FARR. Thank you very much, Mr. Chairman. I have been very stimulated by these papers and by this discussion.

I would urge you to see if we can sometime just do a retreat, a weekend of these round-table discussions because I do not think the nature of these short hearings is going to allow us to grasp what we want to.

It is very interesting that of the witnesses, that three of them are talking about high-touch and one of them is talking about high-tech. My background from the Peace Corps was really living in barrios and trying to understand from the bottom up and find that that is very relative to being a successful politician because, essentially, we all represent these barrios.

My wife always said that I am still a Peace Corps Volunteer. I just changed my barrio, being in Congress. But it is about, and what I really appreciate this papers, because let me just tell you that I represent the Naval Post-Graduate School. Last year, Congressman Murtha was there with members of the Defense Appropriations Committee, and we had some soldiers who had just gotten back from Iraq. They were the IED experts, detecting them, and also trying to find them.

One of the things they complained about was that we have thrown too much technology at them. There is so much technology that it was jamming the airwaves in Baghdad, and not being able to do just do communications.

Jack Murtha said: We have just appropriated $2 billion to discover how we can jam these things. I think he said that one of the soldiers said: Have you ever put any money into the sociology of why people do this in the first place?

So the people who are on the ground, whose lives were at stake and who had watched people, were now asking that question, which I think these panelists are asking you is: What is the motivation in the first place?

The issue in this Subcommittee, it is the ounce of protection or the pound of cure. And Homeland Security is a big agency, and it has just been spending with a pound of cure. We have not spent money on figuring out what is the root causes in the culture of poverty.

Your story about these kids who are all soccer players, I think in your paper, thought that maybe had one of them gotten a scholarship because they were good enough to play at the college level, they might have had a whole different motivation for all the gang, the whole team. We thought maybe we could all go on and be great soccer players.

So, again, my question is—and last week the House passed, and the Senate has a comparable bill, a really nifty bill that I have been working on for a long time. It is creating a crisis core in the State Department USAID.

Well, hundreds of people in the State Department who are experts in a specific field, and who can be called on within 24-hours notice to go into a failed state, and backed up by thousands of people in the federal government, and backed up by even more thou-

sands of people at the local level, who would be fire chiefs, police chiefs and so on, and judges, and hopefully, they would be recruited on the basis that they have some knowledge about countries and languages and cultures.

When Mr. Price took us on a CODEL, in meeting with the heads of state in all these countries, I think you will agree that there was not a discussion about how much money you can get for us. All the discussions were: What kind of talent can you send us to help us upgrade our infrastructure?

So I think Homeland Security is the guns and butter. We are spending so much money on guns and so little on butter. We need to begin doing what I think the three witnesses here talk about, and that is building this, and I would like to hear more about, is the science-based political violence field research teams that would be actually—understanding these pockets of poverty.

We need to understand them in this country, too, because I think that is where people are going to come out of doing violent acts in this country.

If, indeed, we have the sophistication to go out there and look at these start-up companies that are smart and doing the right things, then you can buy a little bit of attention. Tweak them, why cannot we tweak a barrio, or a neighborhood, so that we can do that ounce of prevention?

I would like some of your feelings about what is it going to take to really build this? The military, frankly, is asking these questions. They are not asking us—you know, we want to give them the right equipment. But the question is not make me a better gun. It is figure out what motivates people to do these things to do harm to others in the first place?

That is coming out of the military community, and I think it is very, very interesting to hear that. I would hope that we might spend some resources trying to figure that out. How much is it going to take?

Mr. DAVIS. Thank you, Congressman Farr.

In terms of building capacity, to be able to kind of redirect where radicalization is going in the field, the first place to start is overseas.

As I addressed earlier, the Foreign Assistance Program that the country has targets these eighteen-month programs in health, social-service type programs in different communities, but they are not long-standing programs in different communities. And they are also, many times, based upon assumptions about what might work in particular communities.

What is really interesting now about not having the data from the field, base-science research, is that we can actually test these theories of intervention of what could actually change these communities. We can test them. We can find out whether the opportunity for those young men in Hebron by getting one soccer scholarship could actually change the trajectory of a community. We can test that.

That, perhaps, is the next step for what we need to do: be able to take the good quality science that exists, although there is not much of it, but what does exist in the field, and actually begin to test our intervention strategies to see whether or not they are

working, and find out, community-by-community, where we need to, what sort of intervention strategies can work.

Let me leave you with one kind of picture that I became very familiar with in understanding the way the National Security Council works, the Homeland Security Council works, and the Domestic Policy Council works. When you ask the question how do we change the hearts and minds of these would-be radical actors, who is sitting at the table?

You have got the Defense Department, you have got the FBI, you have got Justice, you have got Homeland Security. You have got all these experts in security, but you have very few health people, very few educators who are actually sitting there, and that is partially why the capacity does not exist.

Mr. FARR. What is it going to take to build that capacity, what kind of investment?

Mr. DAVIS. To start with, you should strengthen the institutions that area actually doing the field-base science, so that you have some sort of qualitative work that you can base your information on.

Why RTI is so interesting in this capacity is because RTI not only does it serve on the front line in Iraq, in its local governance program through a developmentally related program, but it right now is working on trying to lessen the number of radicals that are coming from Iraq.

Then you take that on the flip side you look at it and: Okay, now we have political violence, kind of individual and group-related research. You need to strengthen that first. Then, ultimately, you need to add the type of research, and require more of research happening from the field in terms of political violence, and had a requirement on that political-violence research that you actually test intervention strategies otherwise what good is it?

Mr. PRICE. Dr. Altran, why do not you chime in and then we will have to move on.

Mr. ALTRAN. One of the problems, especially in academia, is that it is much more convenient. It costs a lot less and takes a lot less time to just take data in and speculate and write theories about it.

It is very costly in terms of time and commitment for people to actually go out in the field, in terms of the actual dangers they may face, and in terms of the commitment to their lives and their homes. There has got to be some incentive for people to do that. There is no such incentive in the United States right now. In fact, there are disincentives.

Mr. FARR. How much cultural and language capability do you have to have to do that?

Mr. ALTRAN. You are going to have to have certainly a minimum of cultural language.

Mr. FARR. Can we hire host countries nationals to do it?

Mr. ALTRAN. Of course, and you have to. That is what we do. People who come out with us in the field that we can vet and find out who—but they have to be trained.

Because if you just get people who have no training in science, and do not know what a base rate is, know no hypothesis, the information they give is mostly a waste of time.

Mr. PRICE. I hate to cut this off because it is extremely interesting, and I hear what the members are saying about the need to continue this kind of discussion, maybe in a less chaotic atmosphere than the one created by multiple votes on the House floor. We do want to hear from Undersecretary Cohen, and we need to bring him forward.

So let me thank all of you for a very interesting and useful morning, and we hope to remain in touch with all of you. Thank you for the good work you are doing.

Mr. Undersecretary, I appreciate your presence with us this morning for this earlier discussion, and we are very, very glad to have you with us now.

I think Mr. Rogers and I will dispense with any further statements, and ask you to give us your oral summation, and then we will proceed to a discussion.

STATEMENT OF JAY COHEN, UNDERSECRETARY FOR SCIENCE AND TECHNOLOGY

Mr. COHEN. Well, Mr. Chairman, I will follow your lead and Chairman Price and Congressman Rogers, Congressman Farr, it is a great personal honor for me to appear before you.

Chairman, I think you have indicated that my written testimony would be made part of the record, so I will not repeat that. I would like to start out, Chairman, by congratulating you on your selection by the National Emergency Management Association recognizing you for a congressional recognition award. I understand that that would be presented later today. I only regret that I cannot be there.

Mr. PRICE. Well, thank you. You are very kind to note that, and I am very grateful for the recognition.

Mr. COHEN. Well, you are all deserving of awards, and I am sure in time that those will follow.

And thank you for including me in that very enlightening testimony and interaction from both RTI and In-Q-Tel. You might remember that we established the Human Factors Division as part of the reorganization which the Congress so graciously approved in a very rapid way when I was in Naval Research many of the same questions came up. And I was blessed to have an anthropologist, Dr. Montgomery McFate, who is still with the Department of Defense, and is helping us go in exactly the direction that Congressman Farr has addressed, understanding the barrio as you said; and now I am blessed to have Dr. Sharla Rauisch, who is a social psychologist with a Justice background, bringing those very same things to bear.

What I would like to just address is where we are and where we are headed. Congressman Rogers, I think very wisely, addressed the fact that we are in a transition year, and we take that very seriously because science and technology, as I have come to learn over the last eight years, is bipartisan, non-partisan. It is a strength of America, and it enables not only our economy but our very way of life that we enjoy.

So a year-and-a-half ago, I briefed you all on what I believe needed to be done. In a Science and Technology Directorate, those were the four "gets." We had to get the people right; we had to get the

books right; we had to get the organization right. When you do that, you get the content right. I believe we are substantially there.

And then I addressed what I believe were the threats that faced the nation. Those were the four Bs: bombs, borders, bugs and business.

Just to remind you because bombs, borders and bugs are self-evident. But business is that cyber-backbone that underlies everything we do, and the concerns there have already been addressed.

So, where are we in this transition year?

THE FOUR P'S

Well, the good news, Chairman, and members and Staff, is that we are now up to the four "Ps." There are only 23 more initiatives I can have and then I run out of alphabets. But what are the four "Ps"? The people.

When I came on board, we were fewer than 60 percent government manned, and we were bleeding. Today, we are 95 percent government manned thanks to your support; and about a dozen individuals, government service, who had left the directorate before I got there are now back on board. We have no shortage of volunteers. We even have people who want to work pro bono because they believe in the mission and they get it.

The second P is: process. We have put in place the processes that we deal with your Staff and with you, on the day-in, day-out basis. Those are the same processes that I, after a long period of time, six years in Naval Research, was able to put in place.

And now that I am two years removed from there, an electromagnetic rail gun, and free-electron lasers, and super-conducting motors, and mack-7 missiles, and so many other things are now being delivered to the fleet and the force, and the MRAP to protect our Marines and soldiers.

When you go to a five-year budget, when you have an open and accountable organization, when you put those processes that are customer driven in place, no person is indispensable. The good lives on afterwards, and that is the process and the organization that I put in place that I believe, with our five-year budget, if you consider every year, will serve us well.

And then, finally, partnerships. We are partnered with all of the other S&T components, not only in government but your vision in HR–1 last summer, where you took the small initiative I had with international partnerships because the world is flat.

EUROPEAN UNION PARTNERING

You know, Congressman Farr, the European Union has come to me twice in the last year and laid 1.4 billion Euros on the table that they want to partner with us for what they call security, we call homeland security.

And we have interoperable technologies, and we have understandings of other cultures, then our ability to work together and make these partnerships is critically important. So we have partnerships with industry. Congressman Rogers, I think will be pleased that we have taken the PsiTech and the Tech Clearing House, which I think was brilliant on your part.

It is not an In-Q-Tel model. And I think Mr. Darby was eloquent actually in describing that. But we have now focused it, as you envisioned, on the first responders. We have tech solutions, where first responders come in directly on the web and also now, we have expanded that to firstresponder.gov because so many more first responders wanted to be able to field it.

I think we have fielded the anti-tamper device. I just cannot tell you if it's from that North Carolina young man, but I will work to find out.

So with people, process and partnerships, at the end of the day, and you have addressed this, it is about product. And product is coming out the door. Some of it is demonstration, some of it is developing, others long-term.

But this is the long war. This is a war of ideas and ideals. It will go on. It requires psychology. It requires the carrot and the stick. But we believe that with the four "Ps," we are well situated for that.

So I thank you, I thank your staff, and I thank both bodies for the support that we have received. I look forward to your oversight; I look forward to your questions. With that, I will conclude.

[The information follows:]

Statement for the Record

Hon. Jay M. Cohen
Under Secretary, Science and Technology Directorate
Department of Homeland Security

Before the U.S. House of Representatives
Committee on Appropriations
Subcommittee on Homeland Security

March 12, 2008

INTRODUCTION

Good Morning Chairman Price, Ranking Member Rogers, and distinguished Members of the Committee. It is an honor for me to appear before you today to update you on the progress of the Department of Homeland Security's (DHS) Science and Technology Directorate (S&T Directorate) and discuss how the President's Budget Request for Fiscal Year 2009 will position us to develop and transition technology to protect the Nation from catastrophic events.

The S&T Directorate is committed to serving our customers — the many components that comprise the Department — and their customers — the hardworking men and women on the front lines of homeland security, especially the first responders, who need ready access to technology and information to perform their jobs more efficiently and safely. I am honored and privileged to serve with the talented scientists, engineers and other professionals who support these dedicated Americans in our shared mission to secure our homeland and defend our freedoms.

First and foremost, I continue to be very appreciative of the leadership of the Congress in its support of the S&T Directorate, and of me personally, as Under Secretary for Science and Technology. I am grateful for the engaged and nonpartisan relationship we enjoy, which is vitally important for the S&T Directorate. The informed counsel of Committee Members with homeland security oversight, and that of their staffs, has been invaluable to the Department's efforts to position the S&T Directorate for accountability, tangible results and success, both for today and in the future.

Last year, I told you that to achieve long-term success, the S&T Directorate must get four 'gets' right – its organization, its people, its books, and its program content. I also told you that we would concentrate our activities on the four 'Bs' – bombs, borders, bugs and business – to stay focused on priority threat areas for the S&T Directorate.

I'm pleased to report that since last year, we have made significant progress in the four 'gets' and the four 'Bs.'

Highlights of this progress include:

- Publishing a strategic plan that provides a framework to guide the Directorate's activities over the next five years;
- Strengthening our workforce by increasing federal staff, implementing training initiatives, and building morale through directorate-wide communications and events;
- Realigning our organizational structure and research, development, test and evaluation (RDT&E) activities to better serve the Department's components and their end users; and
- Establishing a customer-led, Capstone Integrated Product Team (IPT) Process to identify our customers' needs and develop and transition near-term capabilities for addressing them.

This year, I am going to focus on the four 'Ps': People, Process, Partnerships, and Product. Fine tuning and sustaining the four 'Ps' will ensure that the S&T Directorate achieves enduring success.

The first 'P' is for People. That is because once you get the people right, you have to keep the people right. The S&T Directorate will keep the right mix of people by having a solid staffing plan and by being a great place to work. Our employee communications, training opportunities and directorate-wide activities have helped make the S&T Directorate a place where highly skilled professionals want to be. We must sustain this effort.

The second 'P' is for Process, because you need a stable and efficient operational foundation to keep an organization, its program content, and its books right. The S&T Directorate will refine and integrate its internal management processes – financial and administrative – to ensure operational excellence and fiscal responsibility. We must also mature those processes that drive the delivery of products to our customers, such as our customer-led Capstone Integrated Product Team (IPT) Process – and continue to support a balanced portfolio for RDT&E activities.

The third 'P' is for Partnerships, which are essential for long-term success. The S&T Directorate will build on the international and interagency partnerships it put in place this past year by establishing more formal working agreements and commitments to the development of homeland security science and technology.

The fourth 'P' is for Product, because we exist to deliver to our customers' science and technology breakthroughs that will strengthen the security of our homeland.

PEOPLE

The S&T Directorate functions as the Department's science and technology manager. We invest in science and technology that supports DHS component efforts to protect out homeland. To achieve this, the S&T Directorate develops and manages an integrated program of science from basic research and technology innovation through technology transition. The managers of this program are predominantly active scientists and engineers in the many disciplines relevant to Homeland Security. Program investment is guided by a multi-tiered strategy and review process based on higher guidance, customer needs, and technology opportunities.

Our staffing is currently at 93 percent of Full Time Equivalents (FTE). Hiring has been slowed due to the continuing resolution and a reduction in the M&A funding, but we expect to reach our full complement of 381 FTEs by the end of FY 2008. This year we are putting in place a career Senior Executive Service Deputy Undersecretary for Science and Technology to help ensure a seamless transition into the next Administration. I'm also pleased to inform you that in the past several months we have received a number of unsolicited employment applications from very qualified individuals. The word is out that the S&T Directorate is making a difference.

It continues to be very important to me personally that S&T Directorate staff be kept informed of our plans and priorities and that they have a forum for asking questions and expressing their views and concerns. I hold monthly "All Hands" meetings to brief all staff members, including

teleconference links with staff in other locations such as the Transportation Security Laboratory in Atlantic City, New Jersey, the Animal Disease Center on Plum Island, New York, the Environmental Measurements Laboratory in New York City, and the National Biodefense Analysis Countermeasures Center in Fort Detrick, Maryland. These meetings also allow me to recognize the achievements of staff members, to answer questions and solicit input, and, most importantly, express my gratitude for their superb work.

PROCESS

I thank Congress for its support of the new organizational structure, which we put in place in September 2006.

This enabled us to re-engineer our management and administrative processes over the last two years to reduce the costs of our business operations by more than 50 percent. We accomplished this by implementing several efficiency initiatives to make better use of our resources including converting positions filled by contractors to be civil servants, consolidating office space, and limiting our overhead, which I will continue to cap at 9 percent in FY 2009.

It has also supported a broad and balanced range of activities that are aimed at identifying, enabling and transitioning new capabilities to our customers to better protect the nation. This is reflected in the President's FY 2009 Budget request, which includes **$145.1 million** for the basic research portfolio; **$361.4 million** for the transition portfolio; and **$58.6 million** (including SBIR) for the innovation portfolio.

Product Transition (0-3 yrs) ▪ Focused on delivering near-term products/enhancements to acquisition ▪ Customer IPT controlled ▪ Cost, schedule, capability metrics 49%	**Innovative Capabilities (2-5 yrs)** ▪ High-risk/High payoff ▪ "Game changer/Leap ahead" ▪ Prototype, Test and Deploy ▪ HSARPA 8%
Basic Research (>8 yrs) ▪ Enables future paradigm changes ▪ University fundamental research ▪ Gov't lab discovery and invention ▪ Homeland Security Institute 20%	**Other (0-8+ years)** ▪ Test & Evaluation and Standards ▪ Laboratory Operations & Construction 23%

DHS Science & Technology Investment Portfolio

Basic Research (> 8 years)

The S&T Directorate's basic research portfolio addresses long-term research and development needs in support of DHS mission areas that will provide the nation with an enduring capability in homeland security. This type of focused, protracted research investment has the potential to lead to paradigm shifts in the nation's homeland security capabilities.

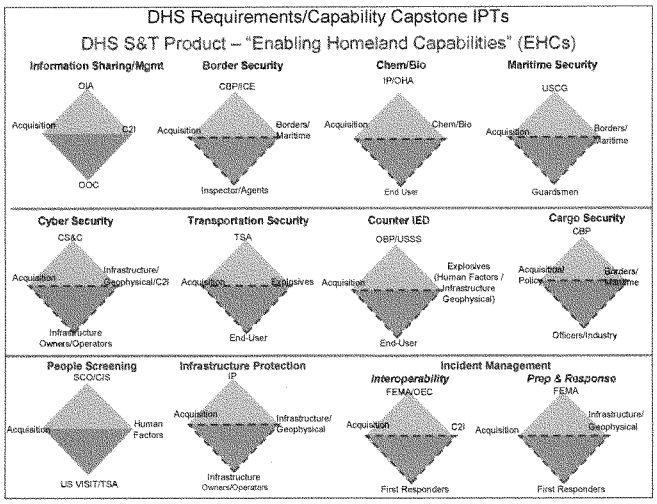
The S&T Directorate's basic research program enables fundamental research at our universities, government laboratories and in the private sector. I have previously stated a goal to grow this account to approximately 20 percent of the budget; and I am pleased today to be able to say that we have met this goal. Approximately 20 percent of the S&T Directorate's investment portfolio, or **$136.2 million**, is allocated for basic research in the current fiscal year with 20 percent or **$145.1** million planned for FY 2009. It is essential that basic research be funded at consistent levels from year to year to ensure a continuity of effort from the research community in critical areas that will seed homeland security science and technology for the next generation of Americans.

This year, we will focus internally on refining our basic research "thrust areas" and developing better means to measure the effectiveness of the basic research portfolio. I have asked the National Academies to help in this effort.

Product Transition (0 to 3 years)
Development of the product transition portfolio is driven by our customer-led, Capstone Integrated Product Teams (IPTs) that function in mission-critical areas to identify our customers' needs and enable and transition near-term capabilities for addressing them. These Capstone IPTs engage DHS customers, acquisition partners, S&T Division Heads, and end users as appropriate in our product research, development, transition and acquisition activities.

The Capstone IPT process enables our customers to identify and prioritize their operational capability gaps and requirements and make informed decisions about technology investments. The S&T Directorate, in turn, gathers the information it needs to respond with applicable technology solutions for closing these capability gaps. The science and technology solutions that are the outcome of this process, referred to as Enabling Homeland Capabilities, draw upon technologies that can be developed, matured, and delivered to our customer acquisition programs within three years.

Our experience over the last year has led us to align our Capstone IPTs structure to 12 major areas: Information Sharing/Management; Border Security; Chemical Defense; Biological/Agricultural Defense; Maritime Security; Cyber Security; Transportation Security; Counter IED; Cargo Security; People Screening; Infrastructure Protection; and Incident Management (includes first responder interoperability).



DHS Requirements/Capability Capstone IPTs

S&T's product transition/IPT process ensures that appropriate technologies are engineered and integrated into the DHS acquisition system for our customers. Approximately **53 percent of S&T's investment portfolio or $376.0 million** is allocated for product transition in the current fiscal year with **49 percent or $361.4 million** planned for FY 2009.

Innovative Capabilities (2 to 5 years)

The Innovation/HSARPA portfolio supports three important efforts to put advanced capabilities into the hands of our customers as soon as possible: Homeland Innovative Prototypical Solutions (HIPS), High Impact Technology Solutions (HITS) and the Small Business Innovative Research (SBIR) program.

HIPS are designed to deliver prototype-level demonstrations of game-changing technologies within two to five years. Projects present moderate- to high–risk, with a high-payoff if successful.

HITS are designed to provide proof-of-concept solutions within one to three years that could result in high-payoff technology breakthroughs. While these projects are high-risk, they offer the potential for "leap-ahead" gains in capability should they succeed.

The Small Business Innovative Research (SBIR) program, which the S&T Directorate manages on behalf of DHS, issues two solicitations each year and generates multiple awards for the small business community. The first solicitation for FY 2008 opened in mid-February and the second

solicitation is planned for release in May. The solicitations will address topics in areas that are aligned with the S&T Directorate's six technical divisions.

The Innovation/HSARPA funding request for FY 2008 was $60 million and $33 million was approved in the final Appropriations Act. I do not believe this reduction reflected any lack of confidence in the portfolio on the part of the Congress, but was rather an outcome of the extreme pressure in the Appropriations "end game." Therefore, we are requesting $45 million in FY 2009 for Innovation's HITS and HIPS activities.

Test & Evaluation and Standards

In 2006, I established the Test and Evaluation and Standards Division (TSD). TSD is working closely with DHS Undersecretary for Management as well as all DHS components to develop and implement a robust Test and Evaluation (T&E) policy for all of DHS that will be fully integrated into the Department's Acquisition Policy. The goal of the T&E policy will be to establish processes to support the evaluation of system efficacy, suitability and safety. TSD has established a T&E Council to allow participation by all components of DHS in promoting T&E best practices and lessons learned in establishing consistent T&E policy and processes for use in acquisition programs throughout DHS. Developmental Testing and Evaluation (DT&E) and Operational Testing and Evaluation (OT&E) are conducted at levels commensurate with validating performance and Technology Readiness Level (TRL) of the system throughout the development process. TRL assessments are initiated early on S&T projects and are performed throughout development to ensure technology is maturing as required and that projects are ready to transition to the DHS components at the appropriate time. DT&E is performed during the developmental phase of a product or system and is concerned chiefly with validating the contractual and technical requirements and the attainment of engineering design goals and manufacturing processes. OT&E focuses on determining operational effectiveness, suitability, and supportability and is performed with production representative equipment, with trained operators in an operational environment by an independent third party.

DHS Acquisition and T&E Policy under development will provide the appropriate review chain both within DHS as well as the approval process for test results and for adequacy of testing. The draft T&E policy that is being developed will require user components to participate in creating, reviewing and signing the Test and Evaluation Master Plan (TEMP). Its primary purpose is to describe the necessary Developmental Test and Evaluation (DT&E) and Operational Test and Evaluation (OT&E) that needs to be conducted in order to determine system technical performance, operational capabilities and limitations. The TEMP is an integrated and agreed upon plan to ensure that the right tests are conducted and the products are meeting the user requirements. Having the customers involved in the test planning, execution, and reporting for the technology or system under development will ensure that the components are able to use the results and maintain a current knowledge during the product development. The TEMP also addresses the testing laboratories, capabilities, facilities and ranges required for the test program; testing laboratories are accredited/recognized; and independent oversight of the tests are performed. Additionally, when possible DHS ensures independent operational test teams are involved early in the project development to ensure operational shortcomings are identified and corrected as early as possible during development. The test results will be critical in ensuring that DHS products meet the necessary milestones to continue development.

While the T&E Policy is being finalized, DHS development programs are moving forward with the assistance and guidance of TSD in designing T&E protocols to assess whether systems meet standards, technical specifications and some operational requirements. It is the Department's objective to prepare standard T&E master plans, test plans and test reports to document the planning, execution and reporting phases of the testing. Test plans are required whether the research project is being conducted internally or externally to S&T. Red Teaming will be included in the test plans as required and be employed post deployment when appropriate.

The DHS components working within the DHS Capstone IPT process ensure that the user needs are addressed in the research as well as the testing and evaluation. End user needs are incorporated in the planning and design of the tests. All tests will be performed to component requirements or DHS adopted standards. Reports of efficacy, safety, and suitability are assessed against test criteria which are developed with Component input.

TSD is also developing an accredited/recognized test capability, with the goal of testing all products in accredited/recognized facilities. The accreditation/recognition process is under development and facilities are currently being identified that are capable of conducting different aspects of the testing process. Accomplishing independent testing in realistic operational environments will better assess product effectiveness and suitability. Test results from the above process will allow decision makers to formulate better judgments concerning readiness for transition to the next phase of development or deployment.

TSD has an effort under way to ensure that once testing is completed both components and first responders have access to product performance evaluations. T&E results will be placed on the Responders Knowledge Base (RKB) that is funded and managed by FEMA. In addition to posting the results on the RKB, the DHS T&E policy will provide standard report formats to ensure that the results are useful including system limitations and capabilities.

In the area of standards, I would to like mention our efforts to implement the DHS Standards Policy through the development of a standards infrastructure and the issuance of guidance. Just as with T&E, we have established a Standards Council. TSD and the Standards Council have developed and distributed guidance on the participation in the development and use of non-government standards. We continue to evaluate and adopt voluntary consensus standards in support of the Homeland Security Grant Program as well as key initiatives such as National Preparedness. Our standards development program continues its successful support for research on standards to support national needs in homeland security. In August of 2007 the Office of Standards published its first Annual Report which documents the work and accomplishments of the previous year. In the years ahead we will be focusing on refining our investments to reflect the evolving challenges facing the Department, utilizing S&T's new operating model and the outputs from the Capstone IPTs. The range of projects includes trace and bulk explosives detection, biometrics, credentialing, chemical and biological countermeasures, responder protective equipment and many more. The standards office engages experts from the DHS components and a variety of federal partners, and leverages the outstanding work of private sector standards development organizations.

PARTNERSHIPS

Over the past year, we have built partnerships that have helped us align our efforts within the S&T Directorate, across the Department, and with our public and private partners around the world. Within the Directorate, we have developed and published the *S&T Strategic Plan* that provides the strategy and planning framework to guide the Directorate's activities over the next five years. Through the Capstone IPT process, we have aligned our transition portfolio to our customers' needs. In basic research, we have aligned our university-based Centers of Excellence and, as a result of a meeting I held with the Directors of the Department of Energy (DOE) National Laboratories in May 2007, the National Laboratories to our six technical divisions to focus this enormous capability more closely on the fundamental knowledge gaps that limit our customer oriented applied research programs. We announced five new COEs on February 26, 2008, which will further satisfy the Directorate's need for university-based fundamental research.

Over the past year my Office of Interagency Programs (and First Responder Liaison) has worked very closely with DoD to develop and enhance information sharing opportunities. Among the accomplishments were the development of an implementing agreement among the partners and a senior level DHS-DoD working group. These accomplishments will help ensure the best use of resources while avoiding duplication of effort and will promote further cooperation among our partners. The first S&T liaison position within the California Governor's Office of Homeland Security was also established to enhance interagency efforts with our customers. Many of the experiences of this successful pilot were used as a working model for engaging with our Federal, State, local and tribal customers We will continue to conduct national interagency outreach through site visits, meetings, conferences and symposia to promote Federal, State, Local, and Tribal interoperability, collaboration, and coordination in the area of Science and Technology.

We also developed the *Coordination of Homeland Security Science and Technology* document that establishes the baseline for the efforts of the entire Federal government homeland security research and development community. This document lays out the roles and responsibilities of federal agencies as well as initiatives already under way to counter threats to the homeland. It identifies strategic goals through 2015 and intermediate steps to achieve those goals, and is the first step in developing a more prescriptive plan that will guide the efforts of all participants in the Homeland Security Science and Technology enterprise. For the next steps in the development of that plan, I intend to work with the Office of Science and Technology Policy's National Science and Technology Council to utilize standing processes and committees, specifically the Committee on National and Homeland Security, which I co-Chair. Continued development of the plan concurrent with the Quadrennial Homeland Security Review beginning this year will play an important role in helping align strategies and missions to adapt to a fast-changing world and an ever evolving enemy.

Industry is a valued partner of DHS S&T and its continued participation in developing solutions for homeland security applications is vital to our effort to safeguard the nation. Consistent with S&T's new structure, our Innovation/HSARPA portfolio and six technical divisions will be releasing BAAs that seek industry participation to address specific challenges in their respective areas. For example, Innovation/HSARPA has already posted BAAs for projects that cross all six divisions, seeking prototype or proof of concept demonstrations within 1-5 years.

Innovation/HSARPA plans to release additional BAAs as new technology developments permit and as new gaps in capabilities for homeland security are identified. We have issued a Long Range BAA (08-01) that will remain open throughout the fiscal year. This BAA allows both national and international public and private sector providers to offer solutions to a very broad range of gaps and requirements. As I have often said, no one knows where good ideas come from and for that reason I have been personally proactive in both seeking out and receiving technology briefs and opportunities from all sources. This is a culture I am working to instill throughout the DHS S&T Directorate.

Additionally, DHS S&T has held several Stakeholder Conferences to foster business partnerships with key customers and partners, including industry, Federal, State, and local government leaders, and academia. The Command, Control, and Interoperability Division also held their annual Industry Roundtable to engage industry leaders on the future of communications interoperability issues.

The Support Anti-terrorism by Fostering Effective Technologies (SAFETY) Act of 2002, administered in the S&T Directorate, continues to be a valuable tool in expanding the creation, proliferation and use of cutting edge anti-terrorism technologies throughout the United States. During FY 2007, the Office of SAFETY Act Implementation achieved an increase of 81 awards, an 83 percent increase over the total cumulative number of approvals attained over the previous three years of the program. Approximately 86percent of the approved awards during FY 2007 have relevance for the classes of capabilities and needs identified by the Science and Technology Capstone IPTs. The number of applications was up 63 percent, while processing time has been reduced 31 percent. The career federal staffing level of the SAFETY Act office was increased to three, thus providing more continuity of leadership, and permitting more attention and a quicker response to individual applicants. I am mindful of the interest in this program in the Congress and across the Nation.

As part of our outreach efforts to encourage greater industry participation, the Directorate held the first Homeland Security Science & Technology Stakeholders Conference in May 2007 here in Washington. We were partners in a conference in London last December that focused on international outreach. And we held a conference in Los Angeles in January 2008, focused on "Putting First Responders, First." On March 19 and 20, we will sponsor the second University Programs Summit here in Washington, an event at which participants will show off the results of their fantastic research at the colleges and universities that are part of the Homeland Security University Centers of Excellence. We will have another industry stakeholders' conference in Washington, June 2 – 5, 2008. I invite you and all elected Members and staffs to attend these events so you might see for yourself the power of innovation and technology in making our Nation safer.

I also know that we must look beyond our Nation's borders, for solutions to combating domestic terrorism. Therefore, consistent with DHS enabling legislation and the recent *Implementing the Recommendations of the 9/11 Commission Act*, the International Programs Division is responsible for coordinating international outreach efforts to help us tap into science and technology communities across the globe. We have proactively pursued bilateral technology and programmatic cooperation with my counterparts in the United Kingdom, Canada, Australia,

Sweden, Singapore, the European Union, Germany, Mexico, France, Japan, and Israel. Formal agreements currently exist with Canada, the UK, Australia, Sweden and Singapore. With our current partners, we have twenty concrete projects in a number of high priority research areas including air cargo explosive detection, chemical and biological countermeasures, visualization and analytics, critical infrastructure protection, and incident management. In addition to these projects, active information sharing with our foreign partners has reduced duplication of research efforts, streamlined project development, and synergized the expertise of the broader international community to produce mutually beneficial results. The International Programs Division maximizes these relationships across the U.S. Government through active coordination with DHS Components and other agencies, including the Departments of State and Defense. Embedded S&T liaisons in Europe, the Americas and Pacific/Asia cast a wide global net to seek out new science and technology solutions with current and prospective partners. Annual academic grant competitions are open to the global community and provide world-wide access to cutting-edge S&T research in support of our homeland security mission. S&T is actively engaging with partners across the globe to develop coordinated efforts and joint solutions to our shared security challenges.

PRODUCT

I am committed to best apply across the S&T Directorate the resources you have wisely provided in ways that best serve the American people and better secure our homeland. Your support over the last year has allowed us to "hit our stride," and I humbly ask for your continued trust and support of the President's FY 2009 Budget Request to allow us to build upon that momentum. The following are a few examples of products we have developed and in some cases transitioned to our customers.

Border and Maritime Security

• Developed a lightweight shipping container with embedded security features within its walls, doors and floor to detect intrusions. Shippers benefit from weight savings by allowing them to load more goods per container, encouraging the use of these more secure containers.
• Conducted a joint test of the Marine Asset Tag Tracking System (MATTS) with Japan. When fielded, MATTS will provide the ability to track shipping containers in near-real time from their origin to final destination using a remote global communications and tracking device interfaced with sensors that detect container breaching.

Chemical and Biological

• Completed the Project BioShield material threat determinations for all traditional biothreat agents of significant public health concern. Such determinations are required before the authorized use of the BioShield Special Reserve Fund to procure new medical countermeasures.
• Transitioned BioWatch Generation 1 and Generation 2 operations to the Office of Health Affairs (OHA).

Command, Control and Interoperability

• Combined several government-funded testbeds to increase cyber security capabilities to create a realistic model of the internet on which to test cyber security technologies.

• Assisted states in identifying and implementing effective statewide technical interoperability solutions; conducted piloted programs to assess and demonstrate data and video technologies in real-world environment.

Explosives
• Evaluated and tested commercial off-the-shelf systems capable of detecting homemade explosives to find the most effective existing technologies.
• Completed a system false alarm analysis of deployed check baggage technology and provided results to the Transportation Security Administration (TSA).

Human Factors
• Developed a database of public needs that were unmet during Hurricanes Katrina and Rita and made recommendations to address those needs during future emergencies.

Infrastructure and Geophysical
• Developed a risk-informed decision support system. The system provides information for making critical infrastructure protection (CIP) decisions by considering all 17 critical infrastructure sectors and their primary interdependencies, and computing human health and safety, economic, public confidence, national security, and environmental impacts. Built out CIP-Decision Support System (DSS) to include cyber-disruptions, nuclear event, and physical/natural disaster disruption scenarios.
• Developed the system requirements and designs for a first responder 3D location system for tracking personnel that provide incident commanders situational awareness through accurate location and monitoring inside threatened buildings, collapsed buildings, and subterranean areas.

Innovation
• Initiated Homeland Innovative Prototypical Solutions (HIPS) to deliver prototype-level demonstrations of game changing technologies in two to five years. These projects are moderate-to-high risk with high payoff potential.
• Started High Impact Technology Solutions (HITS) to provide proof-of-concept answers that could result in high technology breakthroughs. These projects have the potential to make significant gains in capability; however, there is a considerable risk of failure.
• Built upon the efforts in Explosives and demonstrated the ability of sensors based on a high altitude platform to detect the launch of and track MANPADS.
• Investigated various technologies including probe systems to be installed on the cranes that on load and off load ship carried containers, sensors and container materials to improve the effectiveness and efficiency of the screening of cargo containers.

Laboratory Facilities
• Managed the operations and maintenance of specialized DHS laboratories and infrastructure including the Plum Island Animal Disease Center (PIADC), portions of the National Biodefense Analysis and Countermeasures Center (NBACC), Chemical Security Analysis Center (CSAC), Transportation Security Laboratory (TSL), and the Environmental Measurements Laboratory (EML).
• Began operation of the NBACC facility as a Federally Funded Research and Development Center (FFRDC).

• Started construction of the Chemical Security Analysis Center (CSAC).
• Conducted the conceptual design of the National Bio Agro Defense Facility (NBAF), which will be an integrated animal, foreign animal, and zoonotic disease research, development, and testing facility that will support the complementary missions of DHS and U.S. Department of Agriculture (USDA). Down-selected potential sites for the NBAF.

Test & Evaluation (T&E) and Standards
• Continued to develop standards for an integrated chemical, biological, radiological, nuclear, and explosive (CBRNE) sensor.
• Completed multi-modal biometrics standards, including standards for latent fingerprint analysis, rapid biometric evaluation, and biometric image and image feature quality.
• Developed performance standards for emergency responder locator communications in collapsed structures. These standards will apply to new signal processing technologies that allow amplification of weak signals through rubble from collapsed structures.

Transition
• Aligned and coordinated the Directorate's transition effort with the Departmental component's requirements through the use of Capstone Integrated Product Teams (IPT) and provided support and analysis to the customer-led IPTs in developing prioritized science and technology capability gaps based on their experience and projected requirements.
• Conducted a Marine Asset Tag Tracking System (MATTS) test and workshop/conference on results with Japan and conducted a bi-national S&T exercise with Sweden to identify and describe transformational approaches to mitigating the effects of improvised explosive devices in mass transit systems

University Programs
• Established five new DHS Centers of Excellence (COE) and developed a number of efforts to improve the capabilities of Minority Serving Institutions (MSIs) to conduct research in areas critical to homeland security and to develop a new generation of scientists capable of advancing homeland security goals.
• Provided scholarships for undergraduate and fellowships for graduate students pursuing degrees in fields relevant to homeland security.

FY 2009 BUDGET OVERVIEW

The S&T Directorate's FY 2009 Budget Request reflects the refinement of our four "Ps" and a commitment to the S&T investment portfolio. The request of $868.8 million is approximately 5 percent over the FY 2008 appropriation and 9 percent over the FY 2008 request.

Program, Project, and Activity (PPA)	FY 2008 PB	FY 2008 Enacted	FY 2009 Request
Management and Administration	**142.6**	**138.6**	**132.1**
Borders and Maritime	25.9	25.5	35.3
Chemical and Biological	228.9	208.0	200.4
Command, Control and Interoperability	63.6	57.0	62.4
Explosives	63.7	77.7	96.1
Human Factors	12.6	14.2	12.5
Infrastructure and Geophysical	24.0	64.5	37.8
Innovation	59.9	33.0	45.0
Laboratory Facilities	88.8	103.8	146.9
Test and Evaluations, Standards	25.5	28.5	24.7
Transition	24.7	30.3	31.8
University Programs	38.7	49.3	43.8
Research, Development, Acquisition and Operations	**656.5**	**691.7**	**736.7**
S&T Total	**799.1**	**830.3**	**868.8**

The Management and Administration request reflects several efficiency initiatives to make better use of its resources and better accounts for program activity costs at the laboratories. The Research, Development, Acquisition and Operations request is primarily based on the increased support for the development of additional technologies for specific high-priority, customer-identified needs identified during the S&T Capstone IPT process.

Administration (M&A)
The S&T Directorate requests $132.1 million for M&A in FY 2009. This is a decrease of $6.5 million from the FY 2008 budget request. This reflects a shift of $14 million and 124 positions to the Laboratory Facilities PPA combined with a $7.5 million increase to fully fund our planned FTEs.

Research, Development, Acquisitions, and Operations (RDA&O)
The S&T Directorate requests $736.7 for RDA&O in FY 2009. This is an increase of $80.2 above the FY 2008 budget request and $45.0 above the FY 2008 appropriation. The following is a summary of the FY 2008 to FY 2009 changes – many are due to the increased support for the development of additional technologies for specific high-priority, customer needs identified during the S&T Capstone IPT process, specifically:

Borders and Maritime Security
The FY 2009 program increase of **$9.4 million** above the FY 2008 request allows the development of additional technologies for specific high-priority, customer-identified needs identified during the S&T Directorate's Capstone IPT process. The increase will allow for the development of technologies for advanced detection, identification, apprehension and enforcement capabilities along the maritime borders that support a framework that includes Coast Guard partners for rapid, coordinated responses to anomalies and threats. A science and technology investment in these areas will provide significant risk mitigation complementary to proposed major acquisition efforts such as the Coast Guard's Command 21 program. This increase will also provide tools and technologies to border security and law enforcement officers allowing for efficient, effective and safe vehicle and vessel inspections. These tools will improve

Coast Guard boarding teams' and Border Agents' effectiveness and enhance officer/agent safety while searching vessels/vehicles.

Chemical and Biological
The FY 2009 program decrease of $7.6 million from the FY 2008 appropriation is in large part due to the BioWatch Gen 3 Detection Systems and Detect-to-Protect Triggers and Confirmers projects within the Surveillance and Detection R&D Program of the Biological Thrust area coming to an end in FY 2009. Also, the Autonomous Rapid Facility Chemical Agent Monitor (ARFCAM) and Low Vapor Pressure Chemicals Detection System (LVPCDS) projects in the Detection program of the Chemical Thrust area are ramping down to end in FY 2010.

Command, Control, and Interoperability
The FY 2009 program increase of $5.4 million over the FY 2008 appropriation funds the development of additional technologies for specific high priority customer-identified needs identified during the S&T Directorate's Capstone IPT process. The increase in Cyber Security R&D will allow the division to address Supervisory Control and Data Acquisition (SCADA) and Process Control Systems (PCS) security increasing the protection and improving the resiliency of the electric distribution grid. These systems will proactively manage threats by identifying and responding to vulnerabilities and threats before they are maliciously exploited to significantly impact critical infrastructure. They will also provide autonomy of operations that can quickly respond to natural disasters and security events and address new vulnerabilities.

Explosives
The increase in the FY 2009 request of $32.4 million over the FY 2008 request supports Counter-IED Research, which includes Vehicle Borne Improvised Explosive Device/ Suicide Bomber Improvised Explosive Device (VBIED/SBIED) Program, the Render Safe Program, and the Detection and Neutralization Tools Program. The increase in funding in the Counter-IED Research will allow the Explosives division to improve large threat mass detection in such areas as the transit environment, special events and other large areas.

The implementation of Homeland Security Presidential Directive 19 (HSPD-19), *Combating Terrorist Use of Explosives in the United States,* requires new science and technology solutions to address critical capability gaps in the areas of deterring, predicting, detecting, defeating, and mitigating the use of IEDs in the United States. The Office for Bombing Prevention (OBP) is currently assessing the nation's ability to address this threat and is developing a prioritized set of technology gaps. The S&T Directorate is working with OBP to support basic science and develop technologies for the following kill chain:

- Deter: Actionable Social and Behavioral Indicators of IED Attacks; Intent-based Countermeasures;
- Predict: IED Target Projections; IED Staging Area Projections; Anomalous Behavior Prediction; Suicide Bombing Prediction; Deceptive Behavior Screening; Multi-Modal Behavioral & Biometric Screening;
- Detect: Suicide Bomb Detection; Technology Demonstration & System Integration; VBIED Detection; Canine R&D; Tagging R&D; Standards;
- Defeat: Electronic Countermeasures; Robotics; Render Safe & Diagnostics; Directed Energy; Post Blast Forensics; Forensic Marking; Bomb Components; Outreach; and

- Mitigate: Blast Mitigation; Body Armor; Inerting.

We are performing valuable work to improve methods of detecting explosives threats on people, in personal items and in cargo. As part of the Checkpoint Program, S&T's Explosives Division is working with TSA to complete test and evaluation efforts on the Whole Body Imaging system that could help operators of check points better identify potential threats. We are also conducting tests to enhance the screening of carried baggage and personal items. We are conducting Operational Test & Evaluation (OT&E) of the Fido II Explosives Detection System and currently have units deployed at multiple airports in the United States. The portable detection system has been enhanced to detect liquid explosive components and will be used by TSA to counter the growing threat liquid explosives pose to transit security. This effort is complemented by our significant work to characterize the homemade and liquid explosives threat, which has included live fire tests to assess potential damage and the efficacy of hardening materials.

In addition to addressing the risk of catastrophic loss resulting from IEDs in carry-on baggage or at public events, our Explosives Screening Program is identifying and developing the next generation of screening systems which will support continuous improvements toward the Congressionally directed goal of 100-percent screening of aviation checked baggage by electronic or other approved means with minimum or no impact to the flow of people or commerce. We have continued our work on the Manhattan II and began test and evaluation efforts of the system's ability to identify real explosive devices, both homemade and conventional. We have also worked with industry to develop a common performance standard for coupling algorithms and hardware. Another part of our effort is the Air Cargo Explosives Detection pilot program. We began operations at San Francisco International Airport and at Cincinnati-Northern Kentucky International Airport, and launched and completed operations at Seattle-Tacoma International Airport. At all locations we are capturing vital information for TSA, including data on the costs of running a system capable of screening amounts of cargo above current levels, including equipment needs, staff requirements, and system upkeep, in addition to the impacts of these upgrades to overall airport operations. This data can be extrapolated to airports nationally, based on, among other things, the amount of cargo they handle and airport size. It will also allow TSA to develop operational plans that incorporate proven ways to screen air cargo while maintaining an effective and efficient air transport system.

Human Factors

The budget request for FY 2009 is $12.5 million, which is $1.7 million less than the amount enacted for FY 2008. In FY 2008, the Human Factors Division received funds for the Institute for Homeland Security Solutions (IHSS) to conduct applied technological and social science research. In FY 2009, the Human Factors Division is not requesting any funds for IHSS. The Division still intends to support efforts that address high-priority capability gaps in biometrics and credentialing, suspicious behavior detection, hostile intent determination, group violent intent modeling, and radicalization deterrence as identified by customers through the Capstone Integrated Product Team (IPT) for People Screening and the Technology Oversight Group (TOG), chaired by the Deputy Secretary. Two other Capstone IPTs, Border Security and Explosives Prevention, also identified Suspicious Behavior Detection as critical to meeting their respective high-priority capability gaps.

Infrastructure and Geophysical
The FY 2009 request of $37.8 million is an increase of $13.8 million over the FY 2008 request to fund several new program areas specifically identified by our customers, with efforts focused on high priority technology gaps in the areas of Infrastructure Protection and Emergency Incident Management. Specifically, funded efforts will improve the protection of our critical infrastructure by providing technologies for hardening these vital critical infrastructure assets and for rapid response and recovery for critical infrastructure assets to limit damage and consequences and allow for normal operations to be resumed more quickly than would otherwise be possible.

Innovation
The FY 2009 program increase of $12 million reflects an increase in scope of existing programs as they mature and might allow for additional projects that would address gaps identified by the S&T Capstone IPT process. These projects are high risk in nature but would dramatically increase capabilities in responding to threats posed by terrorism and natural disasters. The high risk factor means that the Office of the Director of Innovation requires flexibility in the projects it funds. These projects will reach critical decision points to continue or stop. New projects are always under consideration, and the FY 2009 request will potentially fund new projects or current ones that justify further development based on results.

Laboratory Facilities
The FY 2009 request of $146.9 million is an increase of $43.1 million over the FY 2008 appropriations. The S&T Directorate intends to cover the FY 2009 operations and maintenance (O&M) start-up costs of the new NBACC facility. These costs include the installation and outfitting of portable laboratory equipment and furnishings and funding interim space lease. Also in FY 2009, the S&T Directorate intends to move the remaining functions of EML into much smaller office space in the same building or another General Services Administration (GSA) facility in the New York area and pay for a one-time cost for final cleanup of EML space (e.g., final disposal of contaminated material, removal of fume hoods, large exhaust ducting, furnaces, and shielded spaces). Also, the Directorate will begin a detailed design of the National Bio and Agrodefense Facility (NBAF) which will support the initiation of construction in FY 2010.

The increase also reflects a transfer of funds from Management and Administration to the Laboratory Facilities PPA to pay for salaries and benefits of FTEs located at the laboratories. All Homeland Security laboratory employees work on RDA&O products. The shift of laboratory FTEs into the RDA&O account better reflects the actual Science and Technology RDA&O program costs.

University Programs
In FY 2009, the S&T Directorate is requesting $5.5 million less for its University Programs. This decrease reflects no funding request for the Naval Post Graduate School and a reduction to the educational programs within the S&T Directorate that fund scholars and fellows in homeland security related fields.

Transition

The FY 2009 program increase of $1.5 million will support a DHS competition for a new Federally Funded Research and Development Center (FFRDC). The FFRDC will provide discreet, independent, and objective analysis to inform homeland security policies and programs and ensure continuity of FFRDC support.

Test Evaluation and Standards
The S&T Directorate requests $3.8 million less for FY 2008 than enacted for FY 2008. This decrease is the result of having initiated the independent peer review program in FY 2008 and the program will therefore not need additional funding in FY 2009. The S&T Directorate is also implementing a reallocation of funds by the TOG during the Capstone IPT process.

CONCLUSION

In conclusion, I am pleased to report that the S&T Directorate is well positioned today to mobilize the nation's vast technical and scientific capabilities to enable solutions to detect, protect against and recover from catastrophic events.

We appreciate the many demands on the taxpayers' precious dollars and you have my continued commitment that the S&T Directorate will be wise stewards of the public monies you have entrusted to us. We are steadfast in our resolve to serve the best interests of the nation by investing in the talent and technology that will provide America with a sustainable capability to protect against acts of terror and other high-consequence events for generations to come.

Members of the Committee, I thank you for the opportunity to meet with you today. I truly believe that through Science and Technology can come Security and Trust, and I look forward to working with you to meet our homeland security challenges with a renewed sense of purpose, mission and urgency in the last year of the Administration.

Mr. PRICE. Thank you very much, Mr. Undersecretary. We appreciate that testimony, and your good work. We will proceed to try to link I think, initially, the first panel to your observations.

The first panel, as you heard, talked about radicalization, and the different waves of radicalization that we are confronting in the offensive against terrorism. I think we all agree that the phenomenon needs to be well understood to keep the threat from growing, and to enable sensible interventions.

FIELD RESEARCH ON RADICALIZATION

Worldwide we hear, though, that there is less than $12 million being spent on open-source field research on radicalization. I do not know what your estimate would be. I wonder what percentage of your budget is spent in areas roughly comparable to what we have heard about this morning.

Where should this research be going on? I guess we want an assessment of the importance of this from the standpoint of your mission. But, we, of course, have talked often before about the way different research portfolios across the federal government feed into the Homeland Security mission. We have ordered up a more thorough analysis as a matter of fact, so we all understand what the bigger picture looks like.

But, if you are not undertaking this kind of research, is anybody undertaking it; and what do you think would be the best way of getting this research up to a level where it needs to be, and where we can make maximum use of it for our homeland security purposes?

HUMAN-FACTORS INITIATIVES

Mr. COHEN. As to my specific investment, I will take that for the record, and get you my best estimate from my budget.

[The information follows:]

DHS SCIENCE & TECHNOLOGY DIRECTORATE RADICALIZATION R&D FUNDING

PPA	Program Containing Radicalization R&D	FY07 Enacted	FY08 Enacted	FY09 Request
Explosives	Counter-IED—Deter	-	1.0	3.1
Human Factors	Motivation and Intent & IHSS	4.6	4.3	4.4
University Programs	START (forward funded in FY07)	-	3.6	3.6
Total		4.6	8.9	11.1

But I have no shortage of ideas; I have no shortage of requirements. I should say good ideas, requirements, etc., and because of the enabling legislation, you very wisely told me not to reinvent the National Institutes of Health, the National Science Foundation, DOD, or DOE Labs.

I think that was brilliant, as a taxpayer. On the other hand, you have given me full leverage to go in and find out what they are doing. I cannot tell other departments what to do, but I can leverage what they are doing, and then take my precious dollars and add on to it.

So, as I have testified previously, when I first came on, I thought about what is unique in Homeland Security S&T, meaning if I did not do it, would it not get done?

And I settled on two items and they are both in the human-factors area, and they are both complementary towards RTI. One was hostile intent, and the other was psychology of terrorism.

Almost everything else I deal with, whether it is a weapon, a communication, a platform, it is being done somewhere else in government. I can leverage them. I have to modify for the techniques and procedures for first responders. We are here to protect and serve, as opposed to soldiers and Marines who have a different mission.

But, in this area, I would tell you that the Department of Defense as I have observed, and you know this as well as I do, that over the last two years, DOD really has got it and they are trying to work their way up the kill chain.

The Brits get it. When you get the bomber, when you get into the cell, you do not have to worry about the bomb. But you cannot always do that, that is why we have infrastructure protection. But I think the success that we are seeing today in Afghanistan and Iraq, in part, is because we are getting to the left of the boom.

We are investing as a nation, primarily the Department of Defense. I do not know what the State Department's investment is here. I do not know what National Science Foundation's investments are, but I will get together with Arden Bement on this, and we talk all the time, to get to the left of the boom. There was a series of articles that appeared in October in The Washington Post that talked about this. So we are seeing the impact of that. This should not be a surprise. This is just good law enforcement. This is how we do business.

So I was very pleased that Congress gave me the resources that I could more fully engage with RTI in the FY 2008 appropriation. You see already the results. Charlotte Roche and her team and the rest of my team have been down to RTI. We look forward to their proposals, but it has to be done in the field.

It is complicated. It was discussed here. And I would tell you that we are under-invested in it across the government.

BASIC RESEARCH TIED TO POLICY

Mr. PRICE. We, of course, are always looking for the payoff in terms of policy interventions and what they should look like. I think you would agree that it is sometimes premature, though, to insist on that as the first thing that we learn. There is a certain amount of good social science using basic social-science methodology that needs to go on before we can draw sound conclusions.

So it is not a matter of being too intolerant of what might appear to be academic-type studies, assuming we know where they are headed. I am sure that is a debate you engage in all the time, whether basic research that you are funding is sufficiently tied to policy, sufficiently relevant?

Mr. COHEN. Well, Chairman, as you know, when I racked and stacked my investment portfolio when I first came on board, it looked to me like just about 12 percent of my investment was going

to what you and I would call basic research, whether that was universities or laboratories, unfettered.

You do not know what you do not know. You have got to go up a lot of alleys to figure out which ones are blind, about an eight year or longer timeframe. But this is the strength of America; this is where Bayh-Dole has affected our economy. America and very few other countries do the basic discovery and invention that changes the world.

We, then, in America tend to give away. We allow those patents to be bought, and then we buy the valuated product back, generally from overseas. I wish that were not so. But you see in my budget that I have committed to you last year that I would grow the basic research in universities and laboratories to 20 percent of my budget. And that is the budget that the President has come forward with and I am very appreciative of that support.

In the Navy, I was at 40 percent, but Naval Research had a much different history. The Army and Air Force have about 20 percent in their basic research, and I think that is a reasonable number.

Mr. PRICE. Thank you. I also have some questions about Mr. Darby's testimony, but I suspect Mr. Rogers is still on a tear on that subject. So why do I not turn to him. We do want to move along here. Thank you.

RELATIONSHIPS SIMILAR TO CIA AND IN-Q-TEL

Mr. ROGERS. Thank you, Mr. Chairman, and you did read my mind.

Do you have anything similar to the arrangement apparently that the CIA has with people like In-Q-Tel?

Mr. COHEN. The short answer, sir, is: Yes. When I was in Naval Research, the Congress, this was in the Defense committees, asked me: Did I want legislation to create a Navy In-Q-Tel?

They had done something similar with the Army and a $30 million venture-capital fund for the Army.

I told them that I thought I had all the authorities I needed in that position, and I would get back to them in a year. So I started on the In-Q-Tel model, a spin-in, spin-out model.

A spin-in is where I go to the venture capitalists. I provide for them the needs that we are unable to fulfill by traditional means and they, either themselves or through their network, as Mr. Darby very accurately described, were able to give us neat and timely, and cutting-edge solutions.

The spin-out was that Congress had invested over decades literally billions of dollars of intellectual property. I was sitting on it at the Naval Research Lab. Yet we were not getting utilization out of it.

And I saw what IBM had done ten years ago where those patents, they were not able to use in their core business, they created a profit center for intellectual property, which now is multi-billion dollars a year. So we went ahead and did that. It was not as successful as I wanted.

VENTURE CAPITALIST ENTREPRENEUR

What I have done now in Homeland Security S&T is: We have brought on board within the last six months, which your enabling legislation has allowed me to do this, Dr. Tom Cellucci. Dr. Cellucci is a very, very successful venture capitalist entrepreneur, etc. He took an incredible pay cut, as so many of the people who have come on board have had to do, and today he is engaged with hundreds of small businesses, effectively doing what In-Q-Tel is doing.

I am not limited by good ideas; I am not limited by entrepreneurs. I am only limited by resources and the authorities I have for acquisition.

Mr. ROGERS. What is the result, the bottom line?

RESULTS

Mr. COHEN. The bottom line is we are getting cutting-edge devices that I now have been able to field, such as retinal scan to determine if you or I have been exposed to a nerve agent based on what happens to the retina. That is just one simple example.

But what Dr. Cellucci is doing with my six divisions, is he is doing the bottom up. He knows what my customer requirements are from the 22 components, TSA, Coast Guard, et cetera. He knows our programs of record. What he is doing, he has worked with my division directors to say you need to go to talk to Johnny. You need to go to talk to Janie.

This is exciting stuff. Cellucci, he is at a leadership level, and I give him that authority to go ahead and do that.

Then I engage and find out why my division directors may or may not be as innovation tolerant as I would like them to be.

Mr. ROGERS. Well, we still have a lot of unsolved problems in Homeland Security.

Mr. COHEN. Sure.

Mr. ROGERS. I have got to believe that there is a solution, on the shelf even, right around the corner, that we have not found yet.

I do not know whether the operation you are talking about is aggressive enough in laying out the problem that you want solved, and inviting the private-sector world to bring their genius to bear on it, as we have done so successfully in other periods in our history.

Are you comfortable with where you are?

Mr. COHEN. I am not comfortable with where I am.

Mr. ROGERS. I am not either.

CELL ALL

Mr. COHEN. I think you have got it right—I have reached in my pockets, and I want to take out just a little example. Last year we testified to a program which you supported called Cell All. This is to put a lab on a chip in a cell phone. Now it might be Anthrax; it might be cobalt 60. You can turn it on or off. We will address those privacy issues.

We got over 80 respondents, 80 proposals to solve this problem in SBIR, Small Business Innovative Research. We are seeing the ma and pa solutions, and we are fast-tracking that.

THE DAZZLER

I think you are aware that this year, in Time Magazine, instead of having the taser which, unfortunately, has killed some people, we now have the dazzler. It has been called the puke ray. This is the light——

Mr. ROGERS. The what?

Mr. COHEN. The puke ray, I apologize. It makes you seasick. But it is a nonlethal weapon. I think in the packet we have given you, you have a picture of it. But it was one of the top 100 innovations noted in Time Magazine. It has been covered on CBS Morning News, et cetera.

What it does is if it is pointed at your face, it affects your brain so that you become nauseous to the point that you cannot do damage. You then get a migraine and several hours later you feel fine, but the threat has passed. That came out of SBIR. Those are tools you have given me.

CENTERS OF EXCELLENCE

Mr. ROGERS. Let me ask you about the Centers of Excellence. In the area of radicalization behavioral research, are you satisfied with the Center of Excellence in that regard?

Mr. COHEN. I must tell you that that is one of my better performing Centers of Excellence from what I would call the traditional Centers of Excellence that were stood up initially, and there are really two. One is START and the other is CREATE. Those are the two names that they use. One is much more the radicalization, very much like what RTI is doing. And the other one is operations analysis/operations research.

And so we are working with them. We are resourcing them. This is an area where the Congress provided additional monies from our Human factors, but it remains a work in progress. And I look forward to working with RTI and incorporating them in that bigger program.

Mr. ROGERS. Well, are you satisfied with the COE productivity so far in this area?

Mr. COHEN. We can do better with the COEs. And when I came onboard a year and a half ago, they were at risk for the very reasons that you have just addressed, but you showed confidence in the proposal that we made to realign them to my divisions. And as you are aware today, we just went out with five new COEs. Four were competitive. One came out of HR-1. And we are moving forward with a six-year assignment for COE, renewable for six years on a competitive basis.

But now I have underlying COEs to support each of my six divisions where we do not have solutions in transition near term, and we do not see solutions that are high-risk in innovation where my division directors are making the investment of about $148 million a year in their divisions, in universities and laboratories to make the discoveries that will change the world and make the nation safer.

So I think we are aligned for success. We are at a stable point. We have got full engagement by the Congress and the COEs, and

now we need to keep it stable because in the basic research, it takes time, it takes focus to get the product out the door.

Mr. ROGERS. Thank you, Mr. Chairman. I will wait for the next round.

Mr. PRICE. Mr. Farr.

Mr. FARR. Thank you, Mr. Chairman. The coordination between R&D and the first responders is obviously a two-way communication.

Mr. COHEN. Sure.

FUNDING FOR NAVAL POST GRADUATE SCHOOL

Mr. FARR. Science and technology experts need to know the needs of field personnel. And I think the field personnel also need to know what are those tools and technology, and that is what your job is, to bring them all together. My understanding is that you have a three-year $1 million a year MOU with the Naval Postgraduate School in Monterey in addition to the $2 million Homeland Security Consortium that was funded in the fiscal year 2008 bill. In your testimony, you state that S&T directorate is requesting $5.5 million less for its university programs, reflecting no funding request for the Naval Postgraduate School. What does that mean?

Mr. COHEN. Well, I think what we have here, Congressman, first of all, I want to compliment the Naval Postgraduate School, and I know your longstanding support both when I was in Navy and here after the tragic events of 9/11, it was the Naval Postgraduate School that immediately, immediately responded. In fact, they offered me their Predators, which they were using for their students, which we refitted to send over to Afghanistan and Iraq. As it turned out, they were not needed. They stood up a Homeland Security education and research program when there was no Department of Homeland Security. This was the kind of vision and forethought the Naval Postgraduate School had.

And today and over the last many years, representatives from all agencies of government have gone there and they are up through a Master's degree. My team was out there last week working on the details now of a postgraduate, excuse me, a Ph.D. degree in Homeland Security, and so I was very pleased when we went ahead and established our Memorandum of Understanding with the Naval Postgraduate School.

Now everything I do, no surprise to you, is pending funding, and we committed to $3 million over three years. I am a man of my word. We committed and have transferred the first $1 million, but regrettably, because the omnibus appropriations came so late in the calendar year, the President's fiscal year 2009 budget was already locked down, and so the omnibus appropriations and the President's fiscal year 2009 budget were like ships passing in the night. Normally, when I get the appropriations, whether it is a law or it is an omnibus appropriation, we are able to make adjustments to the President's budget. I was not able to do that, and so we are going to have to do that either during this Congressional year on the Hill or I will have to do it in execution.

But I have been and I remain committed to our initiatives with the Naval Postgraduate School and am very pleased to have them

on the DHS Homeland Security team and in fact want to leverage them with some of my other Centers of Excellence because of their excellence in educational programs.

Mr. FARR. Well, thank you. I am learning every time I visit that school about the innovations coming out of it.

Mr. COHEN. Sure.

Mr. FARR. And what I think is exciting for the federal government is to have that kind of an intellectual think-tank where you have people from the ground right out of theatre dealing with the academics to match up what needs tweaking, what needs fixing.

Mr. COHEN. Sure, sure.

Mr. FARR. And then immediately putting it in the curriculum. So I hope someday that we can all go out there and see all this stuff. Thank you, Mr. Chairman. Thank you for your testimony today.

Mr. COHEN. Thank you, Congressman, for all you do.

Mr. PRICE. Thank you. Mr. Undersecretary, let me turn to one area that decidedly is not to the left of the boom, as you phrased it.

Mr. COHEN. Sure.

Mr. PRICE. Unfortunately, it has to do with IEDs, improvised explosive devices.

Mr. COHEN. Sure.

IED DETECTION PRODUCTS

Mr. PRICE. Primary devices used by terrorists seeking uncomplicated, inexpensive means of inflicting mass casualties and creating a psychological perception that almost anyone can be harmed at any time. IEDs were a known threat before 9/11.

Mr. COHEN. Sure.

Mr. PRICE. Certainly we have seen their impact in Oklahoma City, Israel, Spain, London, Bali, Mumbai, Iraq and Afghanistan. Some of these events occurred years ago, others more recently. Just last week, as you know, a military recruiting station in Times Square was the target of an IED.

Mr. COHEN. Sure.

Mr. PRICE. Now last year Congress provided $15 million above the fiscal 2008 budget request for S&T to "work on producing detection products that deter, reduce or eliminate explosive attacks and their consequences, including car bombs."

Mr. COHEN. Yes, sir.

Mr. PRICE. The fiscal 2009 budget request more than doubles funding to $34 million for this effort. Just looking backward briefly, I would appreciate your assessment of why we are only now beginning an aggressive program on IEDs. It has been six and a half years since September 11 after all and five years since the Department was formed. But I want mainly to look forward, and I want to ask you to elaborate on the budget documents that you provided to the committee. You note that DHS plans to "identify near term technological improvements in less than five years."

Mr. COHEN. Yes, sir.

Mr. PRICE. Now that seems like a long time to wait, and I wonder what we can reasonable expect to experience in the near term, to achieve in the near term.

Both TSA and the Secret Service have been working on detecting IEDs for a significant period of time. DOD has a very aggressive program that has developed a lot of military solutions for use in Iraq and Afghanistan. So I wonder how your program differs from those of these other agencies I have mentioned. In other words, I am asking you to give us an update and to touch on these questions if you will.

Mr. COHEN. Yes, sir. It would be my pleasure, sir, and thank you for the question.

Mr. PRICE. Excuse us one moment.

Mr. COHEN. Please. Yes, sir.

[Pause.]

Mr. PRICE. Please proceed, Mr. Undersecretary.

Mr. COHEN. Yes, sir. And I will speak quickly. Like you, Chairman, I drive by looking through the windshield, not the rearview mirror, and I appreciate very much in a very difficult budget year that the Appropriations and the Congress would provide the $15 million to quick start what we are trying to do, and I am very pleased that the President and the Administration then followed that, as you indicated, with an additional $34, $35 million to get this going.

If I can capture this fairly succinctly, billions of dollars have been spent properly I believe by the Congress in the supplemental appropriations for JIEDO, which is Joint IED Defeat Office, was established in the Department of Defense. This is in response to the combatant commanders who saw the carnage that car bombs, IEDs, suicide bombers were causing in theatre and are very well known.

The tactics, techniques and procedures for soldiers and Marines are to kill, capture and destroy generally over there. My workforce, my customers are first responders. They protect and serve. They are here in the homeland. We can take an electronic jamming airplane and fly it over a foreign city, and we can, as you heard from Congressman Farr's testimony, electronically jam the fuses, et cetera. But if I did that over Washington, I would bring to a halt all of the electronic commerce that drives our society. That is independent of the Constitution. That is independent of the Federal Communications Commission. So tactics, techniques and procedures for the military and first responders are fundamentally different, and they should be different.

IED DETECTION PRODUCTS CONTINUED

The focus that I am placing is in the basic research where today we do not have the technology to detect at range—you can define it as 50 yards, 100 yards—that someone has an explosive device on them or that a vehicle traveling at 55 miles an hour has an explosive device, I do not care if it is nitrate, plastic, an explosive device. There is a one-second warning before they get to your checkpoint.

T.S.A. has properly focused on explosive detection systems, scanning devices, portals that the person goes through, but as you indicated, suicide bombers, IEDs are the weapon of choice, have been for a long time by terrorists to try and destabilize an election, society, events, how we live our lives. So it is a different scenario, and I must in the basic research, and this is an area that JIEDO and

no other component of DOD that I am aware of has in fact solved the problem.

Believe it or not, Princeton has come to me with a photon packet proposal. I am not a physicist. You know, it is way out there. I do not know if it will work, but no one else has come to me with a viable solution of a handheld or portable device that a first responder can have in Times Square, and I was in Times Square last Friday and saw the destruction that that small bomb caused—fortunately no one was injured or killed—and so it is only S&T with the help of the Congress that can make the sustained investment at a critical mass in the basic research that will give us this solution.

And when we do that, sir, we will deny the terrorists the ability to get to their target. We will prevent them from getting to nirvana. Their picture will not go on the Martyrs Hall of Fame, and their family will not get a multithousand dollar stipend because their child became a suicide bomber. That is the focus of what I am doing. The Department has stood up the Office of Bombing Prevention. Charlie Payne is my customer in the near term for the bomb disposal squads.

I am going to take about one-third of the monies you gave me, I am going to use those in the near term to leverage JIEDO and other solutions to get near-term maybe suboptimum tools to the first responders, 571 bomb squads around the country, 700,000 police, but the other two-thirds, we will work with your staff, we will work with the National Science Foundation, OSTP, Dr. Marberger, OSD, et cetera, and we will invest in the universities, the laboratories, the partners to find a phenomenology to turn the calculus around to do what I said, detect at range so we can prevent the bombers from getting to their target.

Mr. PRICE. And it is that second component that leads you to a five-year projection, or what is the five-year projection built on, based on?

Mr. COHEN. I know from my experience, I have been an S&T executive now for eight years in two different components, that this is tough. This is tough, especially when I do not have someone at my door other than the Princeton proposal, which is nascent, with a clear path ahead. If I have a technology that is even maturing, by applying resources, I can accelerate it, but I am pre, I am in the basic research. I need a phenomenology that will allow me to do this. And so five to eight years is the timeframe, and I believe that this is an area that will grow to between $50 and $100 million in basic research each year if we are to get there.

And I believe, and I think others in government would tell you, we are five years behind. This was called by Secretary Gordon England the Manhattan Project. He tried to start this four years ago in DOD, had some success. But if we do not start now, we will be just one more year behind and one more year behind, because, sir, this problem is going to be with us as long as we are alive, and I am planning on living to be 100.

CYBER SECURITY

Mr. PRICE. Let me turn to cyber security quickly. I referred in my opening statement to media reports about the efforts of China,

other countries, to target U.S. government privately owned cyber infrastructure. On November 6, 2007, DHS submitted a budget amendment for $115 million for DHS's National Security Cyber Division to enhance federal cyber security efforts government-wide. We fully funded that request in our 2008 bill and provided S&T almost $20 million for cyber security activities. That was an increase of $5 million over the budget request.

Mr. COHEN. Sure.

Mr. PRICE. Now the 2009 budget request only requests $18.1 million for cyber security. That is a decrease of $1.7 million from that appropriated level. So I naturally want to know why that is so. We did provide $120 million above the original budget request in 2008 to address these cyber threats, these infiltrations from other countries, these various concerns.

Mr. COHEN. Sure.

Mr. PRICE. S&T received a small plus-up in funding for research and next-generation technologies. So why is the funding for this effort proposed to go down? Cannot the case be made for more involvement by S&T in researching tools and techniques that could protect the federal government from whenever the next wave of cyber attacks comes?

Mr. COHEN. Yes, sir. I will answer those in reverse order. Absolutely there is a critical role for S&T, and this is where the solutions will come from. This is an area that is cutting-edge warfare. It is measure, countermeasure, counter-countermeasure. We face this. You buy McAfee or Symantec. We decide how much is enough for us to protect our home computers.

As I told Congressman Farr, that because the omnibus appropriation came at the end of the calendar year and the President's budget was already locked down that there are some discrepancies. The fiscal year 2008 President's budget as you are aware in this area for me was $14.9 million, almost $15 million. The President's budget comes forward with an $18.2 million request. That is an increase of more than 20 percent. Regrettably, the ships passing in the night, you wisely invested even more, nearly $20 million, and so my $18 million is less than your $20 million, and I understand that.

Having said that, and cyber is absolutely one of my top priorities, this is a very simplistic diagram of likelihood of occurrence versus consequence of occurrence and why you can see nuclear is off the chart to the right in consequence. Today you have to either buy or steal a bomb. I would tell you the odds of that happening today are low. I cannot speak for tomorrow. But cyber you see is happening right now. Someone may be trying to steal our identity. And as you indicated with Estonia, and there is not a day that goes by that we are not made aware of other attacks either by foreign nations or individuals or terrorist organizations.

NATIONAL CYBER SECURITY INITIATIVE

So it is critically important. I am very pleased that the Administration has gone forward with Homeland Security Presidential Director 23. This is a very highly classified executive order. I think your staff is aware of it. I have had a chance to participate in its development, have read it when it came out. This is an area that

cuts across the government, involves all of .gov; .mil will be associated, but they have their own processes. And I believe that that initiative, the National Cyber Security Initiative, will develop into probably more than $1 billion a year initiative. I will leave that to the Administration to work with the Congress.

But unlike IEDs where Homeland Security Presidential Decision 19 said that DHS and Department of Justice were responsible for IEDs in the homeland and that DHS S&T would take the lead on that, which is why I have stepped up to the plate and we briefed everybody on that, in cyber, in the National Cyber Initiative, the responsibility there falls with OSTP, and I will fall in like all other government agencies and provide that portion of solutions that are appropriate for DHS. So two different models, and I am sorry that our ships passed in the night, but cyber, we got it, and it is a biggie, and it is going to grow.

Mr. PRICE. Mr. Rogers.

TRANSITION DIRECTORATE

Mr. ROGERS. I want to get back to Dr. Cellucci's operation at S&T.

Mr. COHEN. Yes, sir.

Mr. ROGERS. How does that office operate?

Mr. COHEN. Well, it is pretty lean like almost all of my offices. As you know, I maintain my overhead at 9 percent, which is what I committed.

Mr. ROGERS. Yes. How many people does he have there?

Mr. COHEN. He has a small cadre. I think at this point, it is about three people who are helping him. I put him in my Transition Division. As you know, the Transition directorate is zero to three years.

Mr. ROGERS. Well, you know, I am not sure that is the way we need to go. The In-Q-Tel model——

Mr. COHEN. Yes, sir.

Mr. ROGERS [continuing]. As I understand it leverages existing commercial investment as it looks around industry for technologies, which translates to minimal government investment. In other words, it is not a government operation and it does not invest government funds. It goes out and seeks out the private sector gizmos and ideas and investment, which does not cost the government very much.

Mr. COHEN. Yes, sir.

USE OF COMPANIES LIKE IN-Q-TEL

Mr. ROGERS. And number two, you only have two or three people within S&T working on this, as compared to a company like In-Q-Tel, and maybe there are others.

Mr. COHEN. Yes, sir.

Mr. ROGERS. But I guarantee you they are out there, those companies who can scour the world with thousands of people at little or no cost to you and us, the taxpayers. And more importantly, you get all the brilliant ideas that the genius of the private sector generates when there is a profit motive involved. Is that right or wrong?

Mr. COHEN. Yes, sir. Well, it is mostly right, sir. The facts of life are the solutions come from the private sector.

Mr. ROGERS. Yes.

Mr. COHEN. And I am involved with thousands of people in the private sector.

Mr. ROGERS. Give me one person.

Mr. COHEN. I am. But you know Mr. Darby? He has a small group. As he shared with you, he is a component of the CIA S&T Directorate. The Congress I believe has gone forward with IARPA, with the Director of National Intelligence, trying to have an advanced research project as you did for me with Homeland Security Advanced Research Projects now for intelligence. So he is one piece of the puzzle.

In my innovation portfolio, which is 10 percent of my budget and I have 20 people in there, solutions come from industry, and that is cutting-edge stuff. The facts of life are he is in In-Q-Tel, and it is an exciting model, a nonprofit. If you are going to deal with venture capitalists, you must bring scratch to the table. Now he indicated he brings 10 percent scratch. What I bring to the table is the imprimata of the DHS logo, and I can tell you that industry gets it. They understand this is a growth area. I have Safety Act protection, which you have very wisely given me.

Mr. ROGERS. Well, yes. Let us stay on track here and try to keep it brief because we are running out of time.

Mr. COHEN. Yes, sir.

THINK-TANK MODELS

Mr. ROGERS. There are two conflicting models here, I think. One is a government-operated think-tank, if you will, that tries to involve the private sector in solutions that we need.

Mr. COHEN. Yes, sir.

Mr. ROGERS. And the other model is what I am going to refer to as the World War II model where the government says, here are the questions we want answered.

Mr. COHEN. Sure.

Mr. ROGERS. Here are the solutions we need. Can you in the private sector help us out? And you had this link between the government and the private sector through some nonprofit.

Mr. COHEN. Yes, sir.

Mr. ROGERS. Those are two different models, and it seems to me that as brilliant as you are and as brilliant as Cellucci is and as brilliant as the government workers are——

Mr. COHEN. Sure.

Mr. ROGERS [continuing]. They are no match for the genius that exists in the private sector where profit is involved.

Mr. COHEN. We agree. That is the genius of America.

Mr. ROGERS. Yes. So I wonder if we are taking advantage of that enough.

Mr. COHEN. I will end by saying we have put out, as you well know, all of our requirements. This is where in fact people have said to me, how dare you put out our shortcomings of TSA, of Coast Guard, et cetera? Because I asked for their capability gaps. Then we offer them technology solutions from industry, from international, U.S. laboratories, universities, et cetera, and then they

choose and then I resource it. But tech solutions, PSITEC, firstresponder.gov, SBIR, Congressman, if offline I cannot convince you that we are doing the equivalent of In-Q-Tel, then I will help you as you desire write whatever legislation you want to give us those added enhancements to further, further leverage the model, the mobilization board model that you talked about, which was so successful in the past.

Mr. ROGERS. Well, I look forward to being convinced. I am not yet convinced.

Mr. COHEN. Yes, sir. I understand.

Mr. ROGERS. I need to be convinced.

Mr. COHEN. Yes, sir. But I know you have an open mind.

Mr. ROGERS. I have an open mind. But we have also got an open sore of money problems.

Mr. COHEN. Yes, sir.

Mr. ROGERS. And we need the most efficient use of our taxpayer dollars to get the biggest bang for our buck, to coin a phrase.

Mr. COHEN. Congressman, I think I have a reputation of doing innovation through "OPM." OPM is other people's money. And I will go anywhere to make the nation safer.

Mr. ROGERS. All right. Thank you.

Mr. PRICE. Thank you, Mr. Undersecretary. We appreciate your being here today and appreciate your patience as we went through the paces on the House floor, which have now resumed. So we must adjourn, but your testimony was very useful. We appreciate your service. We look forward to collaborating with you as we put the appropriations bill together for next year.

Mr. COHEN. Sure. And, Chairman, thank you and your hard-working staff. We appreciate the support very much, and we will spend it wisely.

Mr. PRICE. The subcommittee is adjourned.

SCIENCE AND TECHNOLOGY DIRECTORATE
QUESTIONS FOR THE RECORD FROM CHAIRMAN PRICE
MARCH 12, 2008

BioWatch:

1. Please provide a table showing what projects S&T is involved in related to BioWatch for 2008 and planned for 2009. As part of this response, please include a brief description of the project and anticipated outcome, identify funding levels for each year, and include milestones for completion.

ANSWER: Please see the following table.

Projects	Description	FY 2008	FY 2009	Outcome	Milestones
Bio-Agent Autonomous Networked Detector (BAND) (Indirect)	Automated, fully integrated "lab-in-a-box" that is capable of aerosol collection, molecular analysis and identification, and reporting of results.	$21.2M	$0.0	Automated detection capability for Gen 3 BioWatch.	FY 2008: Transition the Gen 3 BioWatch detection system and initial assays to OHA for the operational Gen 3 BioWatch pilot, led by OHA. FY 2009: Complete full characterization of the DACS, an augment to the BAND and prior BioWatch systems to enable capture and maintenance of viable bioaerosol particles.
Surveillance and Detection Operations (Direct)	Gen 3 BioWatch prototype unit procurement for OHA pilot testing.	$5.8M	$0.0	Gen 3 BioWatch units for pilot testing.	FY 2008: FY 2008: Provide BAND prototype detection units, associated consumables and technical support to support the OHA-led pilot tests.
Bio Assays (Indirect)	Develops the assays (procedures) and identifies the signatures (unique "fingerprint" markers) that detectors use to recognize select biological threat agents.	$2.7M	$0.0	Deliver government-specific operational assays that will allow Gen 2 and Gen 3 Biowatch to detect the top-twenty aerosolized biological threats identified in the 2006 BTRA. Establish a mechanism to independently evaluate and validate assays for use as Public Health Actionable Assays (PHAAs).	FY 2008: Develop signatures for the next 10 biothreat assays and pilot the PHAA process. FY 2009: Transition validated assays to OHA for use in the BioWatch system and establish an initial operational capability for the PHAA process.
Systems Studies (Indirect)	Performs studies that use reference scenarios to assess biodefense capabilities. Results will be used to feed development of the third-generation (Gen 3) BioWatch system.	$0.8K	$0.0	Provide recommendations to the BAND project's validation testing to support Gen 3 Biowatch development.	FY 2008: Transition the final Gen 3 BioWatch system architecture design and deployment strategy to OHA, which operates the BioWatch system.

After the testing of the 26 pilot BioWatch3 (BAND) units, who will be responsible for procuring additional BioWatch 3 units—S&T or OHA? How much funding is included in the budget for low rate initial production units?

ANSWER: The DHS Office of Health Affairs (OHA) will procure all additional BioWatch Gen 3 units. The S&T Directorate has no funding for low-rate initial production units in FY 2008 or in the FY 2009 request.

Regional Biocontainment Laboratories (RBL)

2. Last year, the Committee report accompanying the House Homeland Security Appropriations bill stated that the Committee was "aware that the National Institutes of Health (NIH) has established a network of Regional Biocontainment Laboratories to conduct biodefense and pandemic preparedness research, and encourages the Department to coordinate with NIH, as appropriate, to leverage the federal investment in these facilities." What actions has your Directorate taken to date to respond to this language?

ANSWER: The S&T Directorate has initiated discussions with the Regional Biocontainment Laboratories (RBLs) to gain a better understanding of the capabilities they offer. Based on discussions with the Regional Biocontainment Laboratories (RBLs) the S&T Directorate has determined that at present, only a limited number of RBLs are nearing on-line status. While the potential of these laboratories to conduct biological hazard characterization research and provide laboratory surge capacity is recognized, the extent to which they may be used by DHS for research and surge capacity is still being determined. The S&T Directorate has requested an estimate of potential charges for research efforts related to S&T Directorate activities. The S&T Directorate requested that the laboratories make an estimate of the potential laboratory surge capacity they might represent in case of need in a substantial biological contamination event and associated cost, and to present that estimate to the Centers for Disease Control (CDC), which has the obligation to identify and maintain surge capacity. Once that information is available, the S&T Directorate plans to coordinate with the National Institutes of Health regarding RBLs.

3. Does DHS have adequate surge capacity to respond to a large scale bioterrorism event? To what extent is the Science & Technology Directorate working with the Office of Health Affairs to fund the development of such capacity?

ANSWER: The Department of Health and Human Services' Centers for Disease Control (HHS/CDC), holds the primary Federal responsibility for informing the medical and public health response to mitigate health impacts in a large-scale biological event and to establish and maintain clinical analytical capacity during response. The Environmental Protection Agency (EPA) holds the primary responsibility to ensure capacity for restoration activities. These roles and responsibilities are agreed to via the Integrated Consortium of Laboratory Networks (ICLN), which addresses planning for such a response and includes HHS/CDC, EPA and DHS as well as other agencies.

While DHS is not the lead Federal agency for establishing or maintaining surge capacity, DHS does help fund the ICLN for the assessment and identification of capability gaps, the development of an architecture integrating the laboratory response networks, and other aspects of integrating laboratory response networks. In addition, the S&T Directorate currently chairs the interagency ICLN group and the DHS Office of Health Affairs (OHA) participates, with the eventual goal of assuming chairmanship.

4. The Committee understands that your office has held several meetings with a Consortium of universities that will be operating RBLs. Can you comment on the extent to which these laboratories may be used by DHS for research and surge capacity?

ANSWER: Based on discussions with the Regional Biocontainment Laboratories (RBLs) the S&T Directorate has determined that at present, only a limited number of RBLs are nearing on-line status. While the potential of these laboratories to conduct biological hazard characterization research and provide laboratory surge capacity is recognized, the extent to which they may be used by DHS for research and surge capacity is still being determined. The S&T Directorate has requested an estimate of potential charges for research efforts related to S&T Directorate activities. The S&T Directorate requested that the laboratories make an estimate of the

potential laboratory surge capacity they might represent in case of need in a substantial biological contamination event and associated cost, and to present that estimate to the Centers for Disease Control (CDC), which has the obligation to identify and maintain surge capacity. Once that information is available, the S&T Directorate plans to coordinate with the National Institutes of Health regarding RBLs.

Chemical Programs:

5. Beginning in 2009, S&T plans to conduct an assessment of existing dispersion models to obtain an improved understanding of the consequences of release of large volumes of hazardous chemicals in transport (eg. rail cars or tankers) during and following an accident. DHS has been focusing on toxic chemicals and inhaling toxic materials for the past few years. In fact, TSA issued a rulemaking on this subject about one year ago. Why is S&T doing this type of study now? Hasn't the Federal Railroad Administration or another agency already conducted significant work in this area? How will this study differ?

ANSWER: The S&T Directorate is planning on conducting the assessment of existing chemical dispersion models in FY 2009 based on requirements identified by Transportation Security Administration (TSA) during the S&T Directorate's customer-led, Capstone Integrated Product Team (IPT) process. While the Department, the Federal Railroad Administration and other federal agencies have progressed in the area of detecting and responding to hazardous chemical releases, dispersion models for many types of hazardous chemicals need further development to improve their accuracy. A major shortfall in this area is experimental data for intentional penetration of large (30-ton and greater) containers. There is no such data for even the most heavily transported toxic industrial chemicals, such as chlorine or ammonia. Most models describing these releases are based on small-scale (under one-ton) releases, and the models extrapolate the results to a larger volume release. The primary focus of this project will be to gather the experimental data for these large-scale releases so that accurate input parameters for existing models may be developed and employed. Having more accurate input parameters (ie source terms) will enable a more effective response that will protect more people from the harm of exposure to a hazardous chemical release.

6. The budget request highlights that S&T is developing an integrated CBRNe detection system and will conduct a two-city pilot of the chemical and biological portions of the integrated CBRNe detection system in 2008. Please provide more information to the Committee on this technology, explaining how it differs from previous chemical or biological detection systems that have been tested in Boston, Washington DC and San Francisco. Where do you plan to conduct these pilots? How long will the testing last? How much funding is necessary for this project in 2008?

ANSWER: This program is not deploying new detection systems, such as those tested in Boston, Washington, D.C. and San Francisco. The goal of the Integrated CBRNE program is to integrate existing federal detection systems with cities' local assets using open communication standards and protocols to facilitate timely notification and response to WMD events. Ultimately, the integration solution will be deployed to five cities and a guidance document will be developed for use by other cities wishing to integrate their WMD detection systems.

Los Angeles was chosen as the first pilot city based on the results of a survey of currently deployed federal and local detection systems and communication capabilities in Los Angeles, Port of Long Beach, Anaheim, Seattle, Chicago, Boston and New York. The survey looked at the number and variety of federal and local detection assets available for integration, representation of concepts of operation (CONOPS), and current communication processes. The S&T Directorate is still determining the city for the second pilot. The two choices under consideration are Long Beach and Seattle.

Testing will begin upon initiation of the first pilot, planned for March 2008 in Los Angeles, CA. The first pilot's target completion date is December 2008. The S&T Directorate is currently conducting a detailed architecture analysis of Los Angeles chemical and biological detection systems. The results of the analysis will be used in the development of a communication methodology and an interoperability solution to interface disparate systems. Testing of the system and initiation of deployment to a second city will be conducted in FY 2008. Ultimately, the integration solution will be deployed to the remaining cities (total of 5, including the pilot) and guidance documents will be developed for use by other cities wishing to integrate their WMD detection systems by the end for FY2010.

The S&T Directorate has budgeted $3 million in FY 2008 for integrated CBRNe detection system activities.

7. The budget also notes that in 2009, the integrated CBRNe detection system pilot project will be expanded to include testing for radiological and explosive detection. Why is S&T conducting radiological testing? Shouldn't DNDO being doing this work? How much funding is requested for this effort in 2009?

ANSWER: The S&T Directorate is not testing radiological detection. The S&T Directorate is providing a framework for integrating disparate detection systems, which includes radiological detection systems. The goal of the integrated CBRNe detection system program is to integrate existing Federal systems deployed in cities, beginning with chemical and biological systems such as BioWatch and PROTECT, with other local systems as appropriate. Additional detection systems deployed by DoD (PM Guardian) and DHS' Domestic Nuclear Detection Office (DNDO) and Coast Guard will be considered for inclusion in the integrated solution. Discussions between DNDO and DoD to adopt a common detection communication interface standard are currently underway.

The S&T Directorate has requested $3 million in the FY 2009 Presidents Budget Request for integrated CBRNe detection system activities.

8. Where would you envision this integrated CBRNe detection device being installed?

ANSWER: DHS' Science & Technology Directorate will not be deploying new detection systems in cities. The integrated CBRNe detection system program will focus on the integration of deployed systems to facilitate timely communication and response to WMD events.

9. What is the time-frame for a full-scale demonstration?

ANSWER: A full-scale demonstration of the integrated CBRNe detection system solution in the first pilot city is planned for April 2009.

Counter MANPADS:

10. What is the status of the research and development to test counter MANPADS devices on passenger air carrier. As part of this response, please update the Committee on testing done last fall, if additional testing will be conducted, as well as how and when reports will be issued detailing the use of this technology on cargo and passenger aircraft.

ANSWER: The Science and Technology (S&T) Directorate is currently executing the final phase of the three-phase Counter-MANPADS program assessment. Phase III emphasizes three major objectives:

1) Conduct a suitability assessment on in-service cargo aircraft,
2) Conduct a suitability assessment on in-service passenger aircraft, and
3) Conduct live-fire tests to assess system capability to protect commercial transports.

All flights being carried out by Federal Express under the cargo service evaluation portion of Phase III were completed on February 29, 2008. We continue collection and analysis of the data for in-service cargo test evaluation. We expect to complete data analysis by the fourth quarter of FY 2008. To fulfill the passenger service assessment portion of Phase III, we initiated the development of prototypes which will be flown on three American Airlines passenger aircraft. We expect these flights to begin in mid June 2008, with a goal to achieve between 5,000 and 7,000 flight hours by the end of March 2009.

We also conducted live fire tests as part of Phase III. The two-and-a-half month test concluded in mid-December 2007 and we are reviewing the test results. The tests were to demonstrate the systems' capability to protect commercial transports from MANPADS and identify any anomalies in system performance. Live fire tests were conducted using the Aerial Cable Range at the White Sands Missile Range in New Mexico by firing real heat-seeking missiles at a target representing the infrared signature of a Boeing 747 aircraft. During the test, both systems experienced some anomalies, which will require additional analyses and tests.

The current in-service evaluation of the systems on cargo and passenger airlines will be complete in the spring of 2009. S&T plans to submit to Congress a complete Phase III report in late FY 2009.

11. The fiscal year 2006 Appropriation Act included funding to test other counter MANPADS technologies that did not need to be installed on aircraft. Awards for these technologies were made in late 2006. What is the status of your program to develop ground based counter MANPADS? As part of this response, please update the Committee on the status of these projects, including who received funding in 2006, what they will be testing, the milestones for these tests, and what the next steps may be.

ANSWER: The Emerging Counter-MANPADS Technology (ECMT) program is assessing the suitability and interoperability of counter MANPADS technologies, other than directed infrared countermeasures (DIRCM), for use in a civilian airport environment. The assessment will determine the life cycle costs of such systems. If it is determined that any or all of the systems are compatible and safe for use in the civilian environment, we will execute a follow-on test and evaluation plan to further mature the technology.

The Science and Technology (S&T) Directorate made three awards in late 2006. Two of the awards focused on ground based systems. The third award involved a Doppler-radar missile sensor, which is one component of an aircraft based countermeasure system. Summaries of the three awards are:

- Raytheon was awarded a contract to evaluate suitability of a ground-based, high powered microwave countermeasure system comprised of a phased array radar antenna countermeasure and a distributed missile warning sensor grid. Testing of two missile warning sensor cameras is ongoing to assess the sensor's sensitivity in the clutter of an airport environment.

- Northrop Grumman Space Technologies was awarded a contract to evaluate suitability of a ground-based, high energy laser countermeasure system. Testing was conducted with the missile warning sensor at Los Angeles and Las Vegas airports to assess the sensor's sensitivity in a cluttered airport environment, detection range, and false alarm performance. An evaluation will also be performed for laser power damage effects and suitability to aircraft and civilian structures.

- L3/Avisys was awarded a contract to evaluate the potential of modifying an existing pulse Doppler radar missile warning receiver for suitability (non interference with FAA radars) in the civilian airport environment. The assessment will also evaluate other alternatives to radar frequency missile warning compatible with the current airport infrastructure.

We conducted tests of each ground based missile warning system at the DIRCM live fire tests in December 2007. Each system was given the opportunity to observe multiple missile launches to assess detection and tracking functions of the proposed missile warning components for the two ground-based countermeasure systems.

We are currently working with the FDA to perform a preliminary analysis of the vulnerability of implanted medical devices to the high powered microwave countermeasure concept. The preliminary analysis will be completed in summer of 2008, followed by a more detailed analysis in late 2008.

Contractual work on the ECMT program was extended to the end of May 2008 and our program assessment will be completed in the Q4 of FY 2008. This assessment will incorporate the results of the preliminary FDA analysis.

12. It is my understanding that there is no funding in the FY 2009 budget request for counter MANPADS that are ground based although Congress had previously appropriated funding for these activities. When do you believe additional funding will be required, if at all?

ANSWER: Counter-MANPADS efforts are ongoing. The Emerging Counter-MANPADS Technologies project is conducting an assessment of existing technologies and is planned to be completed in May 2008. Similarly, S&T is still in Phase 3 of the Counter-MANPADS program. Any future funding will depend on the results of these evaluations. In addition, the technologies may be ready for incorporation into an alternative solution or, if not, additional research and development may be necessary.

13. For fiscal year 2008, you are spending $8 million on Project Chloe to detect shoulder fired missiles using high altitude UAVs. An additional $2 million is requested in 2009. Please describe how this program would work, specifically what your funding will be used for in 2008 and 2009, and testing results to date? Why do you believe UAVs are a better detection technology than ground or aircraft-based sensors?

ANSWER: Project CHLOE is an "out of the box" alternative to equipping individual aircraft with self-protection systems or developing ground-based protection for commercial aircraft from the threat of MANPADS. Project CHLOE is part of the Homeland Innovative Prototypical Solutions (HIPS) program. The key thrust of Project CHLOE is to evaluate and demonstrate at the prototype level the feasibility of persistent, off-board high altitude detection and countering of MANPADS attacks against commercial aircraft operating under normal conditions. The end goal of Project CHLOE is to validate the large area surveillance and Counter-MANPADS system concept as a lower cost/higher efficiency alternative to conventional Counter-MANPADS programs. We will also investigate leveraging the CHLOE platform to provide additional capabilities such as border and maritime surveillance, communications relay, and protection of critical infrastructure.

The majority of FY 2008 funds are allocated to evaluate current/near term Counter-MANPADS systems and technologies which may be suitable for high altitude, off-axis employment; to conduct analysis of off-axis defeat laser power requirements; and to demonstrate power-on-dome capabilities (including detection to defeat timelines) of existing technologies from above 50kft. Northrop Grumman will use its existing Guardian

nullification system, integrated with their existing NEXGEN missile warning system on board a High Altitude Platform, to conduct the power-on-dome demonstration. This demonstration will help to determine the ability and limitations of missile nullification from a High Altitude Platform against crossing targets. Remaining FY 2008 funding and funding in FY 2009 may be applied to evaluating and/or demonstrating alternative mission payloads such as a communication relay or enhancing the missile detection/countermeasures prototypes developed in the earlier phase of CHLOE. Transition options for CHLOE will be evaluated in FY 2009.

Project CHLOE's first major achievement occurred in October 2007 when we successfully demonstrated the capability to detect MANPADS launches from an altitude of 55,000 - 65,000 feet. A modified TACAIR DIRCM missile warning system was flown aboard a NASA ER-2 high altitude research aircraft (an Unmanned Aerial Systems (UAS) surrogate to reduce risk). The system successfully detected, declared, and tracked all MANPADS fired while on station at a live-fire demonstration. Detection ranges were slightly better than predicted. However, additional improvements to missile warning system processing will be required for adequate performance in high-clutter environments. Prototyping and demonstrating these enhancements are being considered for late FY 2008 and FY 2009.

Project CHLOE's objective is to protect aircraft at an airport or at several nearby airports rather than installing full detect-to-engage systems on every commercial aircraft. UAS's, especially high altitude UAS's, may offer the opportunity to sense and defeat a MANPAD launch over a large area. For example, it is quite possible that a single UAS could provide detection over the three airports that make up the National Capital Region. No ground based system could come close to providing that type of coverage. This type of system would reduce the number of systems required to be maintained, eliminate the need to add weight to aircraft, and lower operations and maintenance costs for end-users.

14. Can high altitude UAVs recognize MANPAD launches in poor weather or in hazy cloud cover, two weather phenomena that regularly occur? If not, why should we fund this project in 2009?

ANSWER: Currently there is no passive system that can see through 'thick' cloud cover in the infrared spectrum, nor is there a laser technology that will defeat MANPADS in this situation. Tests of CHLOE's missile warning system demonstrated the ability to detect and declare a MANPADS launch from altitudes greater than 60 kft. However, these tests were conducted in clear weather and low clutter. The Science and Technology (S&T) Directorate will be conducting a survey and analysis of existing/near-term detection technologies and identifying any technological gaps in all-weather MANPADS detection. This analysis will include a defeat survey, an off-axis/high altitude feasibility analysis, and a high-altitude energy-on-dome demonstration.

It should be noted that the same passive technology is used on most of the MANPAD missile systems. MANPAD missiles cannot "see" the aircraft through thick clouds. This means instead of protecting an aircraft out for several tens of miles, the radius of concern on a thick cloud cover day is much smaller, basically only out to the range where the aircraft disappears into the clouds. It is possible that a single laser defeat system located at the airport could be used against the MANPADS at this short (much shorter than 60kft) range.

There are benefits to using the High Altitude UAS that do not occur with using another type of Counter-MANPADS system. These include communications relay and very broad area and mobile search and surveillance over borders and coast regions. These contribute to the utility and reduced cost of having an unmanned system conducting these missions vice manned systems.

Explosives

15. Beginning in fiscal year 2005, TSWG started the U.S. electronic counter measures (ECM) program with a working committee effort that produced requirement documents establishing the need for an ECM improvised explosive devices (IED) capability. TSWG will reportedly begin operational assessments of prototype systems in early 2008. Please describe S&T's participation in the TSWG ECM IED, including S&T funding contributions and submitted requirements, and describe the current status of that effort.

ANSWER: In partnership with the National Bomb Squad Commanders Advisory Board (NBSCAB), the Federal Bureau of Investigation (FBI), the National Institute of Justice (NIJ), and the Department of Homeland Security (DHS), the Technical Support Working Group (TSWG) established a National Radio-controlled Improvised Explosive Device (RCIED) Electronic Countermeasure (ECM) Program to train, certify, and equip select federal, state, and local bomb squads to handle a terrorist Remote-Controlled (RC)IED campaign on U.S. territory. The program identified and developed a system that met operational requirements as stated by experts and users in the RCIED ECM field.

The Science and Technology (S&T) Directorate was a Program Sponsor along with DOJ/NIJ and TSWG. We were also a member of the Pilot Program Executive Steering Group along with FBI, DOJ/NIJ, ATF, NBSCAB, HDS, NAG, NORTHCOM, NTIA, TWSG, and select State and local bomb squad representatives.

S&T provided $1.5M in FY 2005 and $810K in FY 2006 for these efforts.

To date we have achieved the following:

- Completed Technical and Operational Requirements Documents & CONOPS
- Completed Source Selection and Down-Selection of RCIED ECM System
- Completed Training Curriculum Development Mobile Training Team (MTT)
- Identified, Trained, and Certified 10 Pilot Program Cities in RCIED ECM System use(Funding Driven = ECM System & MTT Cost)
- Phase Two Development of the RCIED ECM System included:
    - Enhancing User Positive User Control (PUC)
    - Developing Upgrade for PCM Rechargeable Battery

At the conclusion of the pilot program, the project was transitioned to the FBI for management and operational control.

16. What is the funding profile for ECM IED programs in future years?

ANSWER: The Science and Technology (S&T) Directorate budgeted money for FY 2009 for research, development, test and evaluation of counter IED efforts. However, the amount targeted for ECM is subject to review by end-users and the Executive Steering Group.

17. What technologies are required to meet current/future threats?

ANSWER: Examples of technologies that are needed to address near-term threats include:

- Evaluation, testing and implementation of antenna solutions that could increase current equipment performance through increased range and improved ease of operational deployment through a lower

profile. This should be preceded by an assessment of the developments in new antenna technologies that have emerged since the original capability was deployed.

- Identification, characterization and definition of the vehicle that will be used for future capability roll-outs. Such an effort would allow for the standardization of the type of vehicle and equipment to be issued, and lead to economies of scale in the long-term. Additionally, the effort would cut down on threat and radiation hazard testing requirements, and aide the training and equipment development cycles.

- A control access tool for both vehicle and carry forward systems for the Positive Use and Control Software that meets IRAC - SPS - regulatory requirements of the federal program.

In addition to these technological advances, work is also needed in threat evaluation, training, standards, and interoperability. We will need to conduct operational exercises to validate incident procedures at the Federal, State and local levels.

18. What are the next steps beyond operational assessment?

ANSWER: Next steps beyond operational assessment of the ECM system include:

- Expansion of pilot cities to 20 (adding 10) cities
- Increasing ECM Systems Per Major City
- Major cities receive 2 additional systems
- Increases city capability to 4 systems
- Establishment of a U.S. Domestic Threat Group
- Identification of additional threat triggers
- Develop and validate jamming wave forms
- Develop an on-hand ready to deploy proactive response – threat loads
- Establish equipment performance standards and training standards
- Establish a "Refresher/Exercise" program to ensure readiness
- Establish command center / command post training and familiarization

19. How is the relationship between DHS and DOD leveraged to improve technologies?

ANSWER: The Science and Technology (S&T) Directorate has a relationship with a number of DOD organizations and we take part in various ECM related meetings/workshops. We use information from these partners to inform our research, development, test and evaluation ECM efforts. Partners include:

- Army Communications-Electronics Research Development and Engineering Center (CERDEC) at Fort Monmouth, NJ

- Technical Support Working Group (TSWG)

- Navy PMS-408; PMS-JCREW (Navy manages the joint CREW program for Office of the Secretary of Defense's Joint IED Defeat Organization (JIEDDO))

Through these working groups, DHS, FBI and DOD are jointly working with John Hopkins University Applied Physics Lab to develop and characterize new waveforms to combat the always changing threat spectrum.

20. Please describe, in detail, when DHS requires certification of explosive detection machines and when it does not and how DHS develops explosive detection standards.

ANSWER: Certification standards speak to detection of a specific series of explosive compounds (classified), a false alarm rate, and a throughput of checked baggage being screened. Public Law 101-604 provided the requirement for certification of Explosives Detection Systems (EDS) and mandates that any/all explosive detection equipment must be certified to show that it can reliably detect explosive material which can cause catastrophic damage to commercial aircraft. Certification of EDS equipment assesses its ability to screen checked luggage going onto airplanes in the civil aviation infrastructure.

The original certification standard was developed in the early 1990's in conjunction with advice from intelligence organizations and addressed the threat posed by terrorists using IEDs. The standard was also informed by vulnerability analysis studies on representative airplanes. The standard itself is used to certify equipment to be used by the Transportation Security Administration (TSA). TSA uses certification as the portal for entry into their procurement plan for explosives detection systems. Many other government organizations look to certification as a seal of approval for automatic explosive detection devices.

Manhattan II:

21. Please update the Committee on the Manhattan II project. Who has received awards for phase II and for what? Where are they in the process? What is the timeframe for completion?

ANSWER: The Science and Technology (S&T) Directorate is collecting raw data and images for various HME (and their precursors) with different EDS and x-ray equipment at Tyndall AFB. This data is then transmitted to Lawrence Livermore National Laboratory (LLNL) and to the Transportation Security Laboratory (TSL) for analysis by x-ray experts. This analysis informs both technology and algorithm development and supports the detailed technical criteria which must be incorporated in the performance standard which will link hardware and software for next generation x-ray systems. LLNL and TSL are carrying out this analysis activity. The FY 2008 contracts will be let in April 2008.

Battelle Memorial Institute is developing performance standards through two phases of activity. The first phase developed insight into the several performance standards activities underway with various participants, including vendors, standards bodies, industry, and academia (Digital Imaging and Communications in Medicine (DICOM) and Digital Imaging and Communication in Nondestructive Evaluation (DICONDE) formats). First phase developments also provided an opportunity for achieving consensus on the performance standard for x-ray based detection equipment. The Phase II will build upon this awareness and develop a performance standard for explosives detection which includes the technical criteria developed through the processes at Tyndall AFB and LLNL. Performance standard development will continue in FY 2009.

Life cycle cost model development has proceeded through a contract in FY 2007 – FY 2008. The work has involved collaboration with the customer, TSA, and others to ensure that the cost elements are inclusive of all costs involved in the life cycle of x-ray based detection equipment and approaches which are amicable to TSA. The work has also drawn upon economic modeling undertaken in connection with the air cargo explosives detection pilot projects which S&T has managed in collaboration with TSA and others over the past two years.

S&T is also working collaboratively with the Technical Support Working Group (TSWG) on specific hardware improvement research and development for next generation x-ray-based explosives detection equipment. This work includes contracts at NASA-AMES for next generation x-ray sources based on carbon nano-tube technology and at Xintec in the Research Triangle in a consortium involving Siemens and Reveal. Testing on these advanced sources will be undertaken at LLNL.

Phase II of Manhattan II involves performance standard development and will continue in FY 2009. Manhattan II activities in future years will be driven by results from current work as well as the requirements of TSA, the Science and Technology (S&T) Directorate's customer for this program.

22. For fiscal year 2009, you are requesting $12,641,000 for these projects. What specifically do you hope to achieve with these funds?

ANSWER: The Science and Technology (S&T) Directorate requested FY 2009 funding to support continued research and development (R&D) in each of the activities discussed below. The exact allocation of the $12.641 million across each of these constituent activities will depend upon results from the present FY 2007- FY 2008 work. We anticipate that new threats and new developments will affect the relative emphasis in the future upon hardware vs. software development.

The R&D activities in FY 2009 will build upon the work undertaken in FY 2007 and FY 2008. Planned activities include:

(1) Collection of raw data and images of HME in typical baggage from EDS equipment toward the end of establishing the physical performance limits of x-ray based detection technology in detecting threats (with and without clutter) from non-threats in the stream of commerce (largely undertaken at Tyndall AFB where a wide variety of COTS EDS equipment has been assembled for testing).

(2) Analysis of the data from EDS equipment to determine how performance may be improved through improved algorithms or hardware (largely undertaken at Livermore National Laboratory).

(3) Development of a performance standard, fashioned from the DICONDE variant on the DICOM standard used in medicine for radiology.

(4) Development of a life cycle cost model and associated cost elements by which TSA may undertake trade-off analysis between all costs (capital, operating, and maintenance) and detection and false alarm performance to support an acquisition which is "best value" to the public.

Air Cargo:

23. What is the status of the three air cargo pilots funded in fiscal year 2006? Please describe each project, how long each pilot will last, when the pilot will conclude and when the Committee will receive the final analysis discussing the results and lessons learned from each of these three pilots.

ANSWER: The Science and Technology (S&T) Directorate was provided funding to conduct three air cargo pilot projects. The projects' objective was to screen a significant percentage of air cargo (up to six times more than current levels) for explosives threats and stowaways without significantly impacting the flow of commerce. One project involved an all-cargo airport facility and the two other projects took place at top 20 passenger cargo airports. In FY 2006, S&T established the Air Cargo Explosives Detection Pilot Program (ACEDPP) to carry out these pilot projects. ACEDPP undertook pilot operations at San Francisco International Airport (SFO), Cincinnati/Northern Kentucky International Airport (CVG), and Seattle-Tacoma International Airport (SEA).

- Pilot operations at SEA evaluated methods for detecting stowaways and for using canines to screen for explosives from September 2006 to June 2007, with specific focus on containerized cargo shipped via freighter aircraft.

- Pilot operations at CVG evaluated air cargo screening using existing equipment at CVG and TSA personnel taken from the pool of passenger and checked-baggage screeners. Operations commenced in September 2006 and concluded in January 2008.

- The objective of pilot operations at SFO is to evaluate an approach to screening air cargo using dedicated screening equipment and personnel resources (i.e., separate from those used for passenger and baggage screening operations). Screening operations at SFO began in June 2007 and are scheduled to be completed March 28, 2008.

Comprehensive operational data analysis is currently underway for each pilot. A final report documenting overall ACEDPP results from the three pilots, lessons learned, conclusions and recommendations will he delivered to Congress in late 2008. An interim report with initial findings will be delivered early this summer.

24. Please identify for the Committee what lessons have been learned, to date, from the pilots and how these lessons may be utilized to meet the 100-percent screening of air cargo carried on passenger planes required by the 9/11 Act.

ANSWER: Although analysis of pilot operational data from CVG and SFO is currently underway, some preliminary lessons learned have been identified and are presented below.

- While the current screening regulation is based on a percent target of TSA-defined non-exempt shipments, existing exemptions for palletized and containerized shipments and for specific commodity categories result in a much lower percentage of cargo being screened. Removal of these exemptions that does not compromise shipment integrity is necessary in order to meet the 100 percent screening mandate.

- Breaking down bulk shipments and using parcel-based screening technologies such as the explosives trace detection (ETD) and explosives detection system (EDS) equipment employed in the ACEDPP pilots have been demonstrated to be a technically and operationally viable approach to screening cargo for explosives. Still, substantial investment in labor, equipment, and automation would be necessary to meet the 100% screening mandate.

- Canine screening of both loose and bulk cargo is a relatively low cost approach and is reported to be effective in terms of detection and false alarm rates. However, the current number of explosives-trained canine teams would likely need augmentation to meet increasing demands for cargo screening in addition to their existing airport terminal security and other law enforcement obligations.

- To reduce impacts on the flow of commerce caused by breaking down bulk cargo shipments for screening, TSA-qualified technology-based bulk screening approaches should be tested in the field. In addition to reducing operational impact, bulk screening is also likely to result in substantial reductions in screening costs.

- To reduce screening costs at airports where canine and/or technology-based bulk-cargo screening methods are not available, screening of environmentally sensitive commodities and other bulk cargo is likely best performed upstream of the airport. Indirect air carrier and freight forwarder facilities, where parcels and packages can be individually screened prior to building up bulk cargo shipments for transport, should be assessed as screening locations. This approach requires maintaining the security integrity of bulk shipments during transit from the facility where screening takes place to the air carrier's facility.

- The types and volumes of commodities being shipped by air vary significantly among air cargo facilities at a given airport, among airports, and with changing seasons. ACEDPP has been evaluating a concept of operations that directs specific cargo commodities to the most appropriate screening technology to reduce false alarm rates and associated costs. ACEDPP testing has demonstrated reasonable false alarm rates when screening cargo using checked-baggage technologies and protocols instituted by TSA, and a high rate of detection for EDS equipment in limited testing at SFO.

- Sharing of screener personnel between cargo facilities and passenger checkpoint security/checked-baggage screening at airport terminals is expected to be viable for particular airport settings. Effective workforce schedule management can make sharing of personnel feasible, since peak demand periods for cargo screening tend not to be simultaneous with peak demand periods for passenger and baggage screening at ACEDPP pilot sites.

25. The budget is requesting $500,000 within borders and maritime to expand the composite container project to determine whether it can be used to develop an air cargo composite container that will be able to detect tampering or intrusion with potential blast resistant capability. For the past few years, private companies have been building composite blast resistant air cargo containers that TSA has tested. The 9/11 bill requires this use beginning in July 2008. Please explain to the Committee how this work differs from blast resistant air cargo containers that have already been developed and tested within DHS.

ANSWER: The Air Cargo Composite Container project is developing a tamper-evident Unit Load Device (ULD) for use in shipping cargo on wide-body aircrafts. This solution is not intended to be a blast resistant container, but rather an air cargo container constructed of composite material that will detect and communicate intrusion. The solution is also intended to improve upon the mechanical properties (weight, strength and durability) of a standard aluminum ULD container and be cost competitive with current ULD's. The development of an Air Cargo Composite Container supports TSA's Certified Cargo Screening Program to address the 9/11 Commission Act's requirement for 100% air cargo screening. This capability requirement gap was identified by TSA through the S&T Directorate's Cargo Security Capstone Integrated Product Team.

FFRDC:

26. DHS's federally funded research and development center (FFRDC)'s authorization expires in April 2009. What is S&T's plan to recompete this FFRDC contract? When will this process begin?

ANSWER: The Science and Technology (S&T) Directorate has begun the process to compete an FFRDC contract to have a contract in place in April 2009. The authority for Homeland Security Institute (HSI) will expire in April 2009 - 5 years after the establishment of HSI. However, the S&T Directorate maintains the authority to establish or contract with one or more FFRDCs to provide independent analysis of homeland security issues, or to carry out other responsibilities in the Homeland Security Act of 2002.

27. The transition budget includes $1,565,000 to support the competition of a new FFRDC contract when the current one expires. What will these funds be used for?

ANSWER: The $1,565,000 will be used to fund the new FFRDC during its stand-up, which will include transition from Homeland Security Institute if the current performer does not receive the award. The new studies and analysis FFRDC would provide objective, strategic, cross-cutting analyses of policy, operations and technology application for Department components, including support for establishing performance metrics and independent operational test and evaluation planning for major acquisition programs.

National Bio Agro-defense Facility

28. When DHS was formed, it was given responsibility for the Plum Island Animal Disease Center in New York. This facility conducts research and provides diagnostic services focused on zoonotic (transferred from animals to humans) and foreign animal diseases. Its mission is to help secure the nation's food supply, and to protect livestock and, potentially, human beings from pandemic diseases, whether they be introduced by natural means or intentionally by those who wish us harm. The changing and more interdependent nature of U.S. agriculture, coupled with a major shift in the types of animal disease threats, has forced Plum Island to incrementally evolve, but it has simply reached the limits of its capacity. After concluding that there is a need for a new state of the art animal disease research facility, two years ago DHS solicited proposals from across the country for potential sites. A competitive process that began with 29 initial proposals has now been narrowed down to five potential sites that are undergoing environmental reviews now. When do you believe the draft Environmental Impact Statement (EIS) will be published?

ANSWER: The draft EIS will be published in May 2008.

29. When do you believe a final site selection will occur?

ANSWER: The final site selection is planned for October 2008 as part of the Record of Decision (ROD).

30. What is the timeline to decide where the new National Bio Agro-defense Facility (NBAF) will be located, for site prep and construction, and when the new laboratory will open its doors?

ANSWER: NBAF Status – February 24, 2008

• Begin EIS on Six Sites	July 2007
• Publish Draft EIS will be published	May 2008
• Hold Public Meetings on the EIS	May - June 2008
• Publish Final EIS	September 2008
• Select Final Site	October 2008
• Complete EIS/Issue ROD	October 2008
• Begin Detailed Design	January 2009
• Start Construction	FY 2010
• Facility Operational	FY 2014

31. How will the $35,600,000 requested for fiscal year 2009 be allocated?

ANSWER: The Science and Technology (S&T) Directorate will use this funding to begin detailed design for the facility and its supporting infrastructure.

32. Does S&T plan to require each location bidding on for the NBAF to include a central utility plant to the NBAF design? Is this a new requirement for NBAF? Will the central utility plant have the same configuration across the different sites? How will DHS evaluate the sites based on this seemingly new requirement?

ANSWER: A Central Utility Plant (CUP) is not a new requirement for the NBAF and is required as part of the NBAF support infrastructure regardless of which site is chosen. Dedicated utilities such as chilled water, steam, and power are needed to maintain continuous services for the NBAF. A CUP may vary in design configuration, depending on site characteristics and final load requirements.

33. Concerns have been raised that the new NBAF facility might be involved in the design or production of biological weapons. What assurances can you provide this Committee that no such activities are intended for or will be permitted at this facility?

ANSWER: DHS has a comprehensive and objective treaty compliance review process meant to ensure that all departmental programs, including activities that would be conducted at the proposed NBAF, are compliant with the arms control agreements of the United States. A high-level Compliance Review Group reviews each biodefense project for compliance with the Biological Weapons Convention (BWC), to ensure, inter alia, that there is no involvement with the design or production of biological weapons. Following are some key elements of the DHS process:

Secretary Chertoff issued DHS Management Directive 6300 "Compliance with, and Implementation of, Arms Control Agreements" in August 2005 which established a Compliance Review Group (CRG), headed by the Deputy Secretary, which monitors compliance of DHS activities and renders compliance determinations. Members of the CRG include the General Counsel, the Under Secretary for Science and Technology, the Chief Medical Officer, and Assistant Secretary for Policy. The Management Directive requires that all biodefense projects are reviewed by the CRG.

The Science and Technology (S&T) Directorate also established a Compliance Assurance Program (CAP) Office to comprehensively review Departmental R&D projects and provide compliance recommendations to the CRG. The Office also conducts training programs to enhance awareness of the Department's arms control responsibilities and policies.

Each biodefense project is assessed against the provisions of the BWC, particularly Article I:

> *"Is the project clearly for prophylactic, protective or other peaceful purpose? Are the types and quantities of agents or toxins used in the projects consistent with and justified for the intended prophylactic, protective or other peaceful purpose? Does the project include any weapons, equipment, or means of delivery designed to use agents or toxins for hostile purposes or in armed conflict?" All projects are fully vetted by the DHS CRG for BWC compliance, and we pay particular attention to those projects with dual-use potential that could reasonably raise compliance concerns.*

In addition to being vetted through the comprehensive CRG review process for arms control compliance, all DHS-funded biodefense projects must meet the regulatory compliance requirements set forth in DHS Management Directives for Biosafety (DHS MD 10101)and Select Agent and Toxin Security (DHS MD 10102). These MDs adopt Federal laws, regulations, and guidelines governing biological laboratory activities, and assign responsibilities within the DHS Science and Technology Directorate for ensuring Department-wide compliance. The DHS Regulatory Compliance Office (RCO) fulfills these responsibilities, in part, by collecting, reviewing, and maintaining extensive compliance-related documentation on DHS-funded projects and performing organizations. The RCO also performs site visits to facilities where DHS-funded biological laboratory work is conducted, to include DHS facilities such as Plum Island Animal Disease Center (PIADC) and the future NBACC and NBAF facilities. These site visits enable comprehensive reviews of the laboratories and institutional compliance programs associated with DHS-funded biodefense projects.

34. Is it true that the pathogens under study at the NBAF are not known to be transmissible from human to human?

ANSWER: Yes, it is true that the pathogens to be studied at NBAF are not known to be transmissible from human to human.

Authorities Necessary Build and Operate NBAF in the Continental United States

35. Three authorizing issues must be addressed before NBAF can be built in the continental United States. Please confirm this. First, the current law prohibiting the study of live virus of foot and mouth disease on the continental United States must be changed. It is unclear if this change in law must occur before a new NBAF can be chosen or design can begin. The Homeland Security Committee approved legislation last year that included such a change to current law, but this bill was not considered by the House. Second, the Department must be authorized to accept gifts of land and other in-kind donations towards the construction and operation of the facility. Third, DHS would like language waiving various requirements of the Public Buildings Act so that S&T can construct the facility using in-house technical expertise and their own appropriation (not GSA funded). If DHS is not given authority to study live viruses of foot and mouth disease this year, can S&T select which site will house the new NBAF?

ANSWER: First, DHS can select the final site for NBAF; however, if the final site is other than Plum Island, the Secretary of Agriculture must make a determination that live FMD virus can be studied on the mainland or Congress must provide a legislative change to move this research from the current facility to the new NBAF.

Second, DHS has gift acceptance authority granted to the Secretary pursuant to 6 U.S.C. 453 and Section 507 of Public Law 108-90 (the DHS Appropriations Act of 2004). 6 U.S.C. 453 states "Except as authorized by Section 2601 of Title 10 [of the United States Code] and by Section 93 of Title 14 [of the United States Code], gifts or donations of services or property of or for the Department may not be accepted, used, or disposed of unless specifically permitted in advance in an appropriations Act and only under the conditions and for the purposes specified in such appropriations Act. Section 507 of Public Law 108-90 includes broader gift acceptance authority for the Department. As part of the NBAF site selection process, DHS is considering 6 site alternatives (5 sites proposed by consortia offering donations of real property and other in-kind contributions and the Plum Island location). Although not required prior to the selection of the site for the proposed NBAF, it would be helpful for Congress to authorize DHS to accept gifts of land and other in-kind donations towards the construction and operation of the proposed NBAF. Such authorization could be made in the DHS appropriations act for Fiscal Year 2009.

Third, the Science and Technology Directorate will select a site to house the new SBAF in October 2008. However, should the decision that emerges after the completion of the Environmental Impact Statement (EIS) process, conducted in accordance with the National Environmental Policy Act (NEPA), be to construct the NBAF (Please see 21 U.S.C. 113a) at a site other than Plum Island, the Secretary of Agriculture must issue a permit for live FMD study at NBAF or a legislative change is necessary in order to ease statutory uncertainty around the issue.

36. S&T also requests language allowing the Department to accept gifts of land and other in-kind donations. Is this authority necessary to select a new NBAF facility or can it wait until construction begins in 2010?

ANSWER: DHS has gift acceptance authority granted to the Secretary pursuant to 6 U.S.C. 453 and Section 507 of Public Law 108-90 (the DHS Appropriations Act of 2004). 6 U.S.C. 453 states "Except as authorized by Section 2601 of Title 10 [of the United States Code] and by Section 93 of Title 14 [of the United States Code],

gifts or donations of services or property of or for the Department may not be accepted, used, or disposed of unless specifically permitted in advance in an appropriations Act and only under the conditions and for the purposes specified in such appropriations Act." Section 507 of Public Law 108-90 includes broader gift acceptance authority for the Department. As part of the NBAF site selection process, DHS is considering 6 site alternatives (5 sites proposed by consortia offering donations of real property and other in-kind contributions and the Plum Island location). Although not required prior to the selection of the site for the proposed NBAF or as part of the DHS appropriations act for Fiscal Year 2009, it would be prudent for Congress to authorize DHS to accept gift of land and other in-kind donations towards the construction and operation of the proposed NBAF.

Sale of Plum Island

37. The FY 2009 budget includes language authorizing the sale of Plum Island to offset the funding required to construct NBAF. S&T estimates that this could result in well over the $450 million it will cost to construct NBAF. This funding would also be used to demolish the Plum Island facility and remediate the island. The sale of the island is, of course, contingent on Plum Island not being selected as the site for NBAF. The sale would likely take place in FY2009 or FY2010. The purchase agreement would allow current operations to continue during the construction of the NBAF and eventual transfer of functions in five years. Funds generated by the sale would be deposited in a separately established account, shortening the time needed to stand up NBAF and ensuring program preparedness. How was the $450 million estimate for the sale of Plum Island developed? Of this total amount, how much would be required to clean up Plum Island and how much would be available to procure a new site and build a new facility?

ANSWER: Preliminary estimates by GSA are over $500 million and are based on recent sales of islands in the Long Island Sound. The estimate for cleaning up Plum Island is between $100 million and $200 million. The remaining funds would then be available for the construction and set-up of NBAF.

38. If there are proceeds remaining after the construction of NBAF, the demolition of the Plum Island facility, and decontamination efforts, what does DHS plan to do with these funds?

ANSWER: If Plum Island is not selected as the site for the construction of NBAF, any funds remaining after the costs associated with NBAF construction and those required to remediate the island and remove the PIADC facility would be available to the Science and Technology (S&T) Directorate or the Department for other capital projects.

39. Since the new National Bio Agro-defense Facility will not be ready until 2014, can clean up at Plum Island be accomplished at the same time that people are still working in the laboratory?

ANSWER: Yes, a significant amount of non-laboratory portion of the island can be cleaned up around the empty Army facilities and the PIADC landfill. Remediating those sites should not interfere with operations or research at PIADC.

Pacific Northwest National Laboratory

40. DHS, Department of Energy and NNSA have entered into a memorandum of understanding to fully fund replacement facilities at Area 300. In fiscal year 2008, $15,000,000 was appropriated to this project. For fiscal year 2009, $10,000,000 has been requested. Both of these funding levels are below those agreed to in the MOU. Please explain to the Committee how DHS will fulfill its portion of the MOU. For example, will funding levels be higher than originally agreed to in the outyears or will construction be extended over a longer period of time?

ANSWER: If funding is provided to the Science and Technology (S&T) Directorate, DHS will provide and funding appropriated for this purpose to DOE. However, the S&T Directorate recommends that any future funding be provided under DOE appropriation to ensure better funding control for this project.

41. If construction costs are higher than anticipated in the MOU, who is responsible for these additional costs?

ANSWER: The draft MOU states that the DOE Office of Science will be responsible for any cost overrun.

42. How will the $10,000,000 requested for fiscal year 2009 be allocated?

ANSWER: The Science and Technology (S&T) Directorate will provide the funds to the DOE project manager for execution at their discretion.

43. What is the timeline for completion of this project? Is it still on track for completion in 2011?

ANSWER: The project is on track for completion in 2011. DOE is responsible for the oversight and management of the PNNL project.

Transportation Security Laboratory

44. The fiscal year 2009 budget requests $15,500,000 for work at the Transportation Security Laboratory, an increase of $1,700,000 from 2008. How will this funding be used? For the record, please detail what types of projects the TSL is working on currently, any new projects planned for 2009, and when these projects may move out of the labs and into operational settings.

ANSWER: TSL operations and maintenance costs will increase in FY 2009 due to the following:

- Increase in annual costs of on-site contractor costs as well as increase in utilities, rent, and maintenance costs paid to FAA (the landlord); and

- Increase in operational support costs for second and third shift security due to increased activity in the developmental test and evaluation (DT&E) and independent test and evaluation (IT&E) in support of TSA. Second and third shifts are necessary to rotate equipment due to space issues.

Costs at TSL will continue to increase as the complex ages and nears 20-years of service.

The S&T Directorate is funding the following projects for FY 2008 at TSL:

- *Air Cargo Project* - Develops technologies to enable screening of 100-percent of cargo with minimal false alarms and reduces operational costs. Based on the FY 2006 pilots, the project will conduct a system-of-systems study in FY 2007 and FY 2008, with TSA participation, to determine the optimal points in airport systems for security interventions (e.g., trusted shippers, freight forwarders or airport sites). Results will contribute to TSA's development of an integrated approach to prevent explosives in air cargo. In FY 2008, the project will continue to research, develop, test and evaluate the next generation of air cargo screening systems, develop technology to detect metallic IED components and disable intact IEDs in cargo. In FY 2009, the project plans to complete technology demonstrations and transition technology to TSA.

- *Canine Explosives Detection* - Develops more effective training aids and advanced training techniques to improve canine detection of improvised explosives (e.g., homemade or liquid explosives) as well as their performance in complex screening environments (e.g., airport, terminal or mass transit venues with numerous lots of passengers and baggage). In FY 2009, project plans to develop improved canine training aids and advanced canine training techniques. In addition, the project will explore Remote Air Sampling Canine Olfaction (RASCO) sensors, which are embedded in a jacket worn by a trained canine to augment its detection ability and provide a link to a remote monitoring system. The project will provide a recommendation report on Cargo Screening and the integration of additional sensor capabilities embedded in jackets worn by trained canines. The project plans to prepare status reports on progress and accomplishments each fiscal year, with the goal of transitioning training aids to end-users.

- *Improvements to Deployed Check Baggage Technology* - Improves current technologies used in airports and other transit centers across the Nation. It evaluates systems operations, taking into account how useable, reliable, maintainable and operable they are. Understanding the root cause of false alarms will help develop technological advances to reduce their frequency. In FY 2008, the project will conduct spiral upgrades to existing developed and deployed check baggage technologies. Program funding ends in FY 2008.
- *Automated Carry-On Detection* - Develops advanced capabilities to detect explosives and concealed weapons, including IEDs or HMEs that could be detonated in passenger cabins and weapons that could be used in the hostile takeover of mass-transit. This project also plans to introduce new standalone technologies or adjunct technologies, such as computed tomography (CT), to continue improving detection performance and the detection of novel explosives. In FY 2009, the project plans to award a development contract for the detection of novel explosives in the next-generation checkpoint detection system.

- *Next Generation Carry-On Detection* - Develops automated carry-on-bag detection system requirements, performance goals and demonstrations. In FY 2007 the project completed testing and evaluation of the automated carry-on-bag detection system. In FY 2008, the project will complete new technology demonstrations for TSA. Project funding ends in FY 2008.

- *Next Generation Passenger Checkpoint* - Develops a next-generation detection system to screen passengers for explosives at mass transit checkpoints. This project will facilitate the development of requirements for domain, operations and screening policies to ensure identification of streamlined, innovative, risk-based solutions. It integrates emerging threats, such as liquid- and gel-based explosives, into a complete system. In FY 2007, the project conducted systems studies on the passenger checkpoint technology. In FY 2008, the project will complete a technology demonstration on the passenger checkpoint system and deliver a fully functional laboratory breadboard portal to improve passenger checkpoint throughput using real-time sampling of the passenger's wake while walking through the portal (no stopping required). The project will transition a dual-energy checkpoint detection system to

TSA in FY 2009 that identifies potential threats based on atomic number, mass, and other physical characteristics.

- *Explosive Trace Detection* - Develops automation capabilities, increases efficiency and reduces cost in explosive detection. It will enhance passenger screening by increasing throughput (i.e., the speed at which passengers can pass through screening checkpoints). In FY 2009, the Explosives Trace Detection (ETD) project plans to deliver a fully functional laboratory breadboard portal to improve passenger checkpoint throughput by sampling a passenger's wake while he/she walks through the portal (no stopping required).

- *Aircraft Hardening* - Develops technologies to harden passenger cabins and cargo holds against blasts for retrofit into existing aircraft or incorporation into new aircraft design. This project addresses the risk of catastrophic loss of passenger aircraft, resulting from small IEDs or HMEs detonated in the passenger cabin or cargo hold. This project will deliver ready-for-production designs that meet TSA and Federal Aviation Administration (FAA) requirements. The ultimate goal is to establish another layer of defense capable of defeating IEDs or HMEs not caught by airport explosives detection systems. The S&T Directorate is in the research phase of this project and transition will depend on results of findings of current efforts.

- *Aircraft Vulnerability Tests* - Assesses the vulnerability of narrow- and wide-body aircraft passenger cabins and cargo holds to homemade, commercial, military and other novel explosives. These assessments will help understand damage effects, such as the minimum quantities of explosives needed to cause catastrophic damage to various aircraft types and necessary screening equipment sensitivity to detect a minimum quantity of explosive material. In FY 2007, the project completed vulnerability testing of wide-body aircraft and overhead bins. In FY 2008, the S&T Directorate will continue assessments on aircraft vulnerability, focusing on narrow-body aircraft and blast testing of fuselage liners. In FY 2009, the project plans to deliver computational models to predict aircraft vulnerability to HME threats at various locations within the passenger cabins and cargo holds.

- *Enhanced Screener Technology Interface* - Characterizes screener-performance issues, proposes new screener technologies and procedures, and develops training curricula to optimize security effectiveness and reduce human fatigue and injury, while reducing training requirements and overall cost. Starting in FY 2008, work will initially focus on a display for baggage screening sensors used at transportation checkpoints, for which significant data on screeners' perceptual and cognitive processes already exists. The results will be integrated into system upgrade designs. Program funding ends in FY 2008. The results will be integrated into system upgrade designs.

S&T Directorate work at TSL in 2009 will involve the continuation or completion of projects already underway. Additionally, new facilities are being built in relationship to the Safe Container (SAFECON) Project. SAFECON Investigates various technologies, including probe systems that detect and identify dangerous cargo and could be mounted on cranes used for on- and off-loading ship-carried containers. SAFECON also looks for sensors and specialized container materials designed to make screening more effective while screening more cargo as much of the cargo entering the United States is currently unscreened or under-screened. The project aims to provide the capability to scan containers entering the country while minimizing the impacts to commerce; high reliability, high throughput detection of WMD, explosives, contraband, and human cargo; and immediate detection and isolation of suspected threat containers.

Unobligated Balances:

45. In the past, S&T has had serious problems obligating appropriated funds; however, these problems appear to have been rectified over the past year. For the record, please update the Committee on the status of your unobligated balances for fiscal years 2006 and 2007, an explanation of why unobligated balances from 2006 or 2007 remain (if any), and when any remaining 2006 or 2007 funding may be obligated. Provide this explanation in detail by program, project and activity.

ANSWER: Please see the following tables, which are updated as of March 24, 2008.

FY06	Carryover Allotment	Gross Commitments	Gross Obligations	Available Balance
Biological Countermeasures	5,579,060	4,579,566	2,029,275	999,494
Rapid Prototyping	16,895,848	12,345,122	9,586,583	4,550,726
Radiological and Nuclear Countermeasures	555,039	5,074	5,074	549,965
Chemical Countermeasures	1,184,948	736,077	203,963	448,871
Threat and Vulnerability, Testing and Assessment	351,350	250,816	11,384	100,532
Explosives Countermeasures	3,971,339	2,677,470	12,050	1,293,869
Standards	122,518	9,490	9,490	113,028
University Programs	9,267,919	6,016,632	1,016,632	3,251,287
Critical Infrastructure Protection	315,707	6,907	6,907	308,800
Support to Components	3,727,550	1,230,807	580,807	2,496,743
Emerging Threats	2,405	2,118	2,118	287
Cyber Security	4,409	4,409	4,409	-
Counter-MANPADS	605,028	416,407	410,765	188,621
SAFETY Act	1,270,415	1,270,415	2,015	0
Office of Interoperability and Compatibility	492,581	491,220	7,151	1,361
R&D Consolidation	2,245,348	788,157	26,939	1,457,191
Domestic Nuclear Detection Office	15,505,110	15,439,172	12,025,155	65,938
Grand Total	62,096,574	46,263,860	25,928,727	15,826,714

FY07	Carryover Allotment	Gross Commitments	Gross Obligations	Available Balance
Border and Maritime	289,522	252,077	252,077	37,445
Chemical and Biological	61,759,500	57,825,682	36,006,705	3,933,818
Command, Control, and Interoperability	4,503,414	3,975,798	1,776,827	527,616
Explosives	55,394,578	49,670,736	32,611,711	5,723,842
Human Factors	299,674	244,420	6,283	55,254
Infrastructure and Geophysical	3,122,812	2,242,217	1,325,217	880,595
Innovation	16,056,785	15,532,817	9,215,465	523,968
Laboratory Facilities	33,794,856	30,350,369	25,448,796	3,444,487
T&E Standards	3,859,361	2,970,858	1,465,003	888,503
Transition	14,664,142	9,145,677	3,024,811	5,518,465
University Programs	16,141,602	15,867,190	6,790,837	274,412
Grand Total	209,886,246	188,077,840	117,923,531	21,808,406

The following description outlines the remaining funds in each program, project and activity (PPA) for FY 2006 and 2007. The Science and Technology (S&T) Directorate intends to commit and obligate all remaining funds in FY 2008.

FY 2006

- Biological Countermeasures – Small amounts of funding remain in several programs. The remaining funds will support ongoing Biological Countermeasure programs in FY 2008.

- Chemical Countermeasures – Small amounts of funding remain in several programs. The remaining funds will support ongoing Chemical Countermeasure programs in FY 2008.

- Threat and Vulnerability, Testing and Assessment – Small amounts of funding remain in several programs. The remaining funds will be used to support ongoing TVTA programs in FY 2008.

- Explosives Countermeasures – The majority of these funds are from a recent de-obligation. Small amounts of funding remain in several programs. The remaining funds will be used to support ongoing Explosives programs in FY 2008.

- Standards – Small amounts of funding remain in several programs. The remaining funds will be used to support ongoing standards development in FY 2008.

- Critical Infrastructure Protection – Small amounts of funding remain in several programs. The remaining funds will be used to support ongoing infrastructure protection and monitoring programs in FY 2008.

- Support to DHS Components – The majority of these funds are from a recent de-obligation. The remaining funds will be used to support programs to develop technologies for CBP and emergency responders in FY 2008.

- Emerging Threats – Small amounts of funding remain in several programs. The remaining funds will be used support ongoing studies on emerging threats and countermeasure development in FY 2008.

- Office of Interoperability and Compatibility – Small amounts of funding remain in several programs. The remaining funds will be used to support the ongoing standards and protocol development activities of OIC in FY 2008.

- R&D Consolidation – The majority of these funds are from a recent de-obligation. The remaining funds will be used to support ongoing programs addressing transportation security.

- A portion of the funding in the above PPAs may be used to support a reprogramming to complete construction of the National Biodefense Analysis and Countermeasures Center (NBACC) facility.

- Rapid Prototyping – The majority of the remaining funds are for the Technology Clearinghouse and Tech Solutions projects and will be used to accelerate the delivery of technologies to emergency responders in FY 2008.

- Radiological and Nuclear Countermeasures – Small amounts of funding remain in several programs. The remaining funds will support ongoing Radiological and Nuclear Countermeasure programs in FY 2008 currently managed by the Domestic Nuclear Detection Agency (DNDO).

- University Programs – These funds are awaiting award to new and existing Centers of Excellence.

- Cyber Security – No funding remains.

- Counter-MANPADS – Small amounts of funding remain from the first and second phase of the program. The remaining funds will be applied to the later phases and tests in FY 2008.

- SAFETY Act – No funding remains.

- Domestic Nuclear Detection Office – Small amounts of funding remain in several programs. The remaining funds will be used to support ongoing radiological and nuclear detection programs in FY 2008.

FY 2007

- Border and Maritime – Small amounts of funding remain in several programs. The remaining funds will be used to support ongoing border security programs in FY 2008.

- Chemical and Biological – A large portion of the remaining funds are available to the BioWatch Program and the Office of Health Affairs (OHA) for further development and support of the Gen2 system. Small amounts of funding remain in several other programs. Those remaining funds will be used to support ongoing chemical and biological programs in FY 2008.

- Command, Control, and Interoperability – Small amounts of funding remain in several programs. The remaining funds will be used to support ongoing interoperability and cyber security programs in FY 2008.

- Explosives – The majority of the remaining funds are in the C-MANPADS, Conveyance Protection, Home-made Explosives, and Checked Baggage programs. These and the small amounts of funding in other programs will be used to support ongoing activities in FY 2008.

- Human Factors – Small amounts of funding remain in several programs. The remaining funds will be used to support ongoing Human Factors programs in FY 2008.

- Infrastructure and Geophysical – The majority of the remaining funds are for the Interagency Modeling and Atmospheric Assessment Center (IMAAC). The operational portion of this program is being prepared for transition to the National Preparedness and Programs Directorate. The remaining funds will be used to transition the program.

- Innovation – The majority of the remaining funds will support the Biometric Detector program in FY 2008.

- Laboratory Facilities – The majority of the remaining funds are for design and preparation for the National Bio and Agro-defense Facility (NBAF) and the Plum Island Animal Disease Center (PIADC) upgrades that are necessary to keep the facility operational until NBAF can be occupied.

- T&E Standards – Small amounts of funding remain in several programs. The remaining funds will be used to support ongoing standards development in FY 2008 and the activities of the Office of Testing and Evaluation.

- Transition – The majority of the remaining funds will be used to support requirements generation and validation through exercises and wargames and to accelerate the transition of technologies to emergency responders and DHS components in response to emerging requirements.

- University Programs – The majority of these funds are awaiting award to new and existing Centers of Excellence.

46. Please provide a table, using the new program structure, showing (1) total commitments that have been obligated in 2008 but you expected to obligate in 2008; and (2) total obligations to date.

ANSWER: The Science and Technology (S&T) Directorate intends to commit and obligate 95% or more of all available funding during the current fiscal year. S&T will continue to work with the Office of Procurement Operations to achieve this goal. Please see the following table which is updated as of March 24, 2008.

FY08	Enacted Allotment	Gross Commitments	Gross Obligations	Available Balance
Border and Maritime	25,479,000	23,871,669	21,741,669	1,607,331
Chemical and Biological	208,020,000	101,056,956	28,792,599	106,963,044
Command, Control, and Interoperability	56,980,000	47,537,936	16,757,051	9,442,064
Explosives	77,654,000	22,434,858	2,853,859	55,219,142
Human Factors	14,206,000	2,475,906	1,080,906	11,730,094
Infrastructure and Geophysical	64,500,000	33,961,346	446,846	30,538,654
Innovation	33,000,000	26,367,820	15,995,767	6,632,180
Laboratory Facilities	103,814,000	47,856,274	15,996,798	55,957,726
T&E Standards	28,520,000	9,962,370	1,074,648	18,557,630
Transition	30,265,000	13,464,587	8,172,690	16,800,413
University Programs	49,297,000	11,010,091	4,503,091	38,286,909
Grand Total	691,735,000	339,999,813	117,415,925	351,735,187

47. Discuss what changes you have made to improve the obligation rates compared to fiscal year 2006.

ANSWER: The Science and Technology (S&T) Directorate has put several processes in place to accelerate the obligation of program funding.

- Standard templates have been developed for the purchase requisition packages that commit funding to a contracting action. This has decreased the number of documents that must be significantly reworked prior to obligation.

- Weekly reports are provided to each Division and the Under Secretary for Science and Technology to ensure that they are aware of the status of their funds, program by program. This has resulted in a better understanding of S&T's financial position corporately and by Division.

- The Under Secretary for Science and Technology conducts a semi-annual review of all programs to ensure that S&T's efforts are relevant and still a priority for the Department. It is also an opportunity to identify poorly performing programs and funds for emerging requirements. This is S&T's formal mechanism to terminate those poorly performing programs and to readjust funding based on current and new requirements.

- S&T continues to work with the Office of Procurement Operations to increase the efficiency, effectiveness and timeliness of the obligation process.

Infrastructure and Geophysical

48. How much has been obligated by the South East Regional Research Initiative for the geophysical innovative flood protection program? As part of this response, please answer by each fiscal year. What is the plan for obligating any balances?

ANSWER: The S&T Directorate is working with the DHS Office of Procurement Operations to obligate $24.7 million in FY 2008 to the SERRI program, and the S&T Directorate plans to align approximately $1.2 million to the geophysical innovative flood protection program.

9/11 Act Mandates:

49. Please identify for the record what mandates the 9/11 Act placed on S&T, how each of these are funded in the fiscal year 2009 budget request and what specifically these funds will be used for.

ANSWER: Section 1205 of the 9/11 Act requires the establishment of a National Transportation Security Center of Excellence (COE). The S&T Directorate's University Programs has established the new COE with three university co-leads, University of Connecticut, Texas Southern University and Tougaloo College. This COE will cut across all six S&T Divisions, but be responsive to the needs of TSA and its federal partners. The COE will address the technology and research needs associated with securing the Nation's infrastructure and protecting the people who use it. In FY 2008 through FY 2009, the COE will:

- Develop a detailed and thoroughly reviewed work plan;
- Initiate research projects in accordance with the completed work plan; and
- Develop extensive homeland security science, technology, engineering and mathematics (HS-STEM) curricula and research programs to train students in advanced science and technology related to transportation security.

The following sections of the 9/11 Act mandate DHS to perform research and development (R&D) on various modes of transportation:

- Section 1409 Public Transportation Research and Development
- Section 1518 Railroad Security Research and Development
- Section 1535 Over-The-Road Bus Security Research and Development
- Section 1608 Aviation Transportation Security
- Section 1610 Protection of Passenger Planes from Explosives

The S&T Directorate has several R&D projects underway that are applicable to transportation security as addressed by these mandates. Specific examples include:

- Resilient Tunnel Project – Seeks approaches to address critical vulnerabilities in U.S. transportation tunnels. The project will validate and expand upon the analyses performed to date and identify alternative technical solutions that could be applied to mitigate the vulnerabilities. Based on the FY 2008 funding levels, development of some prototype subsystems and planned laboratory demonstrations will occur in FY 2009.

- Project Chloe – Investigates innovative solutions for defense against MANPADS, focusing on technology that can protect airports over a wide area instead of relying on technologies installed on individual passenger and cargo aircraft. In FY 2008, the project will test both detection and disabling technologies that would effectively work with a high-altitude platform for comprehensive detect and defeat. These activities will continue into FY 2009.

- Future Attribute Screening Technologies Mobile Module (FASTM2) – Develops real-time, mobile screening technologies to automatically detect behavior indicative of malintent at security checkpoints such as border crossings, transportation portals, and other critical infrastructures. In FY 2009, the project plans to conduct a prototype demonstration of a real-time intent detection capability.

- Air Cargo Composite Container Project – Starting in FY 2009, this project plans to expand upon the composite material developed in the Composite Container project to determine whether it can be used to develop an Air Cargo Composite Container that will be able to detect tampering or intrusion with potential blast-resistant capability.

- Aircraft Hardening Project – Develops technologies to harden passenger cabins and cargo holds against blasts for retrofit into existing aircraft or incorporation into new aircraft design.

- Infrastructure Blast Mitigation Project – Develops proof-of-concept technologies to mitigate the explosive and damaging force from an IED. This project will include basic research studies on advanced mitigation technologies, including new glass materials and deflecting structures that reduce damage to critical infrastructure or personnel. In FY 2009, the project plans to begin to develop models to further determine the vulnerability of infrastructure, bridges, and tunnels to various explosive threats.

- Conveyance Protection Program – Assesses risks and mitigates consequences of intentional assault on air, surface and marine vehicles. The overall objectives are to:
    - Assess the vulnerability and survivability of commercial vehicles to high-energy explosives;
    - Develop materials, technologies, and techniques to decrease vulnerability or improve survivability of commercial vehicles;
    - Develop domain awareness systems and other information technology that help security organizations thwart intentional assault; and
    - Develop information systems that allow first responders to respond in the most effective way to terrorist attack, other intentional assault, natural disaster, or other catastrophes.

- Automated Carry-On Detection Project – Develops advanced capabilities to detect explosives and concealed weapons, including IEDs or HMEs that could be detonated in passenger cabins and weapons that could be used in the hostile takeover of mass-transit. In FY 2009, the project plans to award a development contract for the detection of novel explosives in the next-generation checkpoint detection system.

Section 1901, titled Promoting Antiterrorism Capabilities through International Cooperation, pertains to the S&T Directorate's International and Interagency Programs. In FY 2007 the S&T Directorate established the International Division to coordinate international interactions and foster cooperative research activities. The Division has established bi-national science and technology programs under existing U.S.-Canada, U.S.-United Kingdom, and U.S.-Australia memorandums of agreement (MOA) and developed new S&T Directorate MOAs with the governments of Singapore and Sweden. The S&T Directorate also established the S&T Directorate International Collaborations (STIC) program to sponsor DHS mission-oriented science and technology efforts within the international academic sector. In FY 2009 the International Division plans to hold an International Conference on science and technology and expand its Scientist and Engineer Exchange Program with partner nations. Section 1901 of the Implementing Recommendations of the 9/11 Commission Act of 2007 requires DHS to expand the knowledge base between S&T Directorate representatives and representatives of the international scientific community, private and non-profit sectors whose work may greatly benefit homeland security. The S&T Directorate is working to leverage the intellectual capital of our friends and allies and has proactively pursued partnerships, meetings, bi-lateral agreements, and conferences with its counterparts in the United Kingdom, Canada, Australia, Sweden, Israel, and soon with France.

Section 1519 mandates railroad tank car security testing. The S&T Directorate and TSA have provided financial support and program management for conducting Toxic Inhalation Hazards (TIH) tank car damage assessment analysis including computer modeling, shock hole testing and tank car field testing for weapons

and threats identified by a threat analysis team. This work is in progress and is being conducted through S&T Directorate contracts with the Naval Surface Warfare Center in Carderock, MD. In response to a TSA Transportation Sector Network Management gap analysis submitted to the Chem/Bio Integrated Product Team, the S&T Directorate is providing FY 2009, FY 2010 and FY 2011 funding to the DHS S&T Chemical Security Analysis Center (CSAC) to work with TSA on the TIH tank car dispersion modeling project.

Reception and Representation:

50. Science and Technology was permitted to spend up to $15,000 on reception and representation expenses in 2008, an increase of $12,000 from the previous year. Please identify how much funding S&T has spent to date on reception and representation expenses and highlight for the Subcommittee how you plan to spend your remaining funds in FY 2008.

ANSWER: The FY 2008 appropriation approved $10,000 for reception and representation expenses. This represents an increase of $7,000 over the previous year. As of March 19th, 2008, the Science and Technology Directorate has spent approximately $7,200 for representational duties.

The remaining Science and Technology (S&T) Directorate Receptions & Representation funds will be used to host foreign representatives and further engage the international science and technology community, in response to section 1901 of the Implementing Recommendations of the 9/11 Commission Act of 2007. This section requires DHS to expand the knowledge base between S&T Directorate representatives and representatives of the international scientific community, private and non-profit sectors whose work may greatly benefit homeland security. The S&T Directorate is working to leverage the intellectual capital of our friends and allies and has proactively pursued partnerships, meetings, bi-lateral agreements, and conferences with its counterparts in the United Kingdom, Canada, Australia, Sweden, Israel, and soon with France.

51. How do you plan to allocate the $15,000 in 2009?

ANSWER: The Science and Technology (S&T) Directorate requested $15,000 for Receptions & Representation in FY 2009-to host foreign representatives and continue to engage the international science and technology community, in response to section 1901 of the Implementing Recommendations of the 9/11 Commission Act of 2007. Please see previous response for additional information.

Staffing:

52. In total, S&T is requesting funding for 381 full-time positions (FTPs). Yet as of February 2008, S&T only had a total of 333 people on board. The Directorate has informed that Committee that it plans to delay hiring in 2008 for about four months. Why?

ANSWER: The Science and Technology (S&T) Directorate delayed hiring for the first quarter of FY 2008 due to the continuing resolution. During the continuing resolution, S&T operated under a budget that assumed $135.0 million for FY 2008. These funds were not sufficient to hire and sustain the additional federal employees to reach the 381 goal. Once the consolidated FY 2008 budget became law, S&T received $138.6 million for M&A, a reduction of $4 million of the requested $142.6 million required to complete the hiring of all 381 FTEs. This shortfall in funding delayed the hiring of federal employees until mid-February. Currently, the hiring freeze has been removed and S&T is hiring to fill the 381 federal positions by the end of FY 2008.

53. What is your hiring plan to achieve the 381 FTPs by the end of the year? Is it doable, when you factor in the four month hiring freeze? If so, when do you believe the remaining 48 positions will be on-board?

ANSWER: The following table shows the S&T Directorate's FY 2008 hiring plan which fills those positions vacant at the beginning of the fiscal year. Maintaining this plan is dependent on whether we have adequate remaining M&A funds as the fiscal year progresses.

FY08	Oct*	Nov*	Dec*	Jan*	Feb*	Mar*	Apr	May	June	July	Aug	Sept
New Hires	14	13	5	7	11	7	5	5	6	9	5	5

*actual new hires as of March 27, 2008

The Science and Technology (S&T) Directorate expects to fill all positions prior to the end of 2008. We have committed 96 percent of our positions and have only 11 remaining positions under development. Currently, due to heavy workload and limited contractor support, the DHS Office of the Chief Human Capital Office (CHCO) has advised us that many of our hiring actions would not appear until July.

54. In the past, S&T has had difficulty filling many of its position, citing delays in obtaining security clearances or security updates for potential employees, as just one reason to explain the hiring lag. What has the Directorate done over the past year to speed up its hiring process? Is it working?

ANSWER: To enhance the security clearance/suitability process, the S&T Directorate provided one full-time staff member to the Personnel Security Division (PSD). This staff member spends 100 percent of his time guiding perspective S&T Directorate staff through the clearance process. Because this staff support effort worked well, we requested, and received approval from PSD, to provide adjudicator training to our staff member to further enhance our support of the security clearance/suitability process. If this training and action proves effective, we will offer to provide a second staff person to manage the federal processing activities. We believe our efforts are timely, welcomed by PSD, and supportive of TEAM DHS. We have seen dramatic improvements in the processing of incoming personnel clearances and expect even greater improvements as we add additional dedicated staff to assist hiring for the S&T Directorate.
The Science and Technology (S&T) Directorate has found that the security clearance/suitability process is working well in most cases. Currently, our small but effective staff within the S&T Human Capital Office provides a team effort in support of human resource management and personnel clearance/suitability support to S&T staff during the position development, selection, on boarding and continuing employment processes.

55. The fiscal year 2009 budget requests to transfer 124 FTEs (or 93 FTPs) and $14 million from Management and Administration to the Laboratory Facilities program under Research, Development, Acquisition and Operations. Please explain to the Committee why this transfer is necessary. What would be the impact of maintaining funding for these staff in Management and Administration?

ANSWER: The most significant reason to transfer the funding for the Laboratory staff salaries to RDA&O is to differentiate their purpose and management from the headquarters staff at the Washington, DC S&T offices. The lab personnel are more closely aligned to the execution of research as opposed to the management and oversight role of the DC staff. The shift of FTE and funding aligns the lab staff with the program funding they are executing and allows more effective management of all operating costs of the labs, including staffing, as programmatic changes occur.

56. Please break out the dollars and FTE associated with each component/office within Management and Administration as listed on M&A 5-7. As part of this response, please identify the actual funding in 2007, projected funding in 2008, and requested in 2009.

ANSWER: The following table shows the operating costs of the offices described on M&A 5-7. The operational costs include the Federal employee salaries and benefits and the contractor support associated with the functions of those offices.

Science and Technology Directorate
Management and Administration Division Budgets
Salaries and Benefits
(dollars in thousands)

	FY 2007 Actual		FY 2008 Estimate		FY 2009 Estimate	
	FTE	(000's)	FTE	(000's)	FTE	(000's)
Strategy, Policy Budget Division	21	8,582	26	10,623	31	12,408
Business Operations Division	16	5,440	20	11,015	24	12,492
Operations Analysis Division	3	739	4	1,170	5	1,439
Corporate Communications Division	5	1,615	7	3,292	8	3,100
Total	45	16,376	57	26,100	68	29,440

57. Please describe the role of the Chief Commercialization Officer. What are his responsibilities? Why is it necessary to have a 5-year term appointment for this position? How will his effectiveness be evaluated?

ANSWER: The following are the goals for the CCO position and how its effectiveness will be evaluated:

Goal 1: Establish a network of resources to identify potential DHS Science and Technology (S&T) Directorate partners to cost-effectively and efficiently develop products and create a single market research database of these potential partners.

Goal 2: Demonstrate an increase in the next 12 months in the amount of third-party funding of project Integrated Product Teams.

Goal 3: Develop and implement a market analysis template and train Transition Managers to make it easy for potential business partners to understand our detailed requirements and market potential across DHS as well as adjacent markets (demonstrate three efforts in each division).

Goal 4: Transition six products that meet detailed requirements of DHS' operating components. Generate a Monthly Activity Report outlining private sector activities.

The CCO position is a time-limited, excepted appointment which is "not to exceed" five years. The Homeland Security Act gave S&T special authority to appoint employees from industry non-competitively for an initial period of "up to" five years. These appointments may be extended up to a total period of seven years, and may also be terminated prior to five years.

58. According to a recent GAO report on actions DHS has taken to recruit and retain staff, GAO notes that of the 36 Intergovernmental Personnel Act agreements in place at DHS to hire and retain employees, 17 were located in S&T for individuals performing program manager functions and duties. Please highlight for the Committee what these are and how that may help you recruit and retain qualified staff expeditiously.

ANSWER: The Intergovernmental Personnel Act (IPA) program staff members are an excellent means of strengthening our workforce by leveraging outside talent from academia and the non-profit sector. IPAs provide the Science and Technology (S&T) Directorate a broader base of talent. That talent compliments and enriches the skills and expertise of the Federal workforce through team and individual discussions and work efforts.

There are 14 IPA staff members currently with S&T:

- Command, Control, and Interoperability Program Manager; Command, Control and Interoperability Division.
- Assistant to Deputy Director of Research; Office of Research.
- Agriculture Security Program Manager; Chemical-Biological Division.
- Program Specialist for State and Local Interaction; Infrastructure and Geophysical Division.
- Program Executive, Aircraft Protection Programs; Explosives Division.
- Director, Plum Island Animal Disease Center; Office of Research.
- Operational Experimentation Program Manager; Studies and Analysis Office.
- Science and Technology Liaison; International and Interagency Programs Office.
- Research Director; Command Control and Interoperability Division.
- Cyber Security Program Manager; Command, Control and Interoperability Division.
- Director, Test and Evaluation Division.
- Director, Small Business Innovation Research; Office of Innovation/Homeland Security Advanced Research Projects Agency.
- Director Research; Office of Research.
- Program Manager, Manhattan II Transition Programs, Explosives Division.

59. Please list all S&T political employees who received bonuses in 2007. Include the position, office, and bonus amount.

ANSWER: Science and Technology Directorate political employees did not receive any bonuses in 2007.

60. Please list all S&T SES bonuses provided in 2007 by position, office, and bonus amount.

ANSWER: Please see the following table.

S&T SES Bonuses - 2007		
Position	Office	Amount
Division Head	Command, Control, and Interoperability Division	$8,004.00
Chief Financial Officer*	Strategy, Policy, and Budget Division	$7,754.00
Director of Transition	Transition Division	$9,502.00
Director	Innovation/HSARPA Division	$10,822.00
Division Head	Human Factors Division	$7,225.00
Division Head	Explosives Division	$7,730.00
Director	Strategy, Policy, and Budget Division	$25,230.00

*Individual was detailed to FEMA for all of FY 2007.

61. Please list by office and pay grade level the number of non-SES employees who received a bonus or quality step increase (qsi) in 2007, the total bonus/qsi expenditures for the particular office and pay grade, and the total number of employees in the office and pay grade.

ANSWER: Please see the following table.

Office	Pay Plan	Grade	Award Type	Award Amount
Office of the Under Secretary	GS	15/10	Bonus	$4,304
	GS	15/07	QSI	$3,679
Total Employees/Awards by Grade		**2**		**$7,983**
	GS	13/03		$2,541
Total Employees/Awards by Grade		**1**		**$2,541**
Office of the Chief of Staff	GS	09/01	N/A *	$0
Total Employees/Awards by Grade		**1**		**$0**
Office of Research	ST	00/00	Bonus	$2,861
Total Employees/Awards by Grade		**1**		**$2,861**
Ofc of Research/Ofc of National Labs	GS	15/10	Bonus	$2,869
	GS	15/06	Bonus	$3,863
	GS	15/07	Bonus	$5,000
Total Employees/Awards by Grade		**3**		**$11,732**
	GS	14/10	Bonus	$2,439
	GS	14/07	Bonus	$3,208
	GS	14/07	QSI	$3,127
	GS	14/05	Bonus	$2,020
Total Employees/Awards by Grade		**4**		**$10,794**
Ofc of Research/Ofc of University Programs	SL	00/00	Bonus	$4,291
Total Employees/Awards by Grade		**1**		**$4,291**
	GS	15/06	Bonus	$2,575
	GS	15/04	Bonus	$2,428
	GS	15/01	Bonus	$3,311
Total Employees/Awards by Grade		**3**		**$8,314**
Ofc of Innovation/HSARPA	ST	00/00	Bonus	$4,638
Total Employees/Awards by Grade	ST	00/00	Bonus	$4,638
		2		**$9,276**
	AD	00/00	Bonus	$7,000
	AD	00/00	Bonus	$7,000
	AD	00/00	Bonus	$7,000
	AD	00/00	Bonus	$7,000
	AD	00/00	Bonus	$7,000
	AD	00/00	Bonus	$7,000
	AD	00/00	Bonus	$6,000
	AD	00/00	Bonus	$6,000
	AD	00/00	Bonus	$6,000
	AD	00/00	Bonus	$5,000
	AD	00/00	Bonus	$5,000
	AD	00/00	Bonus	$5,000
	AD	00/00	Bonus	$0
	AD	00/00	Bonus	Ineligible
Total Employees/Awards by Grade		**14**		**$75,000**
Ofc of Transition	GS	15/10	Bonus	$5,000
	GS	15/10	Bonus	$4,304
	GS	15/10	Bonus	$4,304

	GS	15/04	QSI	$3,679
	GS	15/01	Bonus	$3,311
Total Employees/Awards by Grade		**5**		**$20,598**
Operations Analysis Division	GS	15/07	Bonus	$3,973
	GS	15/04	Bonus	$1,214
	GS	15/01	Bonus	$2,252
Total Employees/Awards by Grade		**3**		**$7,439**
Corporate Communications Division	SL	00/00	Bonus	$4,638
Total Employees/Awards by Grade		**1**		**$4,638**
	GS	15/06	Bonus	$3,863
Total Employees/Awards by Grade		**1**		**$3,863**
	GS	14/04	QSI	$3,127
Total Employees/Awards by Grade		**1**		**$3,127**
Business Operations, Services, & Human Capital	GS	15/10	Bonus	$5,739
	GS	15/06	Bonus	$3,863
	GS	15/06	Bonus	$5,150
	GS	15/06	Bonus	$3,863
	GS	15/05	Bonus	$5,000
	GS	15/04	Bonus	$3,642
	GS	15/04	Bonus	$3,642
	GS	15/04	QSI	$3,679
	GS	15/03	Bonus	$3,532
	GS	15/03	Bonus	$2,354
Total Employees/Awards by Grade		**10**		**$40,464**
	GS	14/07	Bonus	$2,252
Total Employees/Awards by Grade		**1**		**$2,252**
	GS	13/03	Bonus	$2,541
Total Employees/Awards by Grade		**1**		**$2,541**
International Programs Division	GS	15/10	Bonus	$4,362
	GS	15/10	Bonus	$4,304
	GS	15/06	Bonus	$3,257
Total Employees/Awards by Grade		**3**		**$11,923**
	GS	12/01	N/A *	$0
Total Employees/Awards by Grade		**1**		**$0**
Interagency Programs Division	ST	00/00	Bonus	$1,546
Total Employees/Awards by Grade		**1**		**$1,546**
	GS	15/10	N/A *	$0
	GS	15/07	QSI	$3,679
Total Employees/Awards by Grade		**2**		**$3,679**
Special Programs Division	GS	15/10	Bonus	$4,304
	GS	15/10	Bonus	$4,304
	GS	15/05	Bonus	$2,502
Total Employees/Awards by Grade		**3**		**$11,110**
Strategy, Policy, and Budget Division	GS	15/10	Bonus	$4,000
	GS	15/08	Bonus	$3,000
	GS	15/07	Bonus	$2,649
	GS	15/05	Bonus	$3,500
	GS	15/06	Bonus	$5,000
	GS	15/05	QSI	$3,679
	GS	15/04	Bonus	$3,500
	GS	15/04	Bonus	$2,428
	GS	15/03	Bonus	$2,354
	GS	15/02	QSI	$3,679
	GS	15/01	Bonus	$4,400

Total Employees/Awards by Grade		**11**		**$38,189**
	GS	14/02	Bonus	$1,939
	GS	14/02	Bonus	$970
Total Employees/Awards by Grade		**2**		**$2,909**
	GS	13/01	Bonus	$3,175
	GS	13/01	Bonus	$1,588
Total Employees/Awards by Grade		**2**		**$4,763**
	GS	08/10	Bonus	$1,084
	GS	08/07	Bonus	$500
	GS	08/04	Bonus	$459
Total Employees/Awards by Grade		**3**		**$2,043**
Test & Evaluation and Standards Division	GS	15/10	Bonus	$4,304
	GS	15/08	Bonus	$4,083
	GS	15/08	Bonus	$4,083
	GS	15/05	Bonus	$3,752
Total Employees/Awards by Grade		**4**		**$16,222**
	GS	14/04	Bonus	$3,096
Total Employees/Awards by Grade		**1**		**$3,096**
Command, Control, & Interoperability Division	ST	00/00	Bonus	$4,638
Total Employees/Awards by Grade		**1**		**$4,638**
	GS	15/10	Bonus	$5,000
	GS	15/07	Bonus	$3,973
	GS	15/06	Bonus	$2,575
	GS	15/04	Bonus	$3,642
	GS	15/04	Bonus	$3,642
	GS	15/04	Bonus	$3,642
	GS	15/04	QSI	$3,679
Total Employees/Awards by Grade		**7**		**$26,153**
	GS	14/01	Bonus	$2,815
Total Employees/Awards by Grade		**1**		**$2,815**
Infrastructure and Geophysical Division	ST	00/00	Bonus	$3,068
Total Employees/Awards by Grade		**1**		**$3,068**
	GS	15/07	Bonus	$3,973
	GS	15/03	Bonus	$4,484
	GS	15/03	Bonus	$2,354
Total Employees/Awards by Grade		**3**		**$10,811**
Explosives Division	ST	00/00	Bonus	$4,638
Total Employees/Awards by Grade		**1**		**$4,638**
	GS	15/10	Bonus	$5,000
		15/07	QSI	$3,679
		15/06	Bonus	$3,863
		15/05	Bonus	$3,752
		15/04	Bonus	$2,428
Total Employees/Awards by Grade		**5**		**$18,722**
Chemical and Biological Division	ST	00/00	Bonus	$4,638
	ST	00/00	Bonus	$5,000
	ST	00/00	Bonus	$2,734
	ST	00/00	Bonus	$5,000
	ST	00/00	Bonus	$4,638
Total Employees/Awards by Grade		**5**		**$22,010**
	GS	15/10	Bonus	$2,869
	GS	15/10	Bonus	$2,869
	GS	15/09	QSI	$3,679
	GS	15/08	Bonus	$1,361

	GS	15/05	Bonus	$3,752
	GS	15/04	Bonus	$2,428
	GS	15/03	Bonus	$2,354
	GS	15/03	Bonus	$3,532
	GS	15/03	QSI	$3,679
	GS	15/02	Bonus	$3,421
	GS	15/01	Bonus	$2,207
Total Employees/Awards by Grade		**11**		**$32,151**
	GS	14/01	Bonus	$2,815
	GS	14/01	Bonus	$2,815
	GS	14/01	Bonus	$1,876
Total Employees/Awards by Grade		**3**		**$7,506**
Borders and Maritime Security Division	ST	00/00	Bonus	$5,000
	ST	00/00	Bonus	$4,638
Total Employees/Awards by Grade		**2**		**$9,638**
	GS	15/10	Bonus	$4,304
	GS	15/04	QSI	$3,679
	GS	15/03	Bonus	$3,532
Total Employees/Awards by Grade		**3**		**$11,515**
	GS	14/05	QSI	$3,128
Total Employees/Awards by Grade		**1**		**$3,128**
Human Factors Division	ST	00/00	Bonus	$5,000
Total Employees/Awards by Grade		**1**		**$5,000**
	GS	15/06	QSI	$3,679
	GS	15/05	QSI	$3,679
	GS	15/05	Bonus	$2,502
	GS	15/04	Bonus	$3,642
Total Employees/Awards by Grade		**4**		**$13,502**
Transportation Security Laboratory	GS	15/00	Bonus	$3,500
	GS	15/10	Bonus	$2,876
	GS	15/10	Bonus	$4,314
	GS	15/10	Bonus	$2,876
	GS	15/09	Bonus	$4,203
	GS	15/08	Bonus	$4,092
	GS	15/08	Bonus	$4,092
	GS	15/08	Bonus	$4,092
	GS	15/07	Bonus	$1,327
	GS	15/07	Bonus	$3,982
	GS	15/05	Bonus	$3,761
	GS	15/05	Bonus	$3,761
	GS	15/05	Bonus	$2,507
	GS	15/04	Bonus	$2,433
	GS	15/01	Bonus	$1,106
Total Employees/Awards by Grade		**15**		**$48,922**
	GS	14/10	Bonus	$2,445
	GS	14/10	Bonus	$2,445
	GS	14/10	Bonus	$2,445
	GS	14/09	Bonus	$1,191
	GS	14/09	Bonus	$1,191
	GS	14/09	Bonus	$2,382
	GS	14/09	Bonus	$3,573
	GS	14/08	QSI	$3,134
	GS	14/08	Bonus	$1,160
	GS	14/06	Bonus	$2,194

	GS	14/06	Bonus	$2,194
	GS	14/06	Bonus	$1,097
	GS	14/04	Bonus	$3,103
	GS	14/04	Bonus	$2,069
	GS	14/01	Bonus	$2,621
Total Employees/Awards by Grade		**15**		**$33,444**
	GS	13/10	Bonus	$2,069
	GS	13/10	Bonus	$2,069
	GS	13/08	Bonus	$1,963
	GS	13/07	Bonus	$1,910
	GS	13/07	Bonus	$2,665
	GS	13/06	Bonus	$1,857
	GS	13/05	Bonus	$2,705
	GS	13/05	Bonus	$1,804
	GS	13/05	Bonus	$2,706
	GS	13/04	Bonus	$2,626
	GS	13/03	Bonus	$849
	GS	13/02	Bonus	$2,467
Total Employees/Awards by Grade		**12**		**$25,889**
	GS	12/01	Bonus	$2,007
Total Employees/Awards by Grade		**1**		**$2,007**
	GS	11/07	Bonus	$2,010
	GS	11/04	Bonus	$1,228
Total Employees/Awards by Grade		**2**		**$3,238**
	GS	09/07	Bonus	$1,661
	GS	09/05	Bonus	$1,046
	GS	09/05	Bonus	$523
	GS	09/04	Bonus	$555
Total Employees/Awards by Grade		**4**		**$3,785**
Total Employees/Awards by Grade	GS	07/03	Bonus	$805
		1		**$805**
Plum Island Animal Disease Center	GS	14/10	Bonus	$1,281
	GS	14/06	Bonus	$3,351
	GS	14/06	Bonus	$2,234
	GS	14/04	Bonus	$3,252
	GS	14/03	QSI	$3,285
Total Employees/Awards by Grade		**5**		**$13,403**
	GS	13/08	Bonus	$2,057
	GS	13/07	Bonus	$2,002
	GS	13/06	Bonus	$3,700
	GS	13/05	Bonus	$1,890
	GS	13/02	Bonus	$2,585
Total Employees/Awards by Grade		**5**		**$12,234**
	GS	12/08	Bonus	$1,730
	GS	12/07	Bonus	$1,683
	GS	12/06	Bonus	$818
	GS	12/05	Bonus	$1,590
	GS	12/04	Bonus	$1,543
	GS	12/03	Bonus	$2,244
	GS	12/02	Bonus	$2,174
Total Employees/Awards by Grade		**7**		**$11,782**
	GS	11/04	Bonus	$1,931
	GS	11/01	Bonus	$1,170
Total Employees/Awards by Grade		**2**		**$3,101**

	GS	09/08	Bonus	$1,193
	GS	09/07	Bonus	$1,741
Total Employees/Awards by Grade		**2**		**$2,934**
	GS	07/03	Bonus	$948
Total Employees/Awards by Grade		**1**		**$948**
	GS	06/03	Bonus	$1,139
Total Employees/Awards by Grade		**1**		**$1,139**
	WS	04/05	Bonus	$1,734
Total Employees/Awards by Grade		**1**		**$1,734**
	WG	06/05	Bonus	$1,384
	WG	06/05	Bonus	$415
	WG	06/05	Bonus	$415
	WG	06/05	Bonus	$1,384
	WG	06/03	Bonus	$1,286
	WG	06/03	Bonus	$1,286
	WG	06/02	Bonus	$1,236
	WG	06/02	Bonus	$288
Total Employees/Awards by Grade		**8**		**$7,694**
Environmental Measurement Laboratory	GS	15/10	Bonus	$2,908
	GS	15/08	Bonus	$4,289
	GS	15/05	Bonus	$3,941
	GS	15/05	Bonus	$3,942
	GS	15/04	Bonus	$3,826
Total Employees/Awards by Grade		**5**		**$18,906**
	GS	14/08	Bonus	$1,215
	GS	14/06	Bonus	$3,449
	GS	14/06	Bonus	$3,372
Total Employees/Awards by Grade		**3**		**$8,036**
	GS	13/10	Bonus	$1,084
	GS	13/10	Bonus	$3,253
	GS	13/08	Bonus	$3,086
	GS	13/07	Bonus	$3,002
	GS	13/05	Bonus	$2,836
	GS	13/05	Bonus	$2,836
Total Employees/Awards by Grade		**6**		**$16,097**
	GS	12/10	Bonus	$912
	GS	12/08	Bonus	$865
	GS	12/07	Bonus	$842
	GS	12/07	Bonus	$842
	GS	12/06	Bonus	$2,455
	GS	12/01	Bonus	$2,104
Total Employees/Awards by Grade		**6**		**$8,020**
	GS	11/10	Bonus	$761
	GS	11/09	Bonus	$741
	GS	11/09	Bonus	$744
	GS	11/08	Bonus	$2,165
Total Employees/Awards by Grade		**4**		**$4,411**
	GS	09/10	Bonus	$629
	GS	09/04	Bonus	$532
Total Employees/Awards by Grade		**2**		**$1,161**
	GS	08/09	Bonus	$1,664
Total Employees/Awards by Grade		**1**		**$1,664**
	GS	07/08	Bonus	$1,463
	GS	07/07	Bonus	$1,423

Total Employees/Awards by Grade		**2**		**$2,886**
	GS	06/10	Bonus	$463
Total Employees/Awards by Grade		**1**		**$463**
	WG	13/05	Bonus	$624
Total Employees/Awards by Grade		**1**		**$624**

* Schedule C - Ineligible

62. Please provide a table showing how much is requested in the 2009 budget for bonuses for S&T political employees, S&T SES employees, and S&T non-SES employees.

ANSWER: Please see the following table.

Science and Technology Directorate FY 2009 Awards Estimate	
Personnel Type	FY 2009 estimated awards
SES Employees	$115,988
S&T non-SES employees	$1,533,749
S&T political employees	$0
Total	$1,649,737

63. Please provide for the record a table that shows all funds expended by S&T political employees for travel in 2007. Include name of individual traveling, purpose of travel, location(s) visited, and total cost.

ANSWER: Please see the following table.

Traveler	Purpose	Destination	Cost
Jay Cohen	Local Travel to attend DHS Security Conference in Baltimore, MD	Local Travel	$ 7.00
Jay Cohen	Taxi	Local Travel	$ 20.00
Jay Cohen	Local Claim for Rental Car that was used while in conjunction with official travel TA# FY07DHS044937 to Madison, Wisconsin.	Local Travel	$ 36.46
Jay Cohen	Local Travel	Local Travel	$ 40.00
Jay Cohen	Local Claim to reimburse Traveler for airfare not claimed on FY07DHS055564 to WARWICK,RI. The flight cost had gone up since creating the orders and I didn't notice this difference until checking travelers credit card statement.	Local Travel	$ 212.01
Jay Cohen	Local Travel Claim for Taxi. From BHEF Meeting at Four Seasons Hotel to VTA.	Local Travel	$ 20.00
Jay Cohen	Local Travel	Local Travel	$ 20.00
Jay Cohen	Attend Gadgetoff Conference	MANHATTAN,NY	$ 495.65
Jay Cohen	Speak at IED Tech Conference at ORNL	OAK RIDGE,TN	$ 675.30
Jay Cohen	Site Visit to PNNL in Pasco, Washington	RICHLAND NAVAL RESERVE CTR,WA and PORTLAND,OR	$ 1,168.71
Jay Cohen	Attend Homeland Security Technical Advisory Meeting	NEWPORT,RI	$ 605.31
Jay Cohen	Speak at Homeland Security Tech Advisory Committee Meeting	NEWPORT,RI	$ 480.76
Jay Cohen	Panel Speaker at Border Security Conference	EL PASO,TX	$ 626.35

Jay Cohen	Meet with Japanese and Singapore Homeland Security	TOKYO CITY,JPN and SINGAPORE,SIN	$ 9,173.43
Jay Cohen	Site visit to TTC in Pueblo, Colorado	DENVER,CO	$ 1,068.82
Jay Cohen	Speak at the Heartland Security Conference in Minneapolis, MN	MINNEAPOLIS,MN	$ 1,105.55
Jay Cohen	Speak at NORAD Conference and Speak at Change of Command in Honolulu	HONOLULU (INCL NAV & MC RES CTR),HI	$ 1,714.56
Jay Cohen	Speaker at Society of Cost Estimating and Analysis (SCEA) event	NEW ORLEANS,LA	$ 679.29
Jay Cohen	Speak at the 3rd annual RI Defense and Oceanography Day in Warwick, RI	WARWICK,RI	$ 539.80
Jay Cohen	Speak at the CBRNE Research and Technology Initiative in Ottawa, Canada	OTTAWA,CAN	$ 4,033.35
Jay Cohen	Speak at the Security Network's 4th annual "The Security Summit"	SAN DIEGO,CA	$ 695.68
Jay Cohen	Kansas/Missouri NBAF Site Visit	MANHATTAN,KS and COLUMBIA,MO	$ 990.87
Jay Cohen	Oklahoma City NBAF Site Visit	OKLAHOMA CITY,OK	$ 824.09
Jay Cohen	Raleigh NBAF Site Visit	RALEIGH,NC	$ 377.25
Jay Cohen	4th Annual Housing Policy Council Meeting	CHICAGO,IL	$ 408.05
Jay Cohen	NBAF Site Visits in Oakland, CA, San Antonio, TX and Jackson, MS. Deliver Speech in Houston, TX.	OAKLAND,CA; SAN ANTONIO,TX; HOUSTON,TX and JACKSON NAVAL RESERVE CTR,MS	$ 1,793.99
Jay Cohen	Madison, WI NBAF Site Visit	MADISON,WI	$ 774.15
Jay Cohen	NBAF Site Visit in Athens, GA	ATHENS,GA	$ 537.90
Jay Cohen	Meet with NORTHCOM and attend Retirement Ceremony	COLORADO SPRINGS,CO	$ 588.08
Jay Cohen	NBAF Site Visit in Kentucky	LOUISVILLE,KY	$ 630.68
Jay Cohen	EML Site Visit	MANHATTAN,NY	$ 387.25
Jay Cohen	Attend 2007 FIRST Championship robotics Competition	ATLANTA,GA	$ 1,021.55
Jay Cohen	Site visit TTCI Facility	COLORADO SPRINGS,CO	$ 481.26
Jay Cohen	Speak at the NDIA Conference	HONOLULU (INCL NAV & MC RES CTR),HI	$ 1,370.33
Jay Cohen	Site Visit Battelle	COLUMBUS,OH	$ 322.81
Jay Cohen	Site Visits and Meeting in Los Angeles and Meetings at NATO in Brussels	LOS ANGELES,CA and BRUSSELS,BEL	$ 2,122.13
Jay Cohen	Speak at the Long Island Tech Hall of Fame Presentation	SUFFOLK COUNTY,NY	$ 238.05
Jay Cohen	Speak at Homeland Security Conference	CHARLESTON,SC	$ 535.30
Jay Cohen	Site Visit in Vicksburg & meet with Congressman Thompson	VICKSBURG,MS	$ 1,119.83
Jay Cohen	Site Visit Plum Island Laboratory/Meeting with CG Academy Commandant in New London, CT.	OLD SAYBROOK,CT	$ 764.05
Jay Cohen	Meeting with the CEO of ConEd	New York, NY	$ 653.51
Jay Cohen	Local Travel	Local Travel	$ 11.00
Jay Cohen	Local Travel	Local Travel	$ 15.00
Jay Cohen	Attend Business-Higher Education Forum 2007 Winter Meeting; Attend Information Technologies for Defending the Homeland: Government & Industry Working Together Conference (Speaking); Day trip to Los Angeles for site visit to Applied Minds, Inc.	San Diego, CA and Los Angeles, CA	$ 2,203.75
Jay Cohen	To meet with UK Homeland Security Officials.	London, England	$ 3,105.70
Jay Cohen	Local Travel	Local Travel	$ 33.00

	Total for Jay Cohen		$44,727.61
Brad Buswell	Local Voucher	Local Travel	$ 63.00
Brad Buswell	Visit and attend meetings at GE	ALBANY,NY	$ 918.00
Brad Buswell	IBM Site Visit	WHITE PLAINS,NY	$ 99.25
Brad Buswell	Site Visit to Transportation Security Laboratory	ATLANTIC CITY,NJ	$ 20.67
Brad Buswell	Site Visit to Plum Island Laboratory	OLD SAYBROOK,CT	$ 826.71
Brad Buswell	Attend Applied Minds, Inc. Innovation Workshop	Glendale, CA	$ 1,187.33
	Total for Brad Buswell		$ 3,114.96
Caroline Whitfield	Oklahoma City NBAF Site Visit	OKLAHOMA CITY,OK	$ 911.27
Caroline Whitfield	Madison, WI NBAF Site Visit	MADISON,WI	$ 791.15
Caroline Whitfield	NBAF Site Visit in Athens, GA	ATHENS,GA	$ 425.80
Caroline Whitfield	NBAF Site Visit to Kentucky	LOUISVILLE,KY	$ 494.55
	Total for Caroline Whitfield		$ 2,622.77
Michael Smith	Information Meeting	Local Travel	$ 33.95
Michael Smith	Information Meeting	Local Travel	$ 89.64
Michael Smith	Meet regarding Looking Glass Experiment	PISCATAWAY,NJ	$ 88.29
Michael Smith	Visit TSL to receive informational Briefings proceed to New Brunswick for second meeting	ATLANTIC CITY,NJ	$ 120.04
Michael Smith	Attend National Guard Association Conference	SAN JUAN & NAV RES STA,PR	$ 2,287.75
Michael Smith	Attend Demonstration and Tour of the Development Operations Center	Atlantic City, NJ	$ 79.54
Michael Smith	Meet with NJ Army National Guard's	Ft. Dix, NJ	$ 30.07
Michael Smith	Coordination Meeting with the Port Authority of New York and NJ	New York, NY	$ 44.58
Michael Smith	Local Travel	Local Travel	$ 28.84
Michael Smith	Attend mid-Atlantic Institute for Simulation and Analysis Conference	Atlantic City, NJ	$ 140.04
Michael Smith	S&T Presentation/coordination at NJOHSP and NJNG	Atlantic City, NJ	$ 48.32
Michael Smith	Follow up visit meeting with Port Authority of NY & NJ	New York, NY	$ 44.58
Michael Smith	Attend briefings on the noble resolve exercise and on the state of VA vertex exercise.	Suffolk, VA; Richmond, VA	$ 178.35
Michael Smith	Local Travel	Local Travel	$ 48.00
Michael Smith	Observe UAV Technology Demonstration	China Lake, CA	$ 1,065.50
Michael Smith	Observe ongoing Homeland Security Research Projects	Ft. Monmouth; Princeton, NJ	$ 143.47
Michael Smith	Attend AGAUS Spring Conference	Anchorage, Alaska	$ 2,387.42
Michael Smith	Local Travel	Local Travel	$ 63.48
Michael Smith	Local Travel	Local Travel	$ 51.09
Michael Smith	Local Travel	Local Travel	$ 152.69
	Total for Michael Smith		$ 7,125.64
Anthony Correale	Local Travel Claim for Taxis	Local Travel	$ 82.00
Anthony Correale	Local Travel in/around Washington, DC on official business	Local Travel	$ 156.00
Anthony Correale	Attend Fraunhofer Symposium in Germany and attend meetings in London Office	FRANKFURT AM MAIN,FRG; HEIDELBERG,FRG and LONDON, GBR	$ 5,163.85
Anthony Correale	Attend various meetings with Dr. DeCorpo and German officials regarding S&T "Monitoring Extremism & Terrorism"	FRANKFURT AM MAIN,FRG	$ 3,327.32
Anthony Correale	NBAF Site visit in MO. with the US Cohen	KANSAS CITY,MO and COLUMBIA,MO	$ 1,457.75

Anthony Correale	Raleigh NBAF Site Visit	RALEIGH,NC	$ 431.31
Anthony Correale	Accompany the Under Secretary on the NBAF Site Visits to Oakland, CA, San Antonio, TX, and Jackson, MS, and speech in Houston, TX	OAKLAND,CA; SAN ANTONIO,TX; HOUSTON,TX and JACKSON NAVAL RESERVE CTR,MS	$ 2,014.89
Anthony Correale	Attend Meetings in Frankfurt, Heidelberg, and Berlin, Germany	HEIDELBERG,FRG and BERLIN,FRG	$ 3,236.03
Anthony Correale	Attend Conference and Symposium on Latin American Security	Miami, FL	$ 1,771.78
	Total for Anthony Correale		$17,640.93
Jennifer Harrington	Local Voucher for taxis in/around Washington, DC	Local Travel	$ 73.00
Jennifer Harrington	Local Travel Voucher	Local Travel	$ 73.00
Jennifer Harrington	Local Travel	Local Travel	$ 76.50
Jennifer Harrington	Attend Meeting regarding upcoming Russia Trip	SAN JOSE,CA	$ 1,211.98
Jennifer Harrington	Local Travel	Local Travel	$ 96.49
Jennifer Harrington	Attend Tunnel Workshop in London UK; Attend Meetings in St Petersburg	London UK; St Petersburg, Russia	$ 4,998.42
	Total for Jennifer Harrington		$ 6,529.39
Lesley Randolph	Information Meeting	Local Travel	$ 148.00
Lesley Randolph	To participate in Explosive Demos	WHITE SANDS MISSILE RANGE,NM and ALBUQUERQUE,NM	$ 1,076.62
Lesley Randolph	Exhibitor at 2007 Pacific Operational S&T Conference	Honolulu, HI	$ 1,300.18
	Total for Lesley Randolph		$ 2,524.80
TOTAL			**$84,286.10**

64. Please list the number, by office and pay grade level, of all S&T employees hired non-competitively in fiscal years 2003, 2004, 2005, 2006, and 2007.

ANSWER: Please see the following table.

Science and Technology Directorate Non-Competitive Hires
CY 2007

Question: Please list the number, by office and pay grade level, of all S&T employees hired non-competitively in fiscal years 2003, 2004, 2005, 2006, and 2007.

FY 2007			
OFFICE	PAY GRADE LEVEL	NUMBER	AUTHORITY
Chief of Staff	GS-9	1	Sch C 213.3311
Interagency S&T Programs Ofc	Limited Term SES	1	5 USC 3394(a)
	ST Career	1	5 USC 3325
	GS-15	1	Sch C 213.3311
International Programs Div	GS-9*	1	Sch C 213.3311
Corporate Communications	GS-11*	1	Sch C 213.3311
HSARPA/Innovation	AD Term	10	Section 307(b)(6), Homeland Security Act of 2002
Director of Research	ST Career	1	5 USC 3325
Chemical/Biological Div	ST Career	1	5 USC 3325

*Also departed 2007

FY 2006			
OFFICE	PAY GRADE LEVEL	NUMBER	AUTHORITY
DNDO	GS-15	1	REG 315.501 LATERAL
Homeland Security Advanced Research Projects Agency	AD Term	1	P L 107 296 SEC306
	AD Term	1	P L 107 296 SEC307
	GS-15	1	REG 315.501
	ST Career	1	5 USC 3325
Office of Research and Development	GS-12	1	REG 315.501 LATERAL
	GS-14	1	REG 315 501
	GS-15	1	REG 315.501 LATERAL
	ST Career	1	5 USC 3325
Office of Systems Engineering and Development	GS-15	1	REG 315.501 LATERAL
	GS-15	1	REG 335.102
	ST Career	1	5 USC 3325
Office of the Under Secretary for Science and Technology	GS-14	1	REG 335.102
Plans, Programs, and Budgets	ST Career	1	5 USC 3325

FY 2005			
OFFICE	PAY GRADE LEVEL	NUMBER	AUTHORITY
DNDO	GS-15	1	REG 315.401
DNDO	GS-15	2	REG 315.501 LATERAL
Homeland Security Advanced Research Projects Agency	AD Term	1	PL 107 296 SEC 307
	GS-15	2	REG 315.401
	GS-15	2	REG 315.501 LATERAL
	ST Career	1	5 USC 3325
	GS-12	1	REG 315.501 LATERAL
	GS-13	2	REG 315.501 LATERAL
	GS-13	1	REG 316.302(B)(1)
	GS-14	2	REG 315.501 LATERAL

Science and Technology Directorate Non-Competitive Hires
CY 2007

Office of Research and Development	GS-15	1	REG 315.501 LATERAL
	GS-9	1	REG 315.501 LATERAL
	WG-6	1	REG 315.401
	WG-6	4	REG 315.501 LATERAL
	WS-4	2	REG 315.501 LATERAL
Office of Systems Engineering and Development	ST Career	1	5 USC 3325
Office of the Under Secretary for Science and Technology	GS-14	2	REG 315.401
	GS-15	1	REG 335.102
	ST Career	2	5 USC 3325
Plans, Programs, and Budgets	ST Career	2	5 USC 3325
Weapons of Mass Destruction Ops and Incident Managemen	GS-12	1	REG 315.501 LATERAL
	GS-14	1	REG 315.501 LATERAL
	ST Career	1	4 USC 3325

FY 2004			
OFFICE	PAY GRADE LEVEL	NUMBER	AUTHORITY
Homeland Security Advanced Research Projects Agency	AD Term	1	5 USC 3325
	GS-15	1	REG 315.501 LATERAL
	GS-15	1	REG 316.302 B 1
Office of Research and Development	GS-15	2	REG 315.501 LATERAL
Office of Systems Engineering and Development	GS-14	1	REG 315.501 LATERAL
Office of the Under Secretary for Science and Technology	AD Term	1	5 USC 3325
	GS-15	1	REG 316.302 B) 1)
	ST Career	1	5 USC 3325
Plans, Programs, and Budgets	GS-15	1	REG 315.401

FY 2003			
OFFICE	PAY GRADE LEVEL	NUMBER	AUTHORITY
Office of the Under Secretary for Science and Technology	AD Term	2	5 USC 3325
	GS-13	1	REG 315.501 LATERAL
	GS-15	2	REG 315.501 LATERAL
	GS-15	1	REG 316.302 B) 4)
	ST Career	1	5 USC 3325

Contracting

65. Please provide for the record, the number of noncompetitive contracts S&T has entered into in fiscal year 2007, what is anticipated in 2008 and 2009, and an explanation as to why a non-competitive contract was chosen. As part of this response, please clearly delineate other transactional agreements and those purchases made from the GSA approved listings.

ANSWER: The number of new non-competitive contracts awarded for S&T by the Office of Procurement Operations in Fiscal Year (FY) 2007 was 49; inclusive of 2 new non-competitive other transactions (OTs), and 7 new non-competitive GSA orders.

- 43 were awarded because only one responsible source was deemed capable of providing the supply or service, and no other type of supply or service could satisfy agency requirements in accordance with Federal Acquisition Regulation (FAR) 6.302-1.
- One was awarded on the basis of unusual and compelling urgency in accordance with FAR 6.302-2.
- One was awarded to support engineering, developmental, or research capability in accordance with FAR Part 6.302-3.
- Two were authorized or required by statute in accordance with FAR 6.302-5.
- One was in the interests of National security in accordance with FAR 6.302-6.

One action was improperly coded as sole source although it was below the micro-purchase threshold of $3,000.

Based on the DHS Fiscal Year (FY) 2008 forecast, the Office of Procurement Operations (OPO) anticipates the award of 13 new non-competitive contracts on behalf of S&T. It should be noted that the FY 2008 forecast was prepared in August/September 2007. DHS is currently in the process of conducting its semi-annual update of the forecast and should have a new estimate for FY 2008 non-competitive contracts by mid-April 2008. It should also be noted that in FY 2008, OPO, on behalf of S&T, has issued more broad agency announcements which promote the use of competitive practices.

To-date, DHS has not gathered forecast information for new non-competitive contracts anticipated in FY 2009; that data will be gathered in the fourth quarter of FY 2008 and made available in October 2008. There are no new non-competitive other transactions (OTs) awards or GSA orders anticipated in FY 2008.

Of the 13 non-competitive actions on behalf of S&T for Fiscal Year (FY) 2008, all 13 actions are expected to be contracts; none are expected to be other transactions or GSA orders. The OPO Contracting Officer upon receipt of the procurement documentation may determine that a contract originally anticipated to be a sole source can or should be awarded competitively under the GSA schedules. Additionally, non-competitive actions over $500K must be approved by the OPO Competition Advocate; actions over $10M must be approved by the OPO Director/Head of Contracting Activity; and actions over $50M must be approved by the DHS Chief Procurement Officer (CPO).

Federal Acquisition Regulation (FAR) Part 6 provides seven exceptions to the use of full and open competition:

- Only one responsible source;
- Unusual and compelling urgency;
- Industrial, mobilization; engineering, developmental or research capability; or expert services;
- International agreement;
- Authorized or required by statute;
- National security; and
- Public interest.

66. In total, how much of your awards are competitive? Please answer in dollar amount and percentage.

ANSWER: In Fiscal Year (FY) 2007, the Office of Procurement Operations competitively awarded 101 contract actions on behalf of S&T. The 101 actions resulted in a total dollar value of $77,583,635, which is 23.2 percent of the competitively awarded contracts for S&T in FY 2007.

67. Please provide for the record a list of sole source contracts executed by S&T in 2007. Organize by contractor, purpose, dollar award, full performance value, contract start date, contract end date, and reason for sole-source.

ANSWER: Please see the following table.

VENDOR	PURPOSE	AWARD OBLIGATION	TOTAL AMOUNT	START DATE	END DATE	NG REASON NOT COMPETED/AUTHORIZATIO N TYPE
PRISM ESOLUTIONS LLC	Portfolio: Biodefense Performer: Prism eSolutions	-	-	09/08/2006	06/30/2007	Only One Responsible Source
UNIVERSITY OF SOUTHERN CALIFORNIA INC		$968,399.00	$ 968,399.00	11/15/2006	11/14/2007	Only One Responsible Source
UNIVERSITY OF SOUTHERN CALIFORNIA		$244,324.00	$244,324.00	11/15/2006	09/30/2008	Only One Responsible Source
AMERICAN ASSOCIATION FOR THE ADVANCEMENT OF SCIENCE	Modification to existing contract. Portfolio: University Programs Performer: AAAS Description: Trilateral change to exercise option 1, decrease the level of support, and change the period	$ 452,435.00	$452,435.00	11/23/2004	12/31/2008	Only One Responsible Source
NATIONAL ACADEMY OF SCIENCES	Description: The purpose of this modification is to deobligate $1,847,969 from the National Research Council Resident Research Associateship Program, as this funding will not be required to complete	$ (1,847,969.00)	$ (1,847,969.00)	01/28/2005	01/27/2008	Only One Responsible Source
B A I, INC.	BAI Contract	$999,963.00	$999,963.00	03/01/2007	02/28/2008	Public Interest
HORNE ENGINEERING SERVICES, LLC	Department of Homeland Security (DHS) Plum Island Animal Disease Center (PIADC) claim settlement with Horne International Incorporated.	$400,000.00	$400,000.00			Authorized by Statute
MARSTEL-DAY, LLC		$380,890.00	$380,890.00	09/24/2007	05/24/2008	Authorized by Statute
MARINE ACOUSTICS, INC.		$150,000.00	$150,000.00	06/01/2007	12/31/2008	Authorized by Statute
PERFORMANCE MANAGEMENT CONSULTING, INC.	Division: Innovation PPA: Innovation Thrust: HIPS Program: HIPS Project: Scalable Composite Patrol Craft Test Performer: Performance Management Consulting (PMC)	$140,944.50	$299,502.50	01/11/2007	12/31/2007	Authorized by Statute

PERFORMANCE MANAGEMENT CONSULTING, INC.	Division: Innovation PPA: Innovation Thrust: HIPS Program: HIPS Project: Scalable Composite Patrol Craft Test Performer: Performance Management Consulting (PMC)	$ 50,798.00	$ 299,502.50	01/11/2007	12/31/2007	Authorized by Statute
ANALYTICAL RESEARCH, LLC		$293,066.00	$2,592,883.00	06/06/2007	11/30/2011	Authorized by Statute
EAGLE TECHNOLOGIES, INC.	Please assign the CO to Vicky Short	$652,417.64	$1,305,260.99	09/30/2007	09/29/2008	Authorized by Statute
ICOR PARTNERS LLC	Division: M&A (Corporate Communications) and OCFO Office of Strategy, Policy and Budget. Program: S&T Program Support, Master Management Information System/Enterprise Portfolio Management	$284,240.00	$483,040.00	09/28/2007	03/31/2008	Follow-on contract
BATTELLE MEMORIAL INSTITUTE	Phase 1 of the Low Vapor Pressure Chemicals Detection Systems program (BAA 04-10)	-	-	12/23/2005	02/28/2007	Follow-on contract
NORTHROP GRUMMAN SECURITY SYSTEMS, LLC	Low Volatility Autonomous Chemical Monitor (LoVAC)	-	-	03/10/2006	05/31/2007	Follow-on contract
JOHNSON CONTROLS, INC		$4,088.00	$4,088.00	07/01/2007	06/30/2008	Follow-on contract
Booz Allen Hamilton		$209,103.34	$1,368,357.87	09/10/2007	12/31/2008	Follow-on contract
ADVANCED TECHNOLOGY SYSTEMS INC	Division: Borders & Maritime Thrust: Border Watch Program: Border/Maritime Technologies Project: Border Net Performer: ATS Description: New Task order under existing contract	$1,100,000.00	$6,219,186.75	04/13/2007	09/30/2008	Follow-on contract
FIELD SUPPORT SERVICES, INC	This contract is for the operation and maintenance of DHS facilities located on Plum Island Cost + Award Fee contract value $15,414,572.65	-	-	01/01/2006	12/31/2006	Follow-on contract
FIELD SUPPORT SERVICES, INC	This contract is for the operation and maintenance of DHS facilities located on Plum Island Cost + Award Fee contract value $15,414,572.65	$253,534.00	$15,668,106.65	01/01/2006	05/30/2007	Follow-on contract
FIELD SUPPORT SERVICES, INC	This contract is for the operation and maintenance of DHS facilities located on Plum Island Cost + Award Fee contract value $15,414,572.65 Special Tasks added $253,534.00	$ 107,054.00	$107,054.00	01/01/2006	05/31/2007	Follow-on contract

	$15,668,10					
FIELD SUPPORT SERVICES, INC	This contract is for the operation and maintenance of DHS facilities located on Plum Island Cost + Award Fee contract value $15,414,572.65 Special Tasks added $253,534.00 $15,668,10	$11,000,000.00	$11,000,000.00	01/01/2006	12/31/2007	Follow-on contract
FIELD SUPPORT SERVICES, INC	This contract is for the operation and maintenance of DHS facilities located on Plum Island Cost + Award Fee contract value $15,414,572.65 Special Tasks added $253,534.00 $15,668,10	$207,620.00	$207,620.00	01/01/2007	12/31/2007	Follow-on contract
FIELD SUPPORT SERVICES, INC	This contract is for the operation and maintenance of DHS facilities located on Plum Island Cost + Award Fee contract value $15,414,572.65 Special Tasks added $253,534.00 $15,668,106.6	$ 66,828.00	$66,828.00	01/01/2007	12/31/2007	Follow-on contract
FIELD SUPPORT SERVICES, INC	This contract is for the operation and maintenance of DHS facilities located on Plum Island Cost + Award Fee contract value $15,414,572.65 Special Tasks added $253,534.00 $15,668,106.6	$197,709.00	$197,709.00	01/01/2007	12/31/2007	Follow-on contract
FIELD SUPPORT SERVICES, INC	This contract is for the operation and maintenance of DHS facilities located on Plum Island Cost + Award Fee contract value $15,414,572.65 Special Tasks added $253,534.00 $15,668,106.6	$18,967.00	$18,967.00	01/01/2007	12/31/2007	Follow-on contract
FIELD SUPPORT SERVICES, INC	This contract is for the operation and maintenance of DHS facilities located on Plum Island Cost + Award Fee contract value $15,414,572.65 Special Tasks added $253,534.00 $15,668,106.6	$32,007.00	$98,835.00	01/01/2007	12/31/2007	Follow-on contract

FIELD SUPPORT SERVICES, INC	This contract is for the operation and maintenance of DHS facilities located on Plum Island Cost + Award Fee contract value $15,414,572.65 Special Tasks added $253,534.00 $15,668,106.6	$140,695.00	$ 140,695.00	01/01/2007	12/31/2007	Follow-on contract
FIELD SUPPORT SERVICES, INC	This contract is for the operation and maintenance of DHS facilities located on Plum Island Cost + Award Fee contract value $15,414,572.65 Special Tasksl added $253,534.00 $15,668,106.6	$4,000,000.00	$4,000,000.00	01/01/2007	12/31/2007	Follow-on contract
FIELD SUPPORT SERVICES, INC	This contract is for the operation and maintenance of DHS facilities located on Plum Island Cost + Award Fee contract value $15,414,572.65 Special Tasks added $253,534.00 $15,668,106.6	$297,431.64	$297,431.64	01/01/2007	12/31/2007	Follow-on contract
FIELD SUPPORT SERVICES, INC	This contract is for the operation and maintenance of DHS facilities located on Plum Island Cost + Award Fee contract value $15,414,572.65	$7,527,186.65	$15,414,572.65	01/01/2006	12/31/2006	Follow-on contract
DEMAREST HOLDING CORP	PIADC Marine Fuel	$738,000.00	$738,000.00	09/28/2006	09/30/2007	Follow-on contract
MISCELLANEOUS FOREIGN CONTRACTORS		$1,719.00	$1,719.00	09/14/2007	09/13/2008	Less than or equal to Micro Purchase Threshold
GLOBAL CYBER RISK	Cyber Security - Global Cyber Risk	$100,000.00	$100,000.00	03/30/2007	01/31/2008	National Security
DYNO NOBEL INC.		$3,541.40	$3,541.40	06/09/2007	09/30/2008	National Security
ICOR PARTNERS LLC	System Engineering and Program Support	$ 419,920.00	$2,068,560.00	12/31/2005	01/31/2007	Only One Source - Other
WILLIAMS, RICHARD F.	Three Worlds PR	$263,480.00	$263,480.00	12/01/2006	11/30/2007	Only One Source - Other
WILLIAMS, RICHARD F.	Three Worlds PR	$6,000.00	$269,480.00	12/01/2006	11/30/2007	Only One Source - Other
SIDEBOTTOM, DIANE M	HSHQDC-06-C-00032 decommit	$(95,800.00)	$1,200.00	03/01/2006	02/28/2007	Only One Source - Other
JOHNS HOPKINS UNIVERSITY	Establishment of the ICAHST facility. Division/PPA: Command, Control & Interoperability Thrust: Knowledge Management Tools Program: Knowledge Frameworks Project: Architecture and Frameworks	$500,000.00	$3,698,014.00	04/05/2006	03/31/2008	Only One Source - Other
EASTERN KENTUCKY UNIVERSITY	Community Based Cyber Security Program No Cost Modification. Change in scope, updated SOW.	-	$750,000.00	07/13/2006	10/25/2007	Only One Source - Other
REDXDEFENSE, LLC	Innovative Explosive Detection System	$900,000.00	$900,000.00	11/15/2006	11/14/2007	Only One Source - Other

THE MATHWORKS INC	Develop a forensic audio and video lab software tool in the MATLAB environment	$104,256.00	$104,256.00	11/21/2006	02/21/2007	Only One Source - Other
CAMAG SCIENTIFIC INC	Ink Library - CAMAG	$559,135.00	$559,135.00	11/20/2006	01/19/2009	Only One Source - Other
GRYPHON SCIENTIFIC, LLC		$859,713.00	$859,713.00	06/11/2007	06/10/2008	Only One Source - Other
LAZ PARKING LTD, LLC		$1,116,000.00	$3,198,536.00	09/28/2007	09/27/2008	Only One Source - Other
NATIONAL ACADEMY OF SCIENCES	Division: University Programs Performer: National Academy of the Sciences Description: Provide Department of Homeland Security (DHS) Science and Technology (S&T) Directorate with membership i	$200,000.00	$200,000.00	09/26/2007	09/25/2009	Only One Source - Other
G & H GLOBAL SERVICES, INC.	Division/PPA/Thrust: Transition Program: Technology Solutions Project: Project Solutions Performer: G&H International Services, Inc. (GHIS)	$1,616,147.00	$1,616,147.00	08/24/2007	09/15/2007	Only One Source - Other
G & H GLOBAL SERVICES, INC.	Division/PPA/Thrust: Transition Program: TechShare Project: TechClearinghouse Performer: G&H International Services, Inc. (GHIS)	-	$1,616,147.00	08/24/2007	11/15/2007	Only One Source - Other
TRANSITCENTER, INC.	EML Transit Checks PPA: Laboratory Facilities Program Element: EML / EML Operations Performer: TransitCenter, Inc.	$39,919.00	$39,919.00	12/01/2006	09/30/2007	Only One Source - Other
ANCHOR GROUP, THE	SME for ARFCAM/LACIS	$185,500.00	$185,500.00	03/01/2007	02/29/2008	Only One Source - Other
HOUSTON COMMUNICATIONS INC	OEP Radios	$9,766.50	$9,766.50	03/08/2007	03/27/2007	Only One Source - Other
PROTEIN SCIENCES CORPORATION	Foot and Mouth Disease Virus (FMDV) Vaccines and Antivirals Project- PIADC Protein Sciences	$89,350.00	$89,350.00	04/16/2007	04/30/2008	Only One Source - Other
GRYPHON SCIENTIFIC, LLC	Division: Office of Special Projects PPA: Emerging Threats Organizationally, budget aligned under: Division: Command, Control and Interoperability Thrust: Threat Assessment Program	$205,596.00	$205,596.00	05/14/2007	11/14/2007	Only One Source - Other

INFORMATION TECHNOLOGY INDUSTRY COUNCIL, INC	Division: T&E Standards PPA: T&E Standards Program: Standards Project: Standards Development Performer: InterNational Committee for Information Technology Standards	$35,000.00	$35,000.00	05/17/2007	11/30/2007	Only One Source - Other
PERKINELMER LAS, INC		$5,232.00	$5,232.00	6/18/2007	06/17/2008	Only One Source - Other
SUPERIOR COMMUNICATIONS, INC.	The purpose of this Purchase Order is to provide Department of Homeland Security (DHS) National Biodefense Analysis and Countermeasures Center (NBACC) with radio equipment and installation	$40,299.00	$40,299.00	07/13/2007	07/12/2008	Only One Source - Other
SIGNET TECHNOLOGIES, INC.		$6,776.00	$6,776.00	09/06/2007	09/09/2008	Only One Source - Other
TENABLE NETWORK SECURITY, INC.	Division: CIO Performer: TBD Description: The purpose of this requisition is that per DHS MD4300A Sensitive Systems Policy, components shall conduct vulnerability assessments and/or testing	$3,600.00	$3,600.00			Only One Source - Other
MICHAEL BAKER JR., INC.		$47,100.00	$47,100.00	10/01/2007	02/01/2008	Only One Source - Other
GOODRICH CORPORATION	Millimeter Wave Spectrometer	-	-	12/09/2005	03/31/2007	Only One Source - Other
GTSI CORP.	Division: CIO Description: The purpose of this PR is to add a new task order under BPA HSHQPA-05-A-00065 for Non-Microsoft Software Licenses and Support.	$6,226.13	$6,226.13	08/19/2005	08/18/2010	Only One Source - Other
1120 VERMONT AVE ASSOCIATES LLP	Portfolio, M&A S&T Realignment Construction of Office Space	$50,446.25	$50,446.25	12/08/2006	09/30/2007	Only One Source - Other
BLOUNT BOATS INC	Performance schedule	$150,000.00	$3,508,500.00	06/12/2006	04/30/2007	Only One Source - Other
STV CONSTRUCTION, INC.	temporary generators	$498,915.00	$498,915.00	09/20/2006	05/20/2007	Only One Source - Other
STV CONSTRUCTION, INC.	temporary generators	$221,740.00	$221,740.00	09/20/2006	09/30/2007	Only One Source - Other
STV CONSTRUCTION, INC.	temporary generators	$332,610.00	$332,610.00	09/20/2006	04/30/2008	Only One Source - Other
NAUGHTON ENERGY CORPORATION	Division: Office of National Laboratories PPA: Laboratory Facilities Thrust: Operations Program: Plum Island Animal Disease Center (PIADC) Operations Project: Plum Island Animal Disease Center	$1,480,500.00	$1,480,500.00	01/01/2007	12/31/2007	Only One Source - Other
NAUGHTON ENERGY CORPORATION	Division: Office of National Laboratories PPA: Laboratory Facilities Thrust: Operations Program: Plum Island Animal Disease Center	$366,800.00	$366,800.00	01/01/2007	12/31/2007	Only One Source - Other

	(PIADC) Operations Project: Plum Island Animal Disease Center					
ERM-NEW ENGLAND, INC.		$37,100.00	$37,100.00	07/11/2007	12/31/2009	Only One Source - Other
STV INCORPORATED	PLUM ISLAND: SAL CHILLEMI AS THE CO STV LEGAL SUPPORT	$3,000.00	$3,000.00	04/02/2007	04/30/2007	Only One Source - Other
SUFFOLK, COUNTY OF	PLUM	$13,450.00	$13,450.00	03/09/2007	09/30/2007	Only One Source - Other
UNISYS CORPORATION	Fourth quarter funding for Delivery Order HSHQDC-06-J-00039.	$3,086,507.30	$38,551,907.44	01/01/2006	12/31/2006	Only One Source - Other
UNISYS CORPORATION	As provided for in Delivery Order HSHQDC-06-J-00039, modification P0006, this PR is to exercise the right to utilize the "Software Assurance Fair Market Value (SAFMV)".	$44,748.28	$38,551,907.44	01/01/2006	12/31/2006	Only One Source - Other
UNISYS CORPORATION	Portfolio, M&A S&T IT move	$25,543.16	$25,543.16	12/08/2006	12/31/2006	Only One Source - Other
REGENTS OF THE UNIVERSITY OF MINNESOTA		-	-	09/01/2006	08/31/2007	Particular Sources Mobilization, Essential R and D Capability or Expert Services
REGENTS OF THE UNIVERSITY OF MINNESOTA		$1,843,942.31	$4,947,577.31	09/01/2006	02/28/2008	Particular Sources Mobilization, Essential R and D Capability or Expert Services
VIRGINIA DEPARTMENT OF GENERAL SERVICES	ECLRN	$475,000.00	$475,000.00	12/15/2006	03/20/2008	Particular Sources Mobilization, Essential R and D Capability or Expert Services
AMERICAN SOCIETY FOR TESTING AND MATERIALS INTERNATIONAL	Portfolio: Standards	$40,000.00	$40,000.00	03/01/2007	02/28/2009	Patent/Data Rights
ICOR PARTNERS LLC	Division: T&E Standards PPA: T&E Standards Thrust: Technology Development and Transfer Program: Technology Development and Transfer Project: ICOR Tasking Performer: ICOR Description: Th	$464,640.00	$462,668.00	02/01/2007	05/31/2007	Simplified Acquisition Procedures Non-Competitive
SPARTA INC		$164,000.00	$416,970.00	05/23/2007	05/22/2008	Simplified Acquisition Procedures Non-Competitive
SPARTA INC		$126,485.00	$416,970.00	05/23/2007	05/22/2008	Simplified Acquisition Procedures Non-Competitive
XEROX CORPORATION	Division: CIO Description: The purpose of this PR to provide two Xerox Black & White Copiers and Support, estimated at $3,947, under the existing BPA HSHQDC-05-D-00005.	$3,284.76	$3,284.76	04/01/2006	09/30/2007	Simplified Acquisition Procedures Non-Competitive
PRIMAVERA SYSTEMS, INC.	Division: M&A Performer: Primavera Description: Primavera will provide annual maintenace for 161 full-user licenses, 215 restricted-user licenses, and 1 server license. (ProSight reporting software)	$58,510.96	$58,510.96	01/01/2007	12/31/2007	Standardization

REED EXHIBITIONS LTD	Division: M&A (U/S & OCFO) - Office of Corporate Communications Description: The purpose of this procurement action is to fund the fee for S&T to exhibit and participate in an event	$73,601.00	$73,601.00	07/05/2007	12/15/2007	Unique Source
BUSINESS-HIGHER EDUCATION FORUM	Division: M&A (U/S Management) Project: U/S Membership to the Business-Higher Education Forum (BHEF)	$22,500.00	$22,500.00			Unique Source
NATIONAL DEFENSE INDUSTRIAL ASSOCIATION	Division: M&A (U/S & OCFO) Project: 2007 Homeland Security Science and Technology Stakeholders Conference	$196,825.00	$196,825.00	05/22/2007	09/24/2007	Unique Source
SENSORWARE SYSTEMS INC	Division: T&E Standards PPA: T&E Standards Thrust: Test & Evaluation Program: Test Area Managers Project: Chem/Bio Threat Response & Recovery: Validated Sampling Plans Performer: SensorWare	$31,800.00	$31,800.00	09/06/2007	03/05/2008	Unique Source
AMERICAN SUPERCONDUCTOR CORPORATION	Division: Innovation PPA: Innovation Thrust: HIPS Program: Resilient Electric Grid (REG) PRoject: REG Planning and Technology Demonstration	$1,136,584.00	$1,136,584.00	05/17/2007	08/15/2007	Urgency

68. Please provide for the record a list of all contracts, grants, and other funding mechanisms (OTA, etc.) over $1 million in total value executed by S&T in 2007. Organize by contractor, purpose, dollar award, full performance value, contract start date, contract end date, and contract type (e.g., firmed fixed price, etc.).

ANSWER: Please see the table on the following pages.

VENDOR	PURPOSE	AWARD OBLIGATION	TOTAL VALUE	START DATE	END DATE	AWARD TYPE
ADVANCED TECHNOLOGY SYSTEMS INC	BTS – ATS	$0.00	$2,480,000.00	11/02/2005	03/31/2007	BPA Call
ADVANCED TECHNOLOGY SYSTEMS INC	Division: Borders & Maritime Thrust: Border Watch Program: Border/Maritime Technologies Project: Border Net Performer: ATS Description: New Task order under existing contract	$1,100,000.00	$6,219,186.75	04/13/2007	09/30/2008	BPA Call
AF Electronic Systems Center (ESC/XPK)	Lincoln Laboratory Architecture Studies	$1,790,000.00	$1,790,000.00	06/21/2007	06/21/2008	Interagency Agreement
AFRLIFF	Cyber Security BAA07-XX	$300,999.00	$1,340,517.00	07/19/2007	09/30/2011	Interagency Agreement
Air Force Research Lab	Iron Key Corporation Next Generation Crimeware Defense (NGCD)	-$25,962.00	$1,326,695.00	08/31/2005	02/01/2006	Interagency Agreement
Air Force Research Laboratory	SAFECOM	$1,015,000.00	$1,015,000.00	08/30/2005	08/30/2008	Interagency Agreement
Air Force Research Laboratory / MLFM	Division: Explosives PPA: Explosives Detection Thrust: Checked Baggage Program: Manhattan II Project: Novel Threat Data Collection Project Performer: Tyndall Air Force Base	$2,000,000.00	$2,000,000.00	09/11/2007	09/10/2008	Interagency Agreement
AMERICAN SUPERCONDUCTOR CORPORATION	Division: Innovation PPA: Innovation Thrust: HIPS Program: Resilient Electric Grid (REG) PRoject: REG Planning and Technology Demonstration	$1,136,584.00	$1,136,584.00	05/17/2007	08/15/2007	Cost-plus-award-fee
ANALYTICAL RESEARCH, LLC	Time-and-materials	$293,066.00	$2,592,883.00	06/06/2007	11/30/2011	Time-and-materials
Army Research Development and Engineering Command	S&T Classified and Unclassified IT/LAN Build-Out	$2,347,473.00	$2,347,473.00	08/15/2006	08/14/2011	Interagency Agreement
ARMY, UNITED STATES DEPARTMENT OF THE	atc Aberdeen	$2,630,000.00	$2,630,000.00	05/15/2007	05/14/2008	Interagency Agreement
A-TEK INC	Decommission BW-LIMS (WA 6.1)	$2,157,273.98	$70,875,639.62	08/20/2004	10/31/2007	Delivery / Task Order
B A I, INC.	regulatory compliance support services	$449,541.00	$2,884,058.00	03/01/2007	02/29/2008	Delivery / Task Order
BAE SYSTEMS INFORMATION AND ELECTRONIC SYSTEMS INTEGRATION I	OTA - C-MANPADS	$4,360,305.00	$4,360,305.00	02/20/2004	03/31/2008	Fixed-price
BATTELLE MEMORIAL INSTITUTE	Division: Innovation PPA: Innovation Thrust: HIPS Program: HIPS Project: Future Attribute Screening Technologies (FAST) Mobile Screening Laboratory Performer: TBD	$1,150,000.00	$1,150,000.00	09/24/2007	11/07/2008	Cost-plus-fixed-fee
BATTELLE MEMORIAL INSTITUTE	Extend POP to 12/31/2007	$0.00	$4,201,146.00	01/06/2006	12/31/2007	Delivery / Task Order
BATTELLE NATIONAL BIODEFENSE	NBACC FFRDC-AWARD PROCESSED	$26,700,000.00	$26,700,000.00	12/15/2006	12/14/2011	Fixed-price

INSTITUTE LLC	THROUGH USAMRAA					
BLOUNT BOATS INC	Performance schedule	$150,000.00	$3,508,500.00	06/12/2006	04/30/2007	Fixed-price
Booz Allen Hamilton	BPA Call	$1,060,055.00	$1,696,513.40	10/01/2006	09/30/2007	BPA Call
Booz Allen Hamilton	Division: Borders & Maritime Thrust: Border Watch Program: Border/Maritime Technologies Project: SBI Systems Engineering/Modeling & Simulation (Funding from CBP Reimbursable Agreement)	$600,000.00	$1,400,000.00	02/01/2007	12/31/2007	BPA Call
Booz Allen Hamilton	Division: CIO Description: The purpose of this modification is to add scope and additional funding to provide SETA support to the S&T OCIO in the areas of IT business planning, IT asset management	$962,379.00	$2,093,484.25	10/01/2006	03/31/2009	BPA Call
Booz Allen Hamilton	Division: Explosives PPA: Explosives Thrust: Program Support Program: SETA Performer: Booz Allen Hamilton Description: The purpose of this requisition is create a new Task Order under BPA #	$2,300,000.00	$2,300,000.00	08/01/2007	06/30/2009	BPA Call
Booz Allen Hamilton	Division: Innovation Project: Booz Allen Hamilton DHS S&T SETA Support Description: The purpose of this requisition is to amend Booz Allen Hamilton Task Order No. HSHQDC-05-J-00059 under BPA No	$199,230.00	$93,408,029.00	09/09/2005	10/31/2007	BPA Call
Booz Allen Hamilton	BPA Call	$209,103.34	$1,368,357.87	09/10/2007	12/31/2008	BPA Call
BRUKER DALTONICS NBC DETECTION CORP.	ARFCAM Phase III	$1,302,538.00	$1,302,538.00	03/01/2004	01/31/2010	Fixed-price
Central Intelligence Agency	Division: Office of Special Projects PPA: Emerging Threats Organizationally, budget aligned under: Division: Command, Control and Interoperability Thrust: Threat Assessment Program	$2,100,000.00	$2,100,000.00	02/08/2007	12/31/2008	Interagency Agreement
COMBATANT COMMAND INTEROPERABILITY PROGRAM OFFICE		$3,537,711.00	$3,537,711.00	09/10/2007	09/30/2009	Interagency Agreement
CYRANO SCIENCES INC	ARFCAM	$60,072.00	$1,516,199.00	12/29/2004	12/31/2007	Cost-plus-fixed-fee
DEFENSE FIN & ACCOUNTING SVC	Homeland Innovative Prototypical Solutions (HIPS): Safe Container (SAFECON)	$1,270,000.00	$1,270,000.00	06/06/2007	06/05/2008	Interagency Agreement
DELOITTE CONSULTING LLP	Metadata Center of Excellence	-$22,814.07	$3,049,355.93	04/01/2006	04/28/2006	Delivery / Task Order
DELOITTE CONSULTING LLP	S&T IT Enterprise Architecture Services	$670,976.00	$1,921,872.00	10/01/2006	09/25/2008	BPA Call
Department of Energy	Division: Borders and Maritime Thrust Area: Cargo Security	$4,632,017.00	$4,632,017.00	07/01/2007	01/01/2009	Interagency Agreement

	Program: Cargo & Conveyance Security Project(s): ACSD, CSD, MATTS Performer: Sandia National Laboratory (SNL)					
Department of Energy	Division: Command, Control, & Interoperability PPA: Command, Control, & Interoperability Thrust: Knowledge Management Tools Program: Analytical Research Project: Visualization and Analytics	$3,600,000.00	$3,600,000.00	03/12/2007	02/28/2008	Interagency Agreement
Department of Energy	Southeast Regional Research Initiative Division: Infrastructure / Geophysical PPA: Infrastructure / Geophysical Thrust Area: Geophysical Program: Southeast Regional Research Initiative (SERRI)	$23,750,000.00	$23,750,000.00	05/15/2007	05/14/2010	Interagency Agreement
Department of Energy Attn: Argonne Site Office	Division: Infrastructure / Geophysical PPA: Infrastructure / Geophysical Thrust: Critical Infrastructure Protection Program: Modeling, Simulation & Analysis (MSA)	$0.00	$1,792,000.00	02/15/2007	12/31/2008	Interagency Agreement
Department of Interior	Division:Command, Control & Interoperability PPA: Command, Control & Interoperability Thrust: Threat Assessment Program: 'Emerging Threats' Project: N/A	-$3,518,539.15	$10,256,460.85	08/13/2004	07/31/2007	Interagency Agreement
Department of Interior NBC SW Branch	Division: Innovation PPA: Innovation Thrust: SBIR Program: SBIR Project: Funding for SBIR/STTR Solicitations 6.1/6.2 and Contract Support Performer: Department of Interior (DOI)	-$3,100,598.00	$15,369,402.00	12/29/2006	09/30/2008	Interagency Agreement
DEPARTMENT OF INTERIOR NBC SW BRANCH	Division: Innovation PPA: Multiple Thrust: None Program: SBIR Project: Phase I and Phase II FY 07 Projects Performer: DOI	$18,660,810.00	$18,660,810.00	05/30/2007	09/30/2008	Interagency Agreement
Department of the Navy	BorderSafe Program Support for Phase III - Prototype Contracting office: DHS Type of Agreement: Interagency Agreement	$0.00	$2,749,039.00	08/08/2005	01/08/2008	Interagency Agreement
Department of the Navy	Subject Matter Expert and Independent Assessment Support	$361,477.00	$2,574,059.00	07/11/2005	02/01/2008	Interagency Agreement
Dept of Interior/Gov Works	Thrust: Critical Infrastructure Protection (CIP) Program: National CIP R&D Plan	$321,398.00	$1,038,377.72	04/30/2006	06/12/2008	Interagency Agreement

	Agent: GovWorks Performer: ICF Consulting, Inc. The contractor will provide technical support in the preparation					
Dept. of Energy CO Lawrence Livermore Natl. Lab	Portfolio: R&D Consolidation Performer: Lawrence Livermore National Laboratory (LLNL) Period of Performance: Contract award date to 9/30/2007.	$0.00	$1,500,000.00	09/07/2006	09/30/2008	Interagency Agreement
Director for Budget and Finance		$5,223,736.00	$5,223,736.00	10/01/2006	09/30/2007	Interagency Agreement
DOE - Argonne National Lab	ANL - Support to DHS - System Studies Subway Component	$1,990,000.00	$1,990,000.00	06/21/2007	12/21/2008	Interagency Agreement
DOE NNSA		$5,343,250.00	$5,343,250.00	02/01/2007	01/31/2008	Interagency Agreement
DOE NNSA SSO	CIP MSA Interdependencies Model Build-Out (CIPDSS) Division: Infrastructure / Geophysical PPA: Infrastructure / Geophysical Thrust: Critical Infrastructure Protection Program	$1,792,000.00	$1,792,000.00	04/26/2007	04/25/2008	Interagency Agreement
DOE - Oak Ridge Institute for Science and Education	individual scholarship and fellows grants	$3,500,000.00	$3,500,000.00	09/01/2007	09/01/2008	Interagency Agreement
DOE - Pacific Northwest Site Office	Capability Assessment. Remove Task 2 and Re-Scope Task 3. De-obligation of 6M.	$0.00	$1,560,237.00	05/17/2005	12/31/2007	Interagency Agreement
DOE -Argonne National Lab		$1,900,000.00	$1,900,000.00	04/25/2007	11/30/2008	Interagency Agreement
DOE Care of PNNL	Division: Human Factors PPA: Human Factors Thrust: Social-Behavioral Threat Analysis Program: Motivation & Intent Project: Group Violence Intent Modeling (GVIM) Performer: Pacific Northwest	$2,630,780.00	$2,630,780.00	04/20/2006	06/30/2008	Interagency Agreement
DOE CO Lawrence Livermore Natl. Lab	Division: Explosives PPA: Explosives Detection Thrust: Check Point Program: Homemade Explosives Project: National Explosives Engineering Sciences Security (NEXESS) Performer: Lawrence Livermore National Lab	$1,500,000.00	$1,500,000.00	09/11/2007	09/10/2008	Interagency Agreement
DOE CO Lawrence Livermore Natl. Lab	Division: Explosives PPA: Explosives Detection Thrust: Checked Baggage Program: Manhattan II Project: Image Database Development Project Performer: Lawrence Livermore National Lab	$3,464,300.00	$3,464,300.00	08/14/2007	08/13/2009	Interagency Agreement

DOE CO Pacific Northwest National Laboratory	Division: Explosives PPA: Explosives Countermeasures Thrust: Aviation Program: Air Cargo Project: Air Cargo Pilot Support Performer: Pacific Northwest National Laboratory (PNNL)	$0.00	$2,588,500.00	02/21/2006	03/30/2008	Interagency Agreement
DOE NNSA LASO	Division: Infrastructure / Geophysical PPA: Infrastructure / Geophysical Thrust: Critical Infrastructure Protection Program: Modeling, Simulation & Analysis Project: Interdependencies Model Build-Out	$0.00	$1,891,800.00	03/19/2007	12/31/2008	Interagency Agreement
DOE NNSA - LASO	Intramural Solicitation (IMS) 07-01	$1,218,916.00	$1,218,916.00	09/11/2007	09/11/2008	Interagency Agreement
DOE NNSA - LASO	Intramural Solicitation (IMS) 07-01	$2,519,823.00	$2,519,823.00	09/11/2007	09/11/2008	Interagency Agreement
DOE NNSA - Lawrence Livermore National Lab	Intramural Solicitation (IMS) 07-01	$1,448,094.00	$1,448,094.00	09/11/2007	09/11/2008	Interagency Agreement
DOE NNSA - Lawrence Livermore National Lab	Intramural Solicitation (IMS) 07-01	$3,322,421.00	$3,322,421.00	09/13/2007	02/13/2009	Interagency Agreement
DOE NNSA - Lawrence Livermore National Lab		$1,293,500.00	$1,293,500.00	07/13/2007	04/13/2008	Interagency Agreement
DOE NNSA - Lawrence Livermore National Lab		$1,600,000.00	$1,600,000.00	04/20/2007	03/31/2008	Interagency Agreement
DOE NNSA - Lawrence Livermore National Lab		$2,203,000.00	$2,203,000.00	05/17/2007	12/31/2007	Interagency Agreement
DOE NNSA - LLNL	Recovery and Restoration of Major Transportation Facilities Following a Chemical Attack Operational Technology Demonstration (OTD)	$2,016,250.00	$2,016,250.00	02/28/2007	02/28/2008	Interagency Agreement
DOE NNSA - LLNL		$5,431,368.00	$5,431,368.00	02/22/2007	12/31/2007	Interagency Agreement
DOE NNSA - Los Alamos National Lab	LANL	$2,859,000.00	$2,859,000.00	03/23/2007	03/23/2008	Interagency Agreement
DOE NNSA - Sandia	Recovery and Restoration of Major Transportation Facilities Following a Chemical Attack Operational Technology Demonstration (OTD)	$2,016,250.00	$2,016,250.00	02/28/2007	02/28/2008	Interagency Agreement
DOE NNSA LASO	Division: Explosives and Innovations PPA: Explosives and Innovations Thrust: Research Program: Physical Project: Nuclear Magnetic Resonance Project Performer: Los Alamos National Lab	$987,000.00	$3,368,000.00	03/06/2007	01/11/2009	Interagency Agreement
DOE NNSA LLNL	ALC: 70-08-1512 APPS: 70X0800 Division/PPA: Command, Control & Interoperability Thrust: Knowledge Management Tools Program: Knowledge Frameworks Project: Architecture and Framework	$1,204,000.00	$1,204,000.00	09/24/2007	09/30/2008	Interagency Agreement

DOE NNSA SSO	Division: Explosives PPA: Explosives Detection Thrust: Check Point Program: Homemade Explosives Project: National Explosives Engineering Sciences Security (NEXESS) Performer: Sandia National Lab	$2,500,000.00	$2,500,000.00	08/28/2007	08/27/2008	Interagency Agreement
DOE NNSA SSO	FY06 BIO FUNDS Portfolio: Biological Countermeasures Performer: Sandia National Laboratory (SNL)	$285,500.00	$1,225,000.00	04/17/2006	06/30/2007	Interagency Agreement
DOE Pacific Northwest Site Office	Division:Command, Control & Interoperability PPA:Command, Control & Interoperability Thrust:Knowledge Management Tools Program: Knowledge Frameworks Project: Architecture and Framework	$1,530,000.00	$1,530,000.00	04/26/2007	02/28/2008	Interagency Agreement
DOE Pacific Northwest Site Office (PNSO)		$2,000,000.00	$2,000,000.00	05/14/2007	12/31/2008	Interagency Agreement
DOE/NNSA/LSO	Division: Command, Control & Interoperability PPA: Command, Control & Interoperability Thrust: Threat Assessment Program: WME Capability Assessments and Atribution Project: all-WME	$1,500,000.00	$1,500,000.00	03/08/2007	06/30/2008	Interagency Agreement
DOE/NNSA/SSO	SNL HME NEXESS	$0.00	$1,800,000.00	09/05/2007	04/30/2008	Interagency Agreement
DOE/NSSA	Systems Studies	-$16.80	$1,774,983.20	03/30/2005	04/30/2006	Interagency Agreement
DOI NBC		$1,325,535.00	$1,325,535.00	09/14/2007	09/14/2009	Interagency Agreement
DOI/NBC	Water Study Division: Infrastructure / Geophysical PPA: Infrastructure / Geophysical Thrust: Critical Infrastructure Protection Program: National CIP R&D Plan Project: Domestic End to End Water Arch	$120,000.00	$2,720,000.00	09/07/2004	03/31/2007	Interagency Agreement
DTIC CBIAC		$1,440,087.00	$1,440,087.00	02/22/2007	09/30/2007	Interagency Agreement
EAGLE TECHNOLOGIES, INC.	Please assign the CO to Vicky Short	$652,417.64	$1,305,260.99	09/30/2007	09/29/2008	Labor-hour
EAI CORPORATION	Modification to provide funding for storage and maintenance of the PHILIS Systems and extend the term of the OT through 31 December 2006.	$15,090.00	$7,487,878.00	02/01/2004	12/31/2006	Fixed-price
Edgewood Chemical and Biological Center		$1,252,000.00	$1,252,000.00	06/21/2007	06/21/2008	Interagency Agreement
Edgewood Chemical and Biological Center		$2,479,200.00	$2,479,200.00	02/22/2007	12/31/2007	Interagency Agreement
Edgewood Chemical Biological Center	ECBC	$2,026,775.00	$2,026,775.00	05/17/2007	03/30/2008	Interagency Agreement
Edgewood Chemical	ECBC	$2,733,400.00	$2,733,400.00	02/16/2007	02/16/2008	Interagency

Biological Center						Agreement
Edgewood Chemical Biological Center	ECBC Support to RABIS/IBADS Biodetection Projects	$1,990,452.00	$1,990,452.00	04/01/2007	05/01/2008	Interagency Agreement
Edgewood Chemical Biological Center		$1,100,000.00	$1,100,000.00	04/01/2007	04/01/2008	Interagency Agreement
Edgewood Chemical Biological Center		$3,795,000.00	$5,295,000.00	05/08/2006	06/30/2007	Interagency Agreement
Edgewood Chemical Biological Forensic	CHEM FORENSICS	$2,183,070.00	$3,811,100.00	05/22/2006	06/30/2007	Interagency Agreement
FDA - CFSAN		$1,020,000.00	$1,020,000.00	08/13/2007	08/13/2008	Interagency Agreement
FDA CSFAN		$1,090,000.00	$1,090,000.00	02/22/2007	09/30/2007	Interagency Agreement
Federal Law Enforcement Training Center	Deobligate for the rescission	-$4,000,000.00	$3,000,000.00	07/07/2006	09/30/2008	Interagency Agreement
FEDERAL LAW ENFORCEMENT TRAINING CENTER	Deobligate Funds	$21,500,000.00	$21,500,000.00	03/24/2006	01/01/2010	Interagency Agreement
Federal Law Enforcement Training Center	NBACC Equipment	$2,000,000.00	$2,000,000.00	03/15/2007	07/14/2008	Interagency Agreement
Federal Law Enforcement Training Center	Rescission Deobligation	$15,000,000.00	$27,745,919.00	09/18/2006	09/30/2008	Interagency Agreement
FIELD SUPPORT SERVICES, INC	This contract is for the operation and maintanence of DHS facilities located on Plum Island Cost + Award Fee contract value $15,414,572.65 Special Tasks! added $253,534.00 $15,668,106.6	$4,000,000.00	$4,000,000.00	01/01/2007	12/31/2007	Cost-plus-award-fee
G & H GLOBAL SERVICES, INC.	Division/PPA/Thrust: Transition Program: TechShare Project: TechClearinghouse Performer: G&H International Services, Inc. (GHIS)	$0.00	$1,616,147.00	08/24/2007	11/15/2007	Delivery / Task Order
GENVEC, INC.	Live Foot and Mouth Disease Virus (FMDV) and Vaccine Countermeasures Support DHS Scientific Programs at the Plum Island Animal Diesease Center (PIADC)	$5,613,815.00	$5,613,815.00	01/30/2007	01/30/2010	Cost-plus-fixed-fee
HAMILTON SUNDSTRAND CORPORATION	ARFCAM	$4,834,963.00	$4,834,963.00	03/01/2004	03/21/2011	Fixed-price
HAMILTON SUNDSTRAND CORPORATION	Fast Aerosol Bioclassification Sensor (FABS) (TTA-1)	$2,444,732.00	$4,091,565.00	08/31/2005	02/14/2009	Cost-plus-fixed-fee
HAMILTON SUNDSTRAND CORPORATION	This Other Transaction Agreement (OTA) is hereby amended to extend the term of the Agreement and incorporate supplemental technical information to clarify the delivery, inspection, acceptance, and tit	$0.00	$8,141,748.00	02/01/2004	12/31/2006	Fixed-price
HAMILTON SUNDSTRAND SPACE SYSTEMS INTERNATIONAL INC		$4,092,493.00	$4,092,493.00	05/09/2007	01/31/2008	Cost-plus-fixed-fee

Headquarters, U. S. Army Communications and Electronics Command (CECOM)	Division: Borders & Maritime PPA: Borders & Maritime Thrust: Border Watch Program: SBI Sys Engineering and Modeling & Simulation Project: Secure Border Initiative Systems Engineering	$5,000,000.00	$5,000,000.00	03/08/2007	02/28/2008	Interagency Agreement
ICONTROL, INCORPORATED	MATTS Phase III - iControl Pilot Tests/Comms Support/In-Bond Shipping/Certifications and Standards	$816,092.00	$2,136,853.30	12/27/2006	12/31/2009	Cost-plus-fixed-fee
ICOR PARTNERS LLC	DHS S&T Program Support, Master Management Information System/Enterprise Portfolio Management Initiative (EPMI) Effort Portfolios: M&A/OCFO & Corporate Communications and the Transition Office	$1,240,880.00	$12,609,993.58	07/01/2006	09/30/2007	Delivery / Task Order
ICOR PARTNERS LLC	System Engineering and Program Support	$419,920.00	$2,068,560.00	12/31/2005	01/31/2007	Delivery / Task Order
ION METRICS, INC	ptiedd	$480,556.00	$2,207,532.00	06/29/2006	09/25/2008	Cost-plus-fixed-fee
IONIAN TECHNOLOGIES		$2,600,000.00	$7,919,551.00	12/27/2004	03/01/2008	Fixed-price
IQUUM LLC	Originally awarded by USAMRAA as W81XWH-04-9-0020	$8,566,608.00	$8,566,608.00	02/20/2007	09/30/2007	Fixed-price
JOHNS HOPKINS UNIVERSITY	Establishment of the ICAHST facility. Division/PPA: Command, Control & Interoperability Thrust: Knowledge Management Tools Program: Knowledge Frameworks Project: Architecture and Frameworks	$500,000.00	$3,698,014.00	04/05/2006	03/31/2008	Fixed-price
L-3 COMMUNICATIONS AVISYS CORPORATION	L-3 Communications AVISYS Support to the Emerging Counter-MANPADS Technology Assessment Program	$0.00	$1,700,778.00	10/06/2006	04/27/2008	Fixed-price
Lawrence Livermore National Laboratory	BioSecurity Continued Operations of the APDS in New York City IAA Agent: DoE	$1,409,568.00	$1,409,568.00	01/27/2006	06/30/2007	Interagency Agreement
Lawrence Livermore National Laboratory	NO COST POP EXT	-$3,119.09	$1,296,880.91	06/21/2004	09/30/2006	Interagency Agreement
Lawrence Livermore Natl Lab (LLNL)	1.2.2.11.1 ADVISE 1.2.2.11.2 ALLWME 1.2.2.11.6 EMERGING THREATS 1.2.2.11.10 NSTTAR	$60,000.00	$1,810,000.00	04/05/2006	06/30/2007	Interagency Agreement
Lawrence Livermore Natl Lab (LLNL)	FY06 BIO FUNDS Portfolio: Biological Countermeasures Performer: Lawrence Livermore National Laboratory (LLNL) Portfolio: Biological Countermeasures	-$270,000.00	$5,340,000.00	04/17/2006	06/30/2007	Interagency Agreement
Lawrence Livermore Natl Lab (LLNL)		$1,598,633.00	$1,598,633.00	12/18/2006	12/18/2007	Interagency Agreement

Lawrence Livermore Natl Lab (LLNL)	NBFAC Thrust Area Portfolio: Biological Countermeasures Performer: Lawrence Livermore National Laboratory (LLNL) Period of Performance: Contract Award Date to 30 June 2007	$89,000.00	$2,955,000.00	05/15/2006	06/30/2007	Interagency Agreement
Lawrence Livermore Natl Lab (LLNL)	Radiological/Nuclear Countermeasures (managed by the Threat Awareness Portfolio) Portfolio: Chemical Countermeasures Performer: Lawrence Livermore National Lab (LLNL)	$186,000.00	$1,811,000.00	03/10/2006	06/30/2007	Interagency Agreement
LAZ PARKING LTD, LLC		$1,116,000.00	$3,198,536.00	09/28/2007	09/27/2008	Cost
LDOE NNSA LASO	Division: Explosives PPA: Explosives Detection Thrust: Check Point Program: Homemade Explosives Project: National Explosives Engineering Sciences Security (NEXESS)	$1,500,000.00	$1,500,000.00	09/11/2007	09/10/2008	Interagency Agreement
LLNL	IAA HSHQDC-06-X-00085	$873,000.00	$10,663,000.00	01/17/2006	06/30/2007	Interagency Agreement
LLNL Care of DOE	Lawrence Livermore National Laboratory (LLNL) Activities Supporting the DHS/S&T Air Cargo Explosives Detection Pilot Program Incremental Statement Of Work Supporting External Contracted Services	$1,261,500.00	$1,261,500.00	05/04/2006	12/31/2008	Interagency Agreement
Los Alamos National Laboratory	Biological Countermeasures	-$18,000.00	$2,824,500.00	06/12/2006	06/30/2007	Interagency Agreement
MANTECH SRS TECHNOLOGIES, INC.	Division: Innovation PPA: Innovation Thrust: HIPS Program: HIPS Project: HIPS CHLOE Systems Engineering and Technical (SETA) Support Performer: SRS Technologies	$7,536,856.00	$22,469,146.95	10/01/2007	09/30/2008	Delivery / Task Order
MCDONALD BRADLEY, INC.	Division: CIO Performer: McDonald Bradley, Inc. Description: The purpose of this requistion is to provide directorate-wide support and shall include the following services: IT security complianc	$2,306,406.72	$9,789,482.55	09/25/2007	09/24/2008	Delivery / Task Order
MESO SCALE DIAGNOSTICS, LLC	Multiplexed ECL-Based Bioagent Detection System	$0.00	$1,652,336.00	02/01/2006	05/31/2007	Cost-plus-fixed-fee
MESOSYSTEMS TECHNOLOGY INC	Low Cost bio Aerosol Sensor (LBAS)	$1,479,443.00	$1,769,882.00	05/02/2006	12/31/2008	Cost-plus-fixed-fee
MICROFLUIDIC SYSTEMS	Microfluidic BioCADS (TTA-2)	$0.00	$1,005,557.00	06/28/2006	11/30/2007	Cost-plus-fixed-fee
MICROFLUIDIC SYSTEMS	Modification to award Phase II quarters 2 and 3, extend, the term of the agreement, update milestones, add options for Phase II Quarter 4 and Phase III Quarters 1	$10,528,843.00	$10,528,843.00	04/01/2007	10/01/2007	Fixed-price

	and 2					
MIDWEST RESEARCH INSTITUTE, INC.		$574,863.13	$1,012,816.13	07/01/2007	01/14/2008	Cost-plus-fixed-fee
MILLENNIUM SERVICES 2000+ INCORPORATED	BioSecurity 2006-2010 National BioWatch Workshop GSA Schedule Procurement	$0.00	$3,511,421.94	04/05/2006	04/05/2008	Delivery / Task Order
MULTIMAXARRAY EAGLE	Description: This Amendment is due to additional funding required to meet the cost identified in the vendor's proposal	$1,144,740.70	$1,144,740.70	09/26/2007	06/30/2008	Delivery / Task Order
NASA/GODDARD SPACE FLIGHT CENTER	POP: 05/04/2006 to 01/01/2008 Modification to add funding and extend the period of performance to 8/1/2009.	$1,520,989.00	$4,320,989.00	05/04/2006	08/01/2009	Interagency Agreement
NASA/GODDARD SPACE FLIGHT CENTER	Regional Technology Integration Initiative -- Seattle	$2,400,000.00	$9,900,000.00	05/19/2006	06/30/2009	Interagency Agreement
NATIONAL INSTITUTE FOR HOMETOWN SECURITY, INC	Kentucky Critical Infrastructure Protection Institute FDivision: Infrastructure / Geophysical PPA: Infrastructure / Geophysical Thrust: Critical Infrastructure Protection Program: Community Based CIP I	$0.00	$36,500,000.00	06/07/2007	06/07/2010	Cost-plus-fixed-fee
NATIONAL INSTITUTE OF STANDARDS & TECHNOLOGY	Division: T&E Standards PPA: T&E Standards Thrust: Standards Program: Infrastructure - Geophysical Project: Urban Search and Rescue Robots Standards Performer: National Institutes of Standards and Technology (NIST)	$1,010,000.00	$1,010,000.00	08/14/2007	08/13/2008	Interagency Agreement
NATIONAL INSTITUTE OF STANDARDS & TECHNOLOGY	Division: T&E Standards PPA: T&E Standards Thrust: Standards Project: Chem/Bio Program: Chemcial Countermeasures Standards Performer: National Institute of Standards and Technology (NIST)	$2,400,000.00	$2,400,000.00	08/24/2007	08/23/2008	Interagency Agreement
National Institute of Standards And Technology	Division: T&E Standards PPA: Standards Thrust: Infrastructure - Geophysical Program: Personal Protective Equipment Project: Personal Protective and Operational Equipment Standards Development	$4,839,000.00	$4,839,000.00	08/09/2007	08/09/2008	Interagency Agreement
National Institute of Standards and Technology	Division: T&E Standards PPA: T&E Standards Thrust: Standards Program: Explosives Project: X-Ray Screening Equipment Standards Performer: National Institutes of Standards	$1,520,000.00	$1,520,000.00	08/14/2007	08/13/2008	Interagency Agreement

	and Technology					
National Institute of Standards and Technology	Division: T&E Standards PPA: T&E Standards Thrust: Standards Program: Human Factors Project: Biometrics Equipment Standards Performer: National Institutes of Standards and Technology (NIST)	$1,715,000.00	$1,715,000.00	08/15/2007	08/14/2008	Interagency Agreement
NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY	Standards / NIST Portfolio: Standards Performer: National Institute of Standards and Technology (NIST) Period of Performance: Contract award date to June 30, 2007	$0.00	$21,475,364.00	05/22/2006	09/30/2008	Interagency Agreement
National Institute of Standards and Technology (NIST)	Division: T&E/Standards PPA: Standards Thrust: Explosives Program: Explosives Countermeasures Standards Project: Explosives Countermeasures Standards Development Performer: National Institute of Standards and Technology (NIST)	$1,406,000.00	$1,406,000.00	08/24/2007	08/23/2008	Interagency Agreement
NAUGHTON ENERGY CORPORATION	Division: Office of National Laboratories PPA: Laboratory Facilities Thrust: Operations Program: Plum Island Animal Disease Center (PIADC) Operations Project: Plum Island Animal Disease Center	$1,480,500.00	$1,480,500.00	01/01/2007	12/31/2007	Fixed-price
Naval Medical Research Center Detachment		$1,100,000.00	$1,100,000.00	02/22/2007	09/30/2007	Interagency Agreement
Naval Postgraduate School	Division: University Programs PPA: University Programs Thrust: Fellowships Program: Fellowships Performer: Naval Postgraduate School Description: Interagency Agreement (IAA)	$1,000,000.00	$3,000,000.00	09/27/2007	09/26/2010	Interagency Agreement
NAVAL RESEARCH LAB	Division: Innovation PPA: HIPS Program: HIPS Project: CHLOE Prototype Payload and Technical Support Performer: Naval Research Laboratory	$5,590,000.00	$5,590,000.00	03/30/2007	03/31/2008	Interagency Agreement
Navel Sea Systems Command		$1,100,000.00	$1,100,000.00	07/26/2007	09/30/2008	Interagency Agreement
NAVSEA Code 1061	Division: Command, Control, & Interoperability PPA: Command, Control, & Interoperability Thrust: Knowledge Management Tools Program: Knowledge	$2,600,432.20	$2,600,432.20	03/12/2007	02/14/2009	Interagency Agreement

	Frameworks Project: ICAHST					
Navy Systems Management Activity	Division: Explosives (TSL) PPA: Explosives Thrust: Explosive Detection Program: Cargo Programs Project: Cargo Improvised Explosive Device (IED) Disruptor	$1,100,000.00	$1,100,000.00	08/29/2007	08/28/2008	Interagency Agreement
Navy Systems Management Activity	Division: Explosives PPA: Explosives Thrust: Explosives Detection Program: Next Generation Passenger Checkpoint Project: Mobile Explosives Trace Detectors	$1,700,000.00	$1,700,000.00	07/31/2007	07/30/2008	Interagency Agreement
Navy Systems Management Activity	Division: Explosives PPA: Explosives Thrust: Explosives - Aviation Program: Homemade Explosives Project: Homemade Explosives Project TSWG Liquid Explosives	$0.00	$3,194,200.00	12/29/2006	12/31/2007	Interagency Agreement
Navy Systems Management Activity	Manhattan II	$0.00	$7,015,000.00	08/31/2006	09/30/2007	Interagency Agreement
NAVY, UNITED STATES DEPARTMENT OF THE	DHS Appropriations code (APPS): 70X0800 DHS S&T Location Code (ALC): 70-09-1512 Division: Borders & Maritime Thrust: Border Watch Program: Border/Maritime Technologies Project: Sensor/Dat	$1,653,685.00	$1,653,685.00	03/05/2007	09/30/2007	Interagency Agreement
NBC ADMINISTRATIVE OPERATIONS	Bioinformatics and Assay Development Program 2 (BIAD 2)	-$3,300,000.00	$6,351,528.00	04/19/2006	04/30/2007	Interagency Agreement
NORTHEASTERN UNIVERSITY	Division: Explosives PPA: Explosives Thrust Area: Explosives Detection Program: Checkpoint Program Project: Next Generation Passenger Checkpoint Project Performer: Northeast University	$420,000.00	$4,352,458.00	07/10/2006	07/10/2008	Cost-plus-fixed-fee
NORTHROP GRUMMAN SECURITY SYSTEMS, LLC		$1,776,399.00	$1,776,399.00	06/14/2007	06/13/2008	Cost-plus-fixed-fee
NORTHROP GRUMMAN SPACE & MISSION SYSTEMS CORP.	Northrop Grumman Support to the Emerging Counter-MANPADS Technology Assessment Program	$0.00	$1,932,154.00	10/11/2006	04/27/2008	Cost-plus-fixed-fee
NORTHROP GRUMMAN SYSTEMS CORPORATION	OTA - C-MANPADS	$3,020,000.00	$3,020,000.00	02/19/2004	03/31/2008	Fixed-price

Oak Ridge Operations Office	S.E. Region Research Initiative This Balance will not be released to ORNL by DOE until Program Plan is received. Portfolio: Conventional Missions Performer: Oak Ridge National Laboratory	$0.00	$24,750,000.00	03/31/2006	12/31/2008	Interagency Agreement
Pacific Northwest National Laboratories	Close out mod to deobligate funding.	-$135,615.37	$2,071,864.63	05/27/2004	12/31/2006	Interagency Agreement
Pacific Northwest National Laboratory	PNNL Air Cargo Pilot – DAMA	$238,500.00	$3,238,500.00	03/07/2006	05/30/2008	Interagency Agreement
Pacific NW Nat'l Lab (PNNL)	Division: University Programs PPA: University Programs Thrust: DHS Centers Program: CCI Center Project: Visualization, Analytics, Communication Performer: PNNL	$1,450,000.00	$1,450,000.00	09/05/2007	06/30/2008	Interagency Agreement
PERFORMANCE MANAGEMENT CONSULTING, INC.	Program management support services to Information Security Office to facilitate implementation of business processes and governance of a DHS-widw IT Security Awareness and Training Program. Services	$1,639,388.35	$7,930,977.58	06/01/2007	05/31/2008	BPA Call
PHYSICAL SCIENCES, INC.	Compact Spark-Induced Breakdown Spectroscopy- Based Trigger for Bioaerosol Detection	$60,494.00	$1,437,014.00	09/30/2007	02/01/2009	Cost-plus-fixed-fee
PNNL Care of DOE	PNNL - Testing of Explosive Standoff Screening Technologies	$2,500,000.00	$2,500,000.00	05/07/2007	05/31/2009	Interagency Agreement
PRAGMATICS, INC.	OCIO- LABNET	$947,509.44	$2,348,283.24	09/26/2007	09/25/2008	Delivery / Task Order
RAPISCAN SYSTEMS NEUTRONICS AND ADVANCED TECHNOLOGIES CORPOR	Low Dose/High Sensitivity VEDS Prototype PHASE II	$0.00	$2,610,947.00	09/19/2006	03/31/2008	Fixed-price
RAYTHEON COMPANY	Raytheon Support to the Emerging Counter-MANPADS Technology Assessment Program	$0.00	$5,339,924.00	10/11/2006	04/30/2008	Cost-plus-fixed-fee
REGENTS OF THE UNIVERSITY OF MINNESOTA		$1,843,942.31	$4,947,577.31	09/01/2006	02/28/2008	Fixed-price
RIBOMED BIOTECHNOLOGIES INC	Abscription-based Detection of Pathogens and Toxins in Food	$44,182.00	$1,586,892.00	12/19/2005	03/31/2007	Cost-plus-fixed-fee
Sandia National Laboratories		$1,106,000.00	$1,106,000.00	02/15/2007	11/15/2007	Interagency Agreement
SCIENCE AND ENGINEERING SVCS	Volumetric Bio-Aerosol Instantaneous Detection Systems(VBAIDS)	$1,571,400.00	$2,014,003.00	09/12/2005	07/15/2008	Cost-plus-fixed-fee
SCIENCE APPLICATIONS INTERNATIONAL CORPORATION	S&T IT Business Planning & EA Alignment Support	$919,282.00	$4,187,274.00	09/30/2007	09/29/2011	BPA Call
SCIENCE APPLICATIONS INTERNATIONAL CORPORATION	The purpose of this modification is to Exercise Phase II Options I and II.	$2,000,000.00	$2,000,000.00	04/01/2004	02/28/2007	Fixed-price
SCITEC INC	Counter-MANPADS Live Fire Support - SciTec, Inc. Live Fire Support	$0.00	$1,073,831.23	02/27/2007	03/31/2008	Delivery / Task Order
SMITHS DETECTION-WATFORD LTD		$4,695,562.00	$4,695,562.00	12/29/2004	01/31/2011	Fixed-price

SPAWAR Systems Center San Diego	ALC: 70-08-1512 APP: 70X0800 Division: Borders & Maritime Thrust: Cargo Security Program Name: Cargo & Conveyance Security Project: Advanced Container Security Device	$1,507,767.00	$1,507,767.00	07/31/2005	12/02/2007	Interagency Agreement
SPAWAR Systems Center, San Diego	Regional Technology Integration Initiative Explosives Detection Implementation, Anaheim Convention Center	$104,093.00	$1,604,093.00	10/01/2005	06/30/2008	Interagency Agreement
Spawar Systems Center-San Diego	Division: Borders & Maritime Thrust: Cargo Security Program: Cargo and Conveyance Security Projects: ACSD, CSD, and MATTS Performer: SPAWAR SSC San Diego	$2,800,000.00	$2,800,000.00	05/01/2007	12/31/2008	Interagency Agreement
SRI INTERNATIONAL		$730,400.00	$4,283,061.00	09/17/2006	12/31/2007	Cost-plus-fixed-fee
SYSTEMS RESEARCH AND APPLICATIONS CORPORATION	Division: Explosives PPA: Explosives Thrust: Explosives Detection Program: Checkpoint Project: Next Generation Passenger Checkpoint Performer: SRA International, Inc.	$491,595.00	$1,306,860.00	07/11/2007	12/10/2007	Delivery / Task Order
SYSTEMS RESEARCH AND APPLICATIONS CORPORATION	EAGLE	$2,195,384.00	$2,495,382.00	12/5/2007	6/27/2013	Delivery / Task Order
SYSTEMS RESEARCH AND APPLICATIONS CORPORATION	OIC PMO Recompete 1 9 month Base 3 12 month Options	$10,980,000.00	$56,969,298.00	04/01/2007	03/31/2008	Delivery / Task Order
THE MITRE CORPORATION	Division: Explosives PPA: Explosives Thrust: Explosives Detection Program: Checkpoint Program Project: Next Generation Passenger Checkpoint Performer: MITRE	$496,828.00	$1,668,925.00	07/15/2005	06/11/2008	Delivery / Task Order
THE WEXFORD GROUP INTERNATIONAL INC	HR Suppoort for the S&T Directorate.	$1,006,336.00	$3,624,369.00	02/01/2006	07/31/2008	Delivery / Task Order
THERMAL GRADIENT INC		$681,072.00	$1,294,126.00	08/12/2005	04/23/2008	Fixed-price
TOYON RESEARCH CORP	Toyon Research Corporation is the lead performer and is the sole source.	$2,752,964.00	$2,752,964.00	09/07/2006	03/31/2008	Cost-plus-fixed-fee
Transportation Security Administration	TSL Operations supported by FAA through TSA	$3,175,560.00	$3,175,560.00	03/16/2007	09/30/2007	Interagency Agreement
TWD & ASSOCIATES, INC	Division: S&T CIO Performer: TWD Description: The purpose of this modification is expand the scope of the contract, CLIN 5 to include maintenance of existing VTC and AV equipment as required	$0.00	$2,985,765.96	04/18/2006	11/30/2007	Delivery / Task Order

TWD & ASSOCIATES, INC	Plum Island Animal Disease Center (PIADC) Rewire Site: Plum Island Animal Disease Center (PIADC) Funding: FY05 CAPS Site: Plum Island Animal Disease Center (PIADC) Funding: FY05 CAPS	$0.00	$1,366,870.58	09/30/2006	11/30/2007	BPA Call
U. S. Department of Energy	Oak Ridge National Lab Air Cargo Explosives Detection Pilot Program: Enterprise Modeling & Analysis	$0.00	$3,035,000.00	03/07/2006	05/30/2008	Interagency Agreement
U.S. Army Corps of Engineers	Division: Infrastructure / Geophysical PPA: Infrastructure / Geophysical Thrust: Critical Infrastructure Protection Program: Risk Reduction Technologies Project: Blast/Projectile Protection	$2,850,000.00	$2,850,000.00	03/09/2007	12/31/2008	Interagency Agreement
U.S. Army Corps of Engineers		$2,056,188.00	$2,056,188.00	09/27/2007	09/26/2009	Interagency Agreement
U.S. Department of Agriculture	No cost PoP extension to 10/31/2005	-$43,009.00	$1,011,991.00	08/05/2004	03/31/2005	Interagency Agreement
U.S. Department of Agriculture		$1,225,000.00	$1,225,000.00	08/31/2007	09/30/2009	Interagency Agreement
U.S. Department of Commerce	DHS-NIST	-$181,087.51	$1,710,912.49	08/26/2004	12/31/2005	Interagency Agreement
U.S. Department of Commerce	Mechanism for Collaboration on Wireless Communication Technologies II	$5,000,000.00	$5,000,000.00	05/31/2006	03/30/2009	Interagency Agreement
U.S. Department of Energy	Division: Command, Control, & Interoperability PPA: Command, Control, & Interoperability Thrust: Knowledge Management Tools Program: Knowledge Frameworks Project: Architecture and Framework	$1,597,417.00	$1,597,417.00	03/01/2007	09/30/2008	Interagency Agreement
U.S. Department of Energy	PNNL RNC and NYC Elevated Operations for S&T Countermeasures Test Bed	-$1,967.21	$1,037,752.79	12/03/2003	12/31/2006	Interagency Agreement
U.S. Department of Energy	SBIR/STTR Program Support - This action is to add funds for this effort to the original award on line item 2	$500,000.00	$1,884,000.00	12/14/2005	09/30/2008	Interagency Agreement
U.S. Department of Energy	UP PNNL RVAC	$2,300,000.00	$2,300,000.00	02/26/2007	12/31/2007	Interagency Agreement
U.S. Dept. of Energy, NNSO	LLNL HME NEXESS	$0.00	$1,200,000.00	03/06/2007	04/30/2008	Interagency Agreement
U.S. Environmental Protection Agency	University Programs	$3,029,500.00	$5,054,500.00	10/01/2004	09/30/2009	Interagency Agreement
U.S. GENOMICS, INC	BAND	$4,851,777.00	$4,851,777.00	08/30/2007	05/18/2008	Fixed-price
U.S.ARMY CORPS OF ENGINEERS	Security upgrade	$2,912,708.00	$2,912,708.00	09/27/2007	12/31/2008	Interagency Agreement
UNISYS CORPORATION	As provided for in Delivery Order HSHQDC-06-J-00039, modification P0006, this PR is to exercise the right to utilize the "Software Assurance Fair Market Value (SAFMV)".	$44,748.28	$38,551,907.44	01/01/2006	12/31/2006	Delivery / Task Order
UNISYS CORPORATION	Division: CIO Project: S&T Field Site Infrastructure	$476,245.00	$2,292,320.20	9/30/2007	6/30/2008	Delivery / Task Order

	Engineering Support Performer: TBD Period of Performance: Award Date - 6/30/08					
UNITED STATES ARMY CORP OF ENGINEERS (ENGINEERING RESEARCH & DEVELOPMENT CENTER)	Division: Innovation PPA: HIPS Program: HIPS Project: Levee Strengthening and Rapid Repair Performer: United States Army Corp of Engineers/Engineering Research and Development Center (USACE-ERDC)	$0.00	$1,900,000.00	05/29/2007	03/31/2008	Interagency Agreement
UNITED STATES SPECIAL OPERATIONS COMMAND (ussocom)	Division: Innovation PPA: Innovation Thrust: HIPS Program: HIPS Project: Global Observer Unmanned Aircraft Sytem - Joint Capabilities Technology Demonstration (JCTD)	$2,062,000.00	$2,062,000.00	08/03/2007	04/02/2008	Interagency Agreement
US Army CERDEC – NVESD		$2,200,000.00	$2,200,000.00	09/14/2007	09/30/2009	Interagency Agreement
US Department of Agriculture	ALC:70-08-1512 APP: 70X0800 Division/PPA: Transition Thrust: Transition Program: Technology Solutions Project: N/A Performer: United States Department of Agriculture/ Agricultural Research Service	$0.00	$1,318,134.00	01/23/2007	01/22/2010	Interagency Agreement
US Department of Energy	UP ORISE Program	-$10,500,000.00	$8,131,000.00	05/09/2006	09/30/2007	Interagency Agreement
US Department of the Navy	Division: Borders & Maritime Thrust: Cargo Security Program: Cargo & Conveyance Security Project(s): Composite Container and ACSD Performer: Maine Secure Composites(MSC) is the Performer	$1,300,500.00	$1,300,500.00	05/01/2007	04/30/2011	Interagency Agreement
US Departrment of Energy	Division: Command, Control, & Interoperability PPA: Command, Control, & Interoperability Thrust: Knowledge Management Tools Program: Knowledge Frameworks Project: Architecture and Framework	$1,100,000.00	$1,100,000.00	03/27/2007	03/26/2008	Interagency Agreement
US DOE Los Alamos National Lab WFO	LANL	$1,905,000.00	$1,905,000.00	02/13/2007	02/13/2008	Interagency Agreement
USAMRIID	Division: Office of National Laboratories PPA: Laboratory Facilities Thrust: Operations Program: NBACC Operations Project: N/A Performer: USAMRIID Description: Under this Interagency Agreeme	$1,493,250.00	$1,493,250.00	02/13/2007	09/30/2007	Interagency Agreement
USAMRIID		-$217,359.72	$2,282,640.28	03/30/2007	12/31/2007	Interagency Agreement
USAMRIID		-$250,235.67	$4,428,210.25	09/19/2007	12/31/2007	Interagency

						Agreement
USDA		$2,000,000.00	$2,000,000.00	09/24/2007	12/31/2009	Interagency Agreement
USDA, ARS, NAA, ABFO	Modification to HSSCHQ-04-X-00064	-$1,500,000.00	$5,632,491.00	10/01/2004	09/30/2007	Interagency Agreement
Walter Reed Army Institute of Research	Portfolio: Biological Countermeasures Performer: Walter Reed Army Institute of Research (WRAIR) Period of Performance: Contract Award Date to 30 June 2007	-$494,000.00	$1,290,000.00	05/10/2006	06/30/2007	Interagency Agreement

69. Please provide for the record a list of all S&T contracts, grants and other transactions where work is performed outside of the United States. Organize by contractor, purpose, dollar award, full performance value, contract start date, and contract end date.

ANSWER: DHS does not collect comprehensive information in an automated format about place of contract performance. The Buy American Act requires certain information about foreign contract performance. Attached is a listing of all Fiscal Year (FY) 2007 and FY 2008 (through 3/26/2008) contracts, grants and other transactions awarded for S&T by the Office of Procurement Operations to foreign entities.

Broad Agency Announcements

70. S&T uses broad agencies announcements (BAA) to solicit ideas from companies that are in the process of developing or have developed innovative solutions to meet specific homeland security needs. Please explain to the Committee how you use this BAA process. How many companies submit information that S&T evaluates? Of this total, how many become projects that S&T funds? And finally, of those projects, how many are now in use by other DHS agencies to meet a specific need?

ANSWER: The S&T Directorate uses the Broad Agency Announcement (BAA) process to evaluate technology solutions to capability gaps that don't have existing, off-the-shelf solutions. BAAs use a statement of a problem or area of general research interest. Each proposal includes its own statement of work and technical approach which is evaluated on its own merit and not against other proposals as would occur in the review for a request for proposal. The benefit to a BAA is that many proposals offer very different approaches to solving the problem. Technical reviews are based on a scoring system determined by the requesting agency and there is no limit, outside of the funding available for the program, to the number of ideas that can be pursued.

The S&T Directorate has received over 1,700 individual white papers and over 370 formal proposals to our 19 BAA announcements that were open between 2006 and 2008. These white papers and proposals often include multiple companies in various prime and sub-contracting arrangements.

Of the 370 proposals received more than 20 have been recommended for funding. More funding recommendations are anticipated as not all of these BAAs are closed.
Many of the technologies funded through the BAA process are still in development. The nature of BAA funded efforts is that they are less mature technologies that have shown potential but require significant science and engineering to bring them to the field. Currently several technologies have been or are planned to be tested by DHS components in the near future. One example is an explosives detection device called FIDO-S which was tested by the United States Coast Guard. At least two other explosives detection systems will be tested, with DHS Component participation, in the next year. Other examples include cyber security technologies such as: a Botnet Detection and Mitigation technology currently deployed in US-CERT for evaluation; an Exercise

Scenario Modeling Tool (CyberSMART) currently part of the Massachusetts State Cyber Exercise (funded and managed by NPPD/NCSD); Secure Wireless Access Pilot which is being considered by the DHS CIO for pilot deployment within the S&T Directorate; Vulnerability Discovery and Mediation deployed at several DOD locations (and recently purchased by a large commercial software developer); a Critical Infrastructure Protection technology deployed at Security Exchange Commission (SEC) with an effort underway to establish a pilot inside the S&T Directorate. The S&T Directorate also delivered 10 prototype escape hoods to U.S. Secret Service who are testing the form, fit, and function; provided Advanced 3D Locator prototypes which are being tested in conjunction with users and operators in Anaheim, CA; delivered an Advanced USAR Breaching Tool prototype to be tested by Urban Search & Rescue (US&R) Virginia Task Force 1; and tested an Emergency Responder Portal prototype in Tampa Bay, FL during Gasparilla 2008. Another technology developed under the SBIR program, which has many similarities to the BAA process, is called 4DScape. 4DScape is situational awareness software for sensor networks and was fielded to an operational exercise, called Operation Lupercale, run by the LA County Sherriff's Office. It has led to a number of security infrastructure improvements that are now underway for LA County.

71. What other means does S&T employ to encourage companies, particularly small firms, to develop new technologies that may fill a niche in the government market?

ANSWER: In addition to BAAs, the S&T Directorate uses the Small Business Innovation Research (SBIR) program, the Chief Commercialization Officer and industry outreach conferences to engage with small businesses and non-traditional performers that may have technologies to fill DHS requirements.

University Centers of Excellence

72. Please identify each of the five new Center of Excellences (COE) and the lead universities. As part of this response, please clarify how these lead universities will split their responsibilities between education and research.

ANSWER: The five new Centers of Excellence and their research and education leads are listed below. Each of the members/partners of a Center is charged with maintaining research and education activities and programs. However, the research and education leads will be responsible for and will coordinate the outcomes and results for their respective area. Together, they will ensure that their Center has a well-honed research and education program that is aligned with the DHS mission.

New DHS Centers of Excellence:

- Explosives Detection, Mitigation and Response
  - Research Co-Lead: Northeastern University
  - Education Co-Lead: University of Rhode Island

- Border Security and Immigration
  - Research Co-Lead: University of Arizona
  - Education Co-Lead: University of Texas at El Paso

- Maritime, Island and Extreme/Remote Environment Security - meets Safe Ports Act requirements
  - Maritime-Ocean and Islands Co-Lead: University of Hawaii
  - Maritime-Port Security Co-Lead: Stevens Institute of Technology

- Natural Disasters, Coastal Infrastructure and Emergency Management
  - Research Co-Lead: University of North Carolina at Chapel Hill
  - Education Co-Lead: Jackson State University

- Transportation Security COE – meets requirements of the Implementing Recommendations of the 9/11 Commission Act of 2007.
  - Research Co-Lead: University of Connecticut
  - Education & Training Co-Lead: Tougaloo College
  - Petro-Chemical Transportation Co-Lead: Texas Southern University

73. Please highlight for the Committee the estimated funding for each Center of Excellence in fiscal year 2009. For those COEs that are not receiving funding, please explain why.

ANSWER: The estimated FY 2009 funding for each Center of Excellence is provided in the following table.

Center of Excellence	FY 2009 Budget
Center of Excellence for Risk and Economic Analysis of Terrorism Events (CREATE)	$0
Center of Excellence for Food Protection and Defense (NCFPD)	$3,580,000
Center of Excellence for National Center for Foreign Animal and Zoonotic Disease Defense (FAZD)	$3,580,000
Center of Excellence for National Consortium for the Study of Terrorism and Responses to Terrorism (START)	$3,580,000
Center of Excellence for the Study of Preparedness and Catastrophic Event Response (PACER)	$0
Explosives Detection, Mitigation and Response	$3,580,000
Borders Security and Immigration	$3,580,000
Maritime, Island, & Extreme/Remote Environment Security	$3,580,000
Natural Disaster and Emergency Management	$3,580,000
CCI Center (New Center in FY 2009)	$3,580,000
Regional Visualization and Analytics Centers (RVACs)	$0
Discrete Sciences Center	$0
Transportation Security	$3,580,000
Centers of Excellence Total	**$32,220,000**

In FY 2009, the S&T Directorate is not requesting additional funds for the Center of Excellence for Risk and Economic Analysis of Terrorism Events (CREATE), Center of Excellence for the Study of Preparedness and Catastrophic Event Response (PACER), Regional Visualization and Analytics Centers (RVACs) and the Discrete Sciences Center. CREATE and PACER were fully funded prior to FY 2009 with the intention of allocating funding to projects over several years. These two COE's continue to use that funding in FY 2009. The term for the RVACs and the Discrete Sciences Center is complete in 2009. They will be replaced by a new Center of Excellence for Command, Control and Interoperability, which is aligned with the Command, Control and Interoperability Division (CID).

74. What, if any, COEs will recomplete in 2008 and 2009? For the previously new COEs, the competition process lasted well over a year. How long do you anticipate this process will take and when will decisions be reached? Please address each competition separately.

ANSWER: In FY 2008 there will be a competition for a new DHS Center of Excellence (COE) for Command Control and Interoperability that will replace the Regional Visualization and Analytics Centers (RVACs) and the Discrete Sciences Center in FY 2009. In FY 2009, there will be a new operations framework established for the existing Chem/Bio Centers (FAZD, NCFPD and CAMRA) or there will be a competition for a new Chem/Bio Center(s). The announcement for the competition for the new COE for Command Control and Interoperability is imminent and it is estimated that the process, from announcement to award, will take approximately nine months. It is expected that the process of the Chem/Bio Center(s) will take a similar amount of time and the process should begin this summer.

Concerning the Chem/Bio Centers, either a new operations framework will be established for FAZD, NCFPD and CAMRA or there will be a competition for a new Chem/Bio Center(s). If there is a competition, the process is expected to begin in the first quarter of FY 2009 and take approximately nine months.

75. Global climate change has and will continue to have significant public health, environmental, and economic impacts on the United States. The scientific community estimates that sea levels will rise ½ meter or more in the next 100 years. Rising sea level will increase coastal flooding, erosion, property damage, and salt water intrusion. A recent study by economists at Appalachian State, Duke, East Carolina, and University of North Carolina at Wilmington estimated that the value of property at risk to sea-level rise in just four NC coastal counties to be $6,900,000,000. How will the new multi-university Center for Natural Disasters, Coastal Infrastructure and Emergency Management based at UNC-CH and Jackson State University address the impacts of climate change on natural disaster risks and explore the potential for mitigating that risk? How will S&T work with FEMA to make sure the Center's work informs FEMA's mitigation, flood mapping, and flood insurance activities?

ANSWER: The new multi-university Center for Natural Disasters, Coastal Infrastructure and Emergency Management will initially examine a number of threats related to natural disasters to help determine priority areas of focus for R&D conducted through the center. For example, initial plans include holding several workshops consisting of subject matter experts in these areas. They will be able to analyze those threats from multiple perspectives and suggest several approaches to addressing them.

The Science and Technology Directorate will work through its customer-led, Capstone Integrated Product Team process to identify how the new multi-university Center for Natural Disasters, Coastal Infrastructure and Emergency Management can best serve its DHS component customers, including FEMA.

Fellowships

76. S&T's University Programs are designed to support, stimulate, and sustain the Nation's intellectual capital in academia to address current and future homeland security-related challenges, while at the same time educating and inspiring the next generation of scientists and engineers dedicated to improving homeland security. For fiscal year 2009, S&T is requesting a total of $43.8 million for university programs, and $6.55 million of that request is specifically for educational programs. S&T's University Programs support the Department's broad educational needs; however, the Domestic Nuclear Detection Office is requesting $2 million for fellowships in 2009. Why isn't S&T the sole funder for fellowship programs within the Department?

ANSWER: The Domestic Nuclear Detection Office has chosen to request increased funding for fellowships that align with their research areas. There is nothing precluding the S&T Directorate from funding students in radiological and nuclear fields of research.

77. Why should this Committee support DNDO's $2 million request for a fellowship program? What does DNDO offer in this context that S&T cannot provide?

ANSWER: The Domestic Nuclear Detection Office has chosen to request increased funding for fellowships that align with their research areas. There is nothing precluding the S&T Directorate from funding students in radiological and nuclear fields of research.

Test and Evaluations

78. In a recent independent review of the advanced spectroscopic portal monitor program (ASP), the report notes that "There is not a single DHS organization with test and evaluation (T&E) oversight responsibility or any DHS management directive governing T&E within the Department. A generally accepted principle in government and industry is that the sponsoring or developing agency should not be the testing authority because they have an inherent conflict of interest" (In this example S&T is not a sponsoring agency, but rather DNDO would be). While the ASP procurement would not, by itself, warrant the creation of an independent test organization, other major DHS acquisitions will need to be tested to ensure that operational needs are being met, including TSA's transportation security and credentialing systems and the Coast Guard's multiple, large-scale procurements for fleet modernization. The report goes on to note: "Recognizing this point, DHS is now (January 2008) taking steps to establish an Office of Test and Evaluation within the S&T Directorate. The proposed scope of its responsibilities would include oversight of test planning and assessment of test programs for compliance with applicable policies and directives." Detail for the Committee your plans to establish an Office of Test and Evaluation within S&T to assess large scale procurements. Will this office be primarily conducting assessments itself, or will it be contracting with outside, independent testing and evaluation entities? How much will this office cost, and what assessments does it plan to conduct in 2008?

ANSWER: The Science and Technology (S&T) Directorate's Office of Testing and Evaluation currently serves as the Testing and Evaluation (T&E) Executive for the Department of Homeland Security. The need for increased T&E on major acquisition programs across the Department requires S&T to provide increased service to its customer agencies. The role of S&T should be to enable and guide the T&E activities of the Department. They should review acquisition plans to ensure that appropriate T&E activities are planned and properly budgeted for in the President's Budget Request. The DHS T&E Executive should review and approve all Testing and Evaluation Master Plans for DHS Level 1 and 2 acquisition programs and monitor all T&E activities to ensure that T&E in the Department is appropriate and that the results are valid and verifiable.

The assessments of homeland security test and evaluation plans will be ultimately reviewed and approved by Federal employees within the Science and Technology Directorate, the activities associated with conducting the assessments will be done by independent entities via a contract.

The Test and Evaluation (T&E) activities of the S&T Directorate are currently budgeted within the T&E/ Standards Program, Project, Activity (PPA). T&E work in FY 2009 is budgeted at $4.5 million. In FY 2008, the T&E budget for this work is $3.7 million.

The Science and Technology Directorate's Office of Testing and Evaluation, serving in the role of the DHS T&E Executive, will review the acquisition plans of TWIC, ASP, and SBINet to ensure that appropriate T&E

activities are planned and properly accounted for in the President's Budget Request. Additional programs may also be reviewed but have not yet been identified.

79. Congress provided $3 million in fiscal year 2008 for independent evaluations of DHS programs, yet there is no follow-on funding requested in 2009. How can you conduct additional evaluations without funding?

ANSWER: The Science and Technology Directorate will not fund program reviews beyond what was appropriated for them in FY 2008.

HON. LUCILLE ROYBAL-ALLARD
Questions for the Record
Science and Technology Directorate
Wednesday, March 12, 10:00 AM

Centers of Excellence

A partnership between police at LAX and computer science researchers at the University of Southern California has resulted in the development of a program to help the police randomize the scheduling of vehicle security checkpoints. This randomization makes it harder for terrorists to find potential weaknesses in airport security. I am concerned that, although you have recently named 5 new Centers of Excellence to do this kind of research, the President's budget provides only a meager increase of an additional $500,000 – to $32.7 million – to fund the existing seven centers and the additional five new centers.

Why does the budget not provide sufficient additional resources to fund the new centers?

ANSWER: Funding for Centers of Excellence (COE) are weighed against other competing priorities in the S&T Directorate. The table below contains the requested FY 2009 funding for each COE.

Center of Excellence	FY 2009 Budget
Center of Excellence for Risk and Economic Analysis of Terrorism Events (CREATE)	$0*
Center of Excellence for Food Protection and Defense (NCFPD)	$3,580,000
Center of Excellence for National Center for Foreign Animal and Zoonotic Disease Defense (FAZD)	$3,580,000
Center of Excellence for National Consortium for the Study of Terrorism and Responses to Terrorism (START)	$3,580,000
Center of Excellence for the Study of Preparedness and Catastrophic Event Response (PACER)	$0*
Explosives Detection, Mitigation and Response	$3,580,000
Borders Security and Immigration	$3,580,000
Maritime, Island, & Extreme/Remote Environment Security	$3,580,000
Natural Disaster and Emergency Management	$3,580,000
CCI Center (New Center in FY 2009)	$3,580,000
Regional Visualization and Analytics Centers (RVACs)	$0*
Discrete Sciences Center	$0*
Transportation Security	$3,580,000
Centers of Excellence Total	**$32,220,000**

*CREATE and PACER were fully funded prior to FY 2009 with the intention of allocating funding to projects over several years. These two COE's continue to use that funding in FY 2009. The term for the RVACs and the Discrete Sciences Center is complete in 2009. They will be replaced by a new Center of Excellence for Command, Control and Interoperability, which is aligned with the Command, Control and Interoperability Division (CID).

Dissemination of S & T Directorate Research Results

Researchers at the University of Southern California's Center for Risk and Economic Analysis of Terrorism Events, which DHS funds, look at a wide range of possible attacks and scientifically evaluate the likely consequences of these attacks. For example, a recent study from the Center found that a dirty bomb attack in the Los Angeles/Long Beach port complex would result in serious economic and psychological consequences and could produce tens to hundreds of latent cancers.

1. How does the Science and Technology Directorate disseminate the results of this type of research to other DHS agencies, and how could this transfer of information be improved?

ANSWER: The S&T Directorate works through the Center of Excellence (COE) to develop a limited access database of all COE research and educational projects to allow the COEs to share information with each other and to allow DHS and other federal agencies to access research results quickly and easily. When appropriate, the S&T Directorate communicates research results through conferences. The recent, very successful 2nd Annual University Network Summit is an example of the S&T Directorate's research dissemination efforts. We hold workshops, brown-bags lunches, and briefings to communicate with customers. The S&T Directorate works with its DHS Integrated Product Team (IPT) participants, the S&T Divisions and the University Program Managers to identify likely customers for COE research, particularly research topically related to IPT-derived research areas.

2. Can you give examples of DHS policies that have changed as a result of the research you fund?

ANSWER: The work of the Center of Excellence for Risk and Economic Analysis of Terrorism Events (CREATE) has had considerable influence on the selection and use of risk analysis approaches and tools for integrated chemical, biological, radiological, nuclear and explosive risk assessment. Other influential projects include CREATE's development of the Assistant for Randomized Monitoring of Routes (ARMOR) patrol software, which has been successfully piloted at LAX and is now being adapted at a number of federal, state and local agencies and in the private sector. The Center of Excellence for National Center for Foreign Animal and Zoonotic Disease Defense (FAZD) approach to risk communication for avian influenza is being deployed throughout the U.S. and in foreign countries. Study of food system import vulnerabilities at the Center of Excellence for Food Protection and Defense (NCFPD) is changing the way we look at and evaluate the risks from food imports.

3. In regards to the specific study above concerning a dirty bomb attack at a port complex, has that study spurred DHS to make security changes at our nation's ports, or to increase investment in research on how to protect ports?

ANSWER: This study has been widely briefed and distributed to government agencies and port authorities who may use the study results as a basis for making changes in port security measures or research investments.

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Audible Tsunami Warning Systems

During a tsunami evacuation, time is of the essence. A tsunami generated by an earthquake off the coast of northern California, for example, would give residents in Los Angeles only one to two hours to evacuate before impact. Despite this threat, it is my understanding that many coastal communities depend on radio and television announcements and on announcements from roaming emergency vehicle loudspeakers to tell residents they should evacuate. These approaches are of limited value if people are asleep instead of watching TV, or if an area is too large to be covered by announcements from patrolling police and fire personnel.

1. What work has the Science and Technology Directorate done to design audible tsunami warning systems?

ANSWER: The S&T Directorate's customers have not identified the research and development of audible tsunami warning systems as a priority at this time. However, through the National Science and Technology Council, Subcommittee on Disaster Reduction, the S&T Directorate is working with the National Oceanic and Atmospheric Administration (NOAA) to identify strategies for effective use of science and technology to reduce the effects of natural disasters such as tsunamis.

The S&T Directorate's current focus in this arena is to research and develop technologies that will help mitigate the effects of major storm surge events. For example, the Hurricane and Storm Surge Mitigation, which began in FY 2008, will develop approaches and technology to duplicate the effect of natural features (such as marshlands and barrier islands) to reduce storm surge strength and prevent flooding. Possible technologies include: temporary, low-cost inflatable and drop-in structures that last just long enough to prevent severe damage; effective alternatives for rerouting flood waters; and flood-proofing critical infrastructure.

In addition, two of our new Centers of Excellence (COE) will perform work related to reducing the catastrophic impacts on natural disasters. They are the COE for Natural Disasters, Coastal Infrastructure and Emergency Management and the COE for Islands and Extreme and Remote Environment Security. The S&T Directorate is also working with the Naval Postal Graduate School and Coastal California communities to develop emergency preparedness and response exercises. Also, through the National Science and Technology Council, Subcommittee on Disaster Reduction, the S&T Directorate works with the National Oceanic and Atmospheric Administration (NOAA) to identify strategies for effective use of science and technology to reduce the effects of natural disasters such as tsunamis.

2. Has DHS established pilot projects to field test one or more of these systems?

ANSWER: The S&T Directorate's customers have not identified the research and development of audible tsunami warning systems as a priority at this time and they are not included in the S&T Directorate's currently funded research portfolio.

QFR from Rep. Sam Farr
S&T Hearing
March 12, 2008

Questions for Under Secretary Cohen

Achieving a secure homeland will not be realized overnight or with traditional tools, strategies and techniques. The role of high level research and development is critical to develop future capacities and technologies not just for federal activities, but for the first responders on the front lines of the homeland effort.

The coordination between R&D and first response should be a two way communication; the science and technology experts need to know the requirements of the field personnel and the first responders need to know what new tools and technologies are becoming available to them.

Q. It is my understanding you have signed off on a 3 year/$1 million a year MOU with the Naval Postgraduate School, in addition to the $2 million Homeland Security Consortium that was funded in the FY08 bill.

Please explain what you mean on page 17 of your testimony where you state, "the S&T directorate is requesting $5.5 million less for its University Programs, reflecting no funding request for the Naval Postgraduate School." Why the half million dollar difference?

ANSWER: The breakout of the $5.5 million reduction is as follows:

Program	FY 2008 Enacted Budget	FY 2009 President's Budget	Reduction
Centers of Excellence	$34.1	$32.2	-$1.9
Minority Serving Institutions	$4.3	$3.9	-$0.4
Educational Programs*	$9.7	$6.6	-$3.1
SBIR	$1.2	$1.1	-$0.1
TOTAL	**$49.3**	**$43.8**	**-$5.5**

* The $2 million funding request for the Naval Postgraduate School falls within the Educational Programs Thrust Area of the University Programs PPA (Program, Project, Activity) of the S&T Directorate's budget.

The FY 2009 budget request was developed based on the FY 2008 budget request because of when the FY 2008 budget was enacted. Compared to the FY 2008 President's Budget request, the FY 2009 request for University Programs represents an increase of $5.1 million or 13 percent.

Almost every day a new invasive pest is introduced into California. There are too many examples in California of foreign non-native insects, diseases, weeds and animals that are causing significant damage to our ecosystems and our economy – and are an ongoing threat to California's quality of life.

In addition to our border screening, DHS needs to support a strong pest prevention system that utilizes the expertise of USDA and CDC.

Q. Are you working with these other agencies?

ANSWER: Yes, the S&T Directorate is working with United States Department of Agriculture (USDA) and Center for Disease Control and Prevention (CDC) in several areas. One example is the Plum Island Animal Disease Center (PIADC). Operational responsibility for PIADC transferred from USDA to DHS under the Homeland Security Act of 2002. Since the transfer, DHS and USDA have developed a strong, collaborative partnership and put in place an interagency agreement to clarify roles and responsibilities. DHS assumed responsibility for coordinating the overall national effort to protect key U.S. resources and infrastructure. USDA remained responsible for conducting basic and applied research and diagnostic activities at PIADC to protect U.S. agriculture from foreign animal disease agents.

In addition, the S&T Directorate is working with USDA on the new National Bio and Agro-Defense Facility (NBAF), which will integrate research, development, and testing in foreign animal disease and zoonotic diseases. NBAF will support the complimentary missions of USDA and DHS. USDA and DHS will use the most modern biosafety practices and procedures, and stringent and rigorous safety measures within NBAF.

The S&T Directorate is also working closely with CDC and USDA on research and prioritization of biological countermeasure technologies to address non-native diseases.

Q. What investment is S&T making in pest detection systems?

ANSWER: Homeland Security Presidential Directive 9 (HSPD-9), *Defense of United States Agriculture and Food,* gives the Secretaries of the Interior, Agriculture, Health and Human Services, and the Administrator of the Environmental Protection Agency the roles and responsibilities to develop robust, comprehensive, and fully coordinated surveillance and monitoring systems that provide early detection and awareness of disease, pest, or poisonous agents. The S&T Directorate invests in hazardous biological agent detection and in anticipating biological threats, however, the S&T Directorate is not investing in pest detection systems.

Q. What are you doing to anticipate the kinds of invasive species that pose a risk to our environment, economy and public health?

ANSWER: Homeland Security Presidential Directive 9 (HSPD-9), *Defense of United States Agriculture and Food,* gives the Secretaries of the Interior, Agriculture, Health and Human Services, and the Administrator of the Environmental Protection Agency the roles and responsibilities to develop robust, comprehensive, and fully coordinated surveillance and monitoring systems that provide early detection and awareness of disease, pest, or poisonous agents. The S&T Directorate invests in hazardous biological agent detection and in anticipating biological threats that would pose a risk to our environment, economy and public health.

General Questions

Q. What progress has been made in closing the gap between the high level research and development efforts and the needs of the first responders in the field?

ANSWER: The S&T Directorate's TechSolutions rapidly addresses technology gaps identified by Federal, State, local, and tribal first responders. The goals of the program are to field prototypical solutions within 12 months; establish a cost that is commensurate with the proposal but equal to or less than $1 million per project; and develop a solution that meets 80 percent or more of the identified requirement. First responders are able to submit gaps to the program through the web site, www.dhs.gov/TechSolutions.

The following projects have been initiated by TechSolutions to close the gap between high level and development efforts and the needs of first responders in the field:

1) Safe Against Fires and Embers (SAFE) – identification of technologies that will mitigate damage caused by California wildfires

2) Next Generation Breathing Apparatus - reduce the weight and profile of the compressed air cylinder for a First Responders self contained breathing apparatus by more than half and increase its flexibility

3) 3-D location - improve 3-D location accuracy from 3 meters to 1 meter for a device that tracks incident responders in situations such as inside of threatened buildings, collapsed buildings, and subterranean facilities

4) Interoperable Communications - develop a communications device capable of operating on all public safety radio bands (e.g., 700 and 800 MHz bands)

5) Vehicle Mounted Chem Bio Sensor – develop a vehicle mounted sensor capable of identifying toxic industrial chemicals and detecting biological agents when an emergency vehicle arrives on the scene

6) Fire Ground Compass – develop an orientation device that enables firefighters, their exterior sector officers and the fire-ground commander to maintain their reference point to the fire building or area as they battle interior structural fires

7) Standoff Patient Triage Device - develop a hand held device capable of obtaining a victims pulse, respiration, temperature and body movement readings from a distance of 5 to 40 feet in 30 seconds or less

8) Dazzler - reduce the size of the current "Dazzler" incapacitation LED prototype to that of a MAG flashlight and perform operational field testing

9) Readiness Optimization (Brain Music) - improve performance of FAMS agents and TSA screeners by mapping music scores to EEG brain wave patterns that, when played back, create a relaxed or alert state of mind.

Q. How does your strategic plan provide the necessary guidance for the new Administration to pick up where you left off?

ANSWER: Guidance for the new Administration is documented in the S&T Directorate Strategic Plan and the S&T Directorate Organizational Regulation Manual (STORM). These documents put in place policies that will help the S&T Directorate maintain its planning and budgeting systems, making operations more enduring

through administration changes. The S&T Directorate also has an internal system that formally documents our policies and procedures.

In addition, the S&T Directorate's five-year research and development plan will provide guidance for the new Administration to understand the S&T Directorate's future year plans and activities. The plan details the S&T Directorate's investment portfolio, outlines the S&T Directorate's activities and plans at the division level, and includes each division's research thrusts, programs, and key milestones. It supports the Department's strategic plan and priorities as well as the S&T's Directorate priorities. The plan will be updated later this year to ensure it continues to address the correct set of priorities, fills our customer's homeland security capability gaps, and enables a safer homeland.

Q. One of the concerns I have repeated heard expressed is how slow the S&T Directorate has been to engage with the private sector. How many industry partnerships do you currently have?

ANSWER: The S&T Directorate's Chief Commercialization Officer (CCO), Dr. Tom Cellucci, and his team have developed and implemented a detailed Private Sector Outreach effort that is receiving widespread acceptance and excitement from industry. The CCO and his team have established hundreds of partnerships, in a hroad sense, with the small business, venture capital, and investment banking communities, as well as technical and business trade associations. In a week, we correspond with 200-300 companies that have expressed interest in working with DHS. Additionally, the CCO has developed and implemented a process to rapidly respond to industry. We provide our capability gaps through our Integrated Product Team process and industry shows its technology, capability or product alignment to these gaps.

Because of the positive response received from industry, the CCO heads up a team that has developed a commercialization process to rapidly use the resources of the private sector to cost-effectively and efficiently develop technologies and products for DHS and first responders. We currently have four companies ready to pilot this important program. In conjunction with these efforts, the CCO is working closely with our marketing communications team to support our stakeholders' conferences, writing articles and providing briefs and presentations to literally thousands of people per month. In a typical week, the CCO and his team handle over 250-300 industry queries, meet with 15-20 business executives at our offices at Vermont Avenue, and provide two to three invited briefs to large, publicly available business and/or technical meetings. Working closely with our marketing communications team, the CCO will place our outreach programs, briefs and ancillary materials on our web portal for wide public distribution.

Overall, about 40 percent of the S&T Directorates RDA&O investment goes to the private sector. This is the largest portion of our funding going to any one sector of performers.

Q. How does the S&T directorate work with the Homeland Security Institute?

ANSWER: The S&T Directorate has three principal roles in working with the Homeland Security Institute (HSI). First, we perform program oversight and administration of HSI consistent with the Federal Acquisition Regulations (FAR) and the sponsoring agreement. Second, the S&T Directorate provides core funding to develop capabilities within HSI that will provide benefit to the Department, particularly in strategic and cross cutting areas. Third, the S&T Directorate provides task order funding for HSI to address particular focused areas of interest.

Q. Does the Homeland Security Institute fully function like the DOD FFRDCs?

ANSWER: The Homeland Security Institute (HSI) functions similarly to DOD Studies and Analysis Federally Funded Research and Development Centers (FFRDCs) (as opposed to Systems Engineering FFRDCs) in terms of being funded through core funding to develop needed strategic capabilities, and task order funding to address focus areas for particular sponsors.

Questions for the Record
Congresswoman Kay Granger
Science and Technology Hearing – March 12, 2008
Under Secretary Jay Cohen

1) **Centers of Excellent Funding – FY09 Budget**

Question: Admiral Cohen, how will the level of impact of the Centers for Excellence – specifically the Foreign Animal and Zoonotic Disease Defense program at Texas A&M and the Food Protection and Defense program at the University of Minnesota – be maintained with a budget reduction to the centers?

ANSWER: The request will reduce the level of activities at the Centers of Excellence as resources will be focused on the highest priority research.

Questions for the Record submitted by Chairman Price to the Federal Law Enforcement Training Center

Workload

1. As we understand it, FLETC gets projections of training needs from its partner organizations once a year, and typically applies a 75% discount rate to those numbers. Please fill in the missing information in the chart below so that we can have a better understanding of the projection process.

ANSWER: Please see the following table.

	Fiscal Year				
Students	2005	2006	2007	2008	2009
Projected Students (from POs)	21,949	18,135	18,071	23,934	24,919
Planned Student Population	16,461	13,601	14,166	17,099	22,009
Actual Student Population	9,997	11,501	16,089	N/A	N/A

2. Similar to the previous table, please provide us with the corresponding dollar-value projections that correspond to the student numbers you receive and discount.

ANSWER: Please see the following table.

	Fiscal Year				
Dollars	2005	2006	2007	2008	2009
Projected Students (from POs)	46,950,000	52,580,000	53,840,000	60,892,000	69,838,000
Planned Student Population	36,174,000	41,419,000	43,910,000	48,111,000	64,468,000
Actual Student Population	26,710,000	38,430,000	62,116,000	N/A	N/A

3. Please provide a chart detailing the capacity for students and student weeks, and the actual student weeks conducted from FY 2005 through FY 2009 at each FLETC facility, and FLETC as a whole. Please provide the projected numbers for FY 2009.

ANSWER: Please see the following tables.

Capacity (Student Weeks)

	FY05	FY06	FY07	FY08	FY09
Glynco	130,000	130,000	130,000	135,200	140,400
Artesia	45,000	63,400	63,400	63,400	63,400
Charleston[3]	37,000	37,000	30,888	26,312	26,312
Cheltenham[2]	21,258	21,642	21,406	21,406	23,866
Total	**233,258**	**252,042**	**245,694**	**246,318**	**253,978**

Training (Student Weeks)

	FY05	FY06	FY07	FY08[1]	FY09[1]
Glynco	81,470	88,775	116,188	127,438	162,889
Artesia	19,634	34,252	56,689	75,336	74,932
Charleston	5,954	7,531	10,439	19,091	25,331
Cheltenham[2]	4,984	5,186	6,442	7,104	7,459
Export	4,727	3,448	4,962	6,351	6,668
Total	**116,769**	**139,192**	**194,720**	**235,320**	**277,279**

Capacity Utilization

	FY05	FY06	FY07	FY08[1]	FY09[1]
Glynco	63%	68%	89%	94%	116%
Artesia	44%	54%	89%	119%	118%
Charleston	16%	20%	34%	73%	96%
Cheltenham[2]	23%	24%	30%	33%	31%
Total	**50%**	**55%**	**79%**	**96%**	**109%**

[1]FY08 Projections based on FY08 Mid-Year data. FY09 Projections based on FY09 Projection Packages
[2]Cheltenham capacity and training includes USCP
[3]Charleston capacity decline due to rooms being used as single rather than double occupany

4. FLETC provided over 194,000 student weeks of training in FY 2007, has projected over 263,000 in FY 2008, and aims to provide another 248,000 in FY 2009. Last year we were told that they have been training at, or over the capacity of some of their facilities. In light of the reduction in funding requested for Law Enforcement Training, can we expect FLETC to remain at 6-day weeks? How can we make sure that FLETC can stay at a regular 5-day training schedule?

ANSWER: The 6-day training week is neither sustainable nor cost effective, as it involves significant overtime and quality of life costs. Only FLETC's Glynco, GA site was on a 6-day workweek in FY 2008. FLETC has reverted to a 5-day training schedule for all classes starting April 1, 2008. We were able to do this because FLETC's Director tasked a group to assess utilization of our facilities. Based on the findings and recommendations of this group, we have gained some efficiencies and re-purposed specific areas to gain limited capacity. This, along with a small number of cancellations, has allowed FLETC to return to a 5-day training week for the last half of FY 08.

Training requirements are expected to continue to increase in future years. FLETC has taken action to gain additional capacity in the short term to eliminate the 6-day week; however, the initial gains resulting from these efforts will not be sufficient if the projected workload materializes and some of the solutions cannot be utilized over the long-term (i.e. modular buildings). We are currently studying our options and researching various options to meet the existing and future challenges.

Technology Initiatives

5. Please provide details on the planned expenditures associated with the TRAIN21 initiative in FY 2008. What has been learned so far from the initiative regarding future training methods and technological investments?

ANSWER: TRAIN21 was funded $2.816 Million in FY 2008 with no future-year funding.

In FY 2008, FLETC focused TRAIN21 resources to better define how technology could be leveraged in support of FLETC law enforcement training programs and to identify useful segments based upon which training programs could benefit the most from technology enhancements in conjunction with potential number of students that would benefit from these enhancements. Beyond using technology to enhance and expand the delivery of law enforcement training, TRAIN21 resources have also been used to identify how technology is being used by terrorist and criminal elements, how technology can be better utilized to gather and analyze information by the federal government, and how technology can be used to assist in the apprehension and conviction of terrorist and criminals.

FY 2008 TRAIN21 funding was also used for acquisitions that support TRAIN21 concepts and which could be sustained without significant additional future year resources. Examples include enhancements to FLETC's enterprise training local area networks, the establishment of a training wide area network, the virtualization of training servers (reducing future-year operations and maintenance costs in this area), and improved technology support services for FLETC law enforcement students.

FLETC recognizes that training and technology are key elements that can provide the Federal Government with a distinct advantage in the battle against terrorism. FLETC has learned that many of the new students receiving basic law enforcement training are technology savvy and well adjusted to technology-based instruction and simulation/scenario-based learning.

FLETC has learned that the TRAIN21 investment should be divided into useful segments so that FLETC will be able to achieve maximum benefit from incremental training technology modernization with less than full funding of the investment.

Construction

6. Please provide an updated chart detailing FLETC construction projects and their associated estimated costs from FY 2009 through FY 2013.

ANSWER: Please see the following table.

Federal Law Enforcement Training Center					
FY 2009 - 2013					
Construction Projects, Dollars in Millions					
	FY09	FY10	FY11	FY12	FY13
	$	$	$	$	$
Construction and Improvement (ACIRE)	**43.500**	**43.900**	**44.400**	**43.300**	**43.700**
Glynco - Maintenance and Minor Construction	5.601	5.708	5.836	5.546	6.059
Glynco - Renovate Bldg 63,64,65			3.000	3.000	3.000
Glynco - Other Renovation	2.803	2.574	1.588		2.170
Glynco - PA/CTOTF	9.000	9.000	9.000		
Glynco - PA/CTOTF Maintenance	0.405	0.564	0.717	0.836	0.853
Glynco - Reconfigure/Repave Driving Range	6.750	5.950			
Glynco - Renovate Bldg 680			8.000		
Glynco - Renovate Classroom Bldg 262			1.500	15.000	
Glynco - Construct Clothing Facility		1.500			
Glynco - Repair Perimeter Fence	2.500				
Glynco - Construct Office Building					16.500
Artesia - Maintenance and Minor Construction	2.665	2.721	2.768	2.816	3.015
Artesia - Construct Auditorium					4.889
Artesia - Renovate Bldg 6		6.000			
Artesia - Main Complex Office Bldg			1.000	9.000	
Cheltenham - Maintenance and Minor Construction	2.188	2.229	2.272	2.315	2.359
Cheltenham - Renovate Bldg 1	7.000				
Charleston - Maintenance and Minor Construction	2.141	2.182	2.223	2.265	2.308
Charleston - Renovate Dorms 285,286			4.000		
Charleston - Env Lead Remediation NWS		3.000			
All Sites - Fibre Optics	1.094	1.105	1.116	1.128	1.139
All Sites - Environmental	1.353	1.367	1.380	1.394	1.408
Total	**43.500**	**43.900**	**44.400**	**43.300**	**43.700**

Management

7. Please list all FLETC political employees who received bonuses in 2007. Include the position, office, and bonus amount.

ANSWER: FLETC does not have any political employees.

8. Please list all FLETC SES bonuses provided in 2007 by position, office, and bonus amount.

ANSWER: Please see the following table.

POSITION	OFFICE	BONUS AMOUNT
DIRECTOR	DIRECTOR'S OFFICE	$25,000.00
DEPUTY DIRECTOR	DEPUTY DIRECTOR	$14,696.00
ASSISTANT DIRECTOR,	TRAINING DIRECTORATE	$54,731.60
ASSISTANT DIRECTOR	TRAINING INNOVATION & MANAGEMENT DIRECTORATE	$12,723.00
ASSISTANT DIRECTOR	ADMINISTRATION DIRECTORATE	$10,297.00
ASSISTANT DIRECTOR	CHIEF INFORMATION OFFICE DIRECTORATE	$10,473.00
ASSISTANT DIRECTOR	FIELD TRAINING DIRECTORATE	$10,625.00
SENIOR ASSOCIATE DIRECTOR	WASHINGTON OPERATIONS	$16,283.00
	TOTAL	$154,828.60

9. Please list by office and pay grade level the number of non-SES employees who received a bonus or quality step increase (qsi) in 2007, the total bonus/qsi expenditures for the particular office and pay grade, and the total number of employees in the office and pay grade.

ANSWER: Requested data is provided on the following pages. Included within the totals are values for 47 personnel who received QSIs. The values included were calculated by taking the difference in annual salary before the QSI was processed and the annual salary after the QSI was processed.

QFR 11 FLETC Non-SES Employees who received a Bonus or Quality Step Increase (QSI) in 2007					
Office	Total # of Employees			Total # of Employees per grade	Total amount of Bonuses or QSIs
Director's Office	DO	5			
			GS-15	2	$15,692.81
			GS-11	3	$18,164.00
Office of Chief Counsel	OCC	6			
			GS-15	1	$13,163.92
			GS-14	3	$24,018.14
			GS-11	1	$3,014.00
			GS-09	1	$2,450.00
Public Affairs	PAO	3			
			GS-14	1	$3,279.52
			GS-13	1	2,965.11
			GS-11	1	$2,965.11
Equal Employment Div	EEO	7			
			GS-15	1	$6,494.00
			GS-14	2	$1,836.26
			GS-13	2	$2,659.07
			GS-12	2	585.56
			GS-07	2	$4,389.29
Inspection & Compliance D	ISP	8			
			GS-15	1	$5,200.00
			GS-14	4	$3,012.10
			GS-13	1	$1,506.04
			GS-12	1	$1,659.07
			GS-08	1	$1,965.11
Deputy Director's Office	DD	2			
			GS-15	1	$2,597.62
			GS-11	1	$1,659.07
Special Investigations Div	SID	4			
			GS-15	1	$1,200.00
			GS-14	2	$4,695.33
			GS-13	1	$1,965.11
			GS-08	1	$765.11
Security & Emergency Mg	SEM	14			
			GS-15	3	$7,389.29
			GS-14	1	$3,555.11
			GS-13	2	$2,400.00
			GS-12	2	$4,855.53
			GS-11	4	3,954.40
			GS-07	2	$1,463.92
Training Directorate	ADT	423			
			GS-15	15	$37,976.92
			GS-14	36	$51,910.85
			GS-13	188	$230,427.92
			GS-12	128	$88,397.58
			GS-11	12	$11,920.95
			GS-09	20	$40,241.62
			GS-08	5	$9,213.47
			GS-07	7	$11,696.95
			WL-11	1	459.07
			WG-11	4	$5,913.38
			WG-10	4	$4,236.26
			WG-08	2	$1,377.19
			WG-05	1	$612.08
Training Innovation & Mgm	TIM	109			
			GS-15	11	$29,091.97
			GS-14	12	$35,522.44
			GS-13	27	61,736.87
			GS-12	10	$19,437.96
			GS-11	18	$33,028.79
			GS-09	21	$34,516.71
			GS-08	4	$7,383.45
			GS-07	6	$11,471.49

QFR 11 FLETC Non-SES Employees who received a Bonus or Quality Step Increase (QSI) in 2007					
Administration Dir	ADM	176			
			GS-15	11	$29,045.73
			GS-14	18	$24,501.08
			GS-13	38	$64,144.36
			GS-12	25	$52,070.02
			GS-11	18	$28,196.14
			GS-10	1	$1,200.00
			GS-09	10	$13,991.65
			GS-08	5	$4,629.03
			GS-07	15	$20,705.42
			GS-06	3	$3,318.12
			GS-05	3	$3,801.41
			WS-10	2	$4,433.90
			WG-11	4	$5,049.73
			WG-10	22	$32,068.76
			WG-08	1	$2,118.12
Chief Financial Officer Dir	CFO	64			
			GS-15	6	$22,817.03
			GS-14	11	$33,407.91
			GS-13	15	$50,861.79
			GS-12	8	$18,109.22
			GS-11	8	$14,339.02
			GS-09	3	$6,924.38
			GS-08	9	$18,577.55
			GS-07	4	$6,742.32
Chief Information Officer D	CIO	51			
			GS-15	5	$21,095.33
			GS-14	6	$10,791.31
			GS-13	13	$26,924.14
			GS-12	10	$13,518.08
			GS-11	11	$19,594.86
			GS-07	6	$5,742.32
Field Training Dir	FTD	261			
			GS-15	8	$31,213.95
			GS-14	23	$50,698.07
			GS-13	68	$99,231.43
			GS-12	100	$58,963.90
			GS-11	18	$29,820.38
			GS-09	24	$35,365.26
			GS-08	1	$1,200.00
			GS-07	7	$5,025.55
			GS-06	2	$1,071.15
			GS-05	6	$6,783.23
			WG-11	2	$1,659.07
			WG-10	2	$2,730.22
Washington Office	WO	14			
			GS-15	5	$23,500.00
			GS-14	1	$1,200.00
			GS-13	3	$4,019.29
			GS-12	2	$4,424.18
			GS-11	1	$2,700.00
			GS-09	2	$2,803.69
	Totals	1147			$1,799,221.62

10. Please provide a table showing how much is requested in the 2009 budget for bonuses for FLETC political employees, FLETC SES employees, and FLETC non-SES employees.

ANSWER: Please see following table.

Category	Amount
Political Employees	$0
SES Employees	$115,000
Non-SES Employees	$1,835,000

11. Please provide for the record a table that shows all funds expended by FLETC political employees for travel in 2007. Include name of individual traveling, purpose of travel, location(s) visited, and total cost.

ANSWER: FLETC does not have any political employees.

12. Please list the number, by office and pay grade level, of all FLETC employees hired non-competitively in fiscal years 2002, 2003, 2004, 2005, 2006, and 2007.

ANSWER: Requested data is provided on the following page. GS-2/3 personnel listed are Student Employment Experience Program - Summer Hires. GS-12/13 personnel listed within the Training Directorate and Field Training Directorate are primarily instructors hired under either the Emergency Hire Authority (Public Law 107-206) or the Re-employed Annuitant Authority (Public Law 109-295 (120 Stat. 1374)) when needed to fill temporary positions in response to the attacks of September 11, 2001.

QFR 14 FLETC Employees Hired Non-competitively								
			FY02	FY03	FY04	FY05	FY06	FY07
	Totals		89	64	95	39	124	111
Office of Chief Counsel	OCC							
		GS-14	1					
		GS-07	1					
Public Affairs	PAO							
		GS-05	1					
Equal Employment Div	EEO							
		GS-04					2	2
Inspection & Compliance Div	ISP							
		GS-03					1	
		GS-02					1	1
Special Investigations Div	SID							
		GS-14					1	
		GS-09			1			
Security & Emergency Mgmt Div	SEM							
		GS-04					2	
		GS-03						2
		GS-02					1	1
Training Directorate	ADT							
		GS-13	69	9	7	10	8	5
		GS-12	10	27	18	4	10	15
		GS-11		2	1	2	5	3
		GS-09			2		1	1
		GS-08			2			
		GS-07		1	2		1	2
		GS-06	3					
		GS-05	3					
		GS-04		1	1			
		GS-03					6	3
		GS-02					5	4
Training Innovation & Mgmt Dir	TIM							
		GS-09						1
		GS-08						
		GS-07		1			1	2
		GS-06		1				
		GS-03					2	1
		GS-02						1
Administration Dir	ADM							
		GS-13						2
		GS-12					1	1
		GS-11		1				
		GS-10						
		GS-09				1		
		GS-07		1			1	
		GS-06	1	1				
		GS-05					2	1
		GS-03					5	6
		GS-02					5	5
Chief Financial Officer Dir	CFO							
		GS-15						1
		GS-13			1	1		
		GS-11			1			
		GS-09		1				
		GS-08		1			2	
		GS-07						1
		GS-06					1	
		GS-05					2	
		GS-03					2	4
		GS-02					1	2
Chief Information Officer Dir	CIO							
		GS-14				1		
		GS-02					1	1
Field Training Directorate	FTD							
		GS-15		1				
		GS-13			1	2	1	2
		GS-12		13	56	12	37	27
		GS-11					1	
		GS-09		3	1	3	1	
		GS-07			1	2		3
		GS-05				1	6	1
		GS-03					3	5
		GS-02					5	5
	Totals		89	64	95	39	124	111

Contracts

13. Please provide for the record a list of sole source contracts executed by FLETC in 2007. Organize by contractor, purpose, dollar award, full performance value, contract start date, contract end date, and reason for sole-source.

ANSWER: Please see the following table.

Contractor Name	Purpose	Dollar Award	Full Performance Value	Contract Start Date	Contract End Date	Reason for Sole Source
A2B TRACKING SOLUTIONS INCORPORATED	MAINTENANCE AGREEMENT	$2,096	$2,096	11/28/2006	09/30/2007	ONLY ONE SOURCE - OTHER
ABBA CONSTRUCTION INC	RECONFIGURE CLASSROOM AREA	$2,933	$2,933	9/19/2006	11/13/2006	FOLLOW-ON DELIVERY ORDER FOLLOWING COMPETITIVE INITIAL ORDER
ABBA CONSTRUCTION INC	INDEFINITE DELIVERY INDEFINITE QUANTITY FOR CONSTRUCTION	$9,779	$9,779	9/25/2006	03/02/2007	FOLLOW-ON DELIVERY ORDER FOLLOWING COMPETITIVE INITIAL ORDER
ABBA CONSTRUCTION INC	DIVIDE 3 CLASSROOMS, BLDG 65	$38,331	$38,331	12/04/2006	02/22/2007	FOLLOW-ON DELIVERY ORDER FOLLOWING COMPETITIVE INITIAL ORDER
ABBA CONSTRUCTION INC	ENCLOSE AREA UNDER MEZZANINE STORAGE IN BLDG 680	$34,927	$34,927	11/02/2006	01/15/2007	FOLLOW-ON DELIVERY ORDER FOLLOWING COMPETITIVE INITIAL ORDER
ABBA CONSTRUCTION INC	ENCLOSE AREA UNDER MEZZANINE STORAGE IN BLDG 680	$13,283	$13,283	12/04/2006	02/01/2007	FOLLOW-ON DELIVERY ORDER FOLLOWING COMPETITIVE INITIAL ORDER
ABBA CONSTRUCTION INC	SITE WORK FOR CFI MODULAR BUILDING	$41,953	$41,953	12/04/2006	11/29/2006	FOLLOW-ON DELIVERY ORDER FOLLOWING COMPETITIVE INITIAL ORDER
ABBA CONSTRUCTION INC	INSTALL CARPET IN BLDG 216 AND VINYL COMPOSITION TILE IN IN TH 400-A	$3,849	$3,849	11/27/2006	11/29/2006	FOLLOW-ON DELIVERY ORDER FOLLOWING COMPETITIVE INITIAL ORDER
ABBA CONSTRUCTION INC	REPLACE CARPET IN TH 375A&B	$18,079	$18,079	12/11/2006	01/31/2007	FOLLOW-ON DELIVERY ORDER FOLLOWING COMPETITIVE INITIAL ORDER
ABBA CONSTRUCTION INC	ENCLOSE CARPORT, BLDG 316	$54,815	$54,815	02/13/2007	07/20/2007	FOLLOW-ON DELIVERY ORDER FOLLOWING COMPETITIVE INITIAL ORDER
ABBA CONSTRUCTION INC	INSTALL CARPORT, BLDG 20	$6,540	$6,540	02/07/2007	04/16/2007	FOLLOW-ON DELIVERY ORDER FOLLOWING COMPETITIVE INITIAL ORDER
ABBA CONSTRUCTION INC	REPLACE POOL FILTER	$80,390	$80,390	02/16/2007	04/24/2007	FOLLOW-ON DELIVERY ORDER FOLLOWING COMPETITIVE INITIAL ORDER
ABBA CONSTRUCTION INC	INSTALL BATHROOM TH394	$3,261	$3,261	03/05/2007	04/20/2007	FOLLOW-ON DELIVERY ORDER FOLLOWING COMPETITIVE INITIAL ORDER
ABBA CONSTRUCTION INC	RENOVATE BATHROOM IN TH384	$5,797	$5,797	03/05/2007	04/27/2007	FOLLOW-ON DELIVERY ORDER FOLLOWING COMPETITIVE INITIAL ORDER
ABBA CONSTRUCTION INC	RENEW FLOOR FINISHES AT B-141	$22,760	$22,760	03/29/2007	08/23/2007	FOLLOW-ON DELIVERY ORDER FOLLOWING COMPETITIVE INITIAL ORDER

ABBA CONSTRUCTION INC	INSTALL STOREFRONT DOOR AND BLINDS	$4,968	$4,968	04/10/2007	04/10/2007	FOLLOW-ON DELIVERY ORDER FOLLOWING COMPETITIVE INITIAL ORDER
ABBA CONSTRUCTION INC	BLD 399 & 401 - PAINT AND REPLACE CARPET	$27,135	$27,135	04/26/2007	06/12/2007	FOLLOW-ON DELIVERY ORDER FOLLOWING COMPETITIVE INITIAL ORDER
ABBA CONSTRUCTION INC	PHASE II RENOVATIONS - BLD 200	$195,529	$195,529	05/14/2007	09/26/2007	FOLLOW-ON DELIVERY ORDER FOLLOWING COMPETITIVE INITIAL ORDER
ABBA CONSTRUCTION INC	INSTALL AWNING - BLD 382	$10,962	$10,962	06/05/2007	07/22/2007	FOLLOW-ON DELIVERY ORDER FOLLOWING COMPETITIVE INITIAL ORDER
ABBA CONSTRUCTION INC	RENOVATE BLD - 201	$9,824	$9,824	05/30/2007	07/13/2007	FOLLOW-ON DELIVERY ORDER FOLLOWING COMPETITIVE INITIAL ORDER
ABBA CONSTRUCTION INC	EQUITABLE ADJUSTMENT - ADDITIONAL WORK ASSOCIATED WITH TH375A&B.	$1,423	$1,423	05/14/2007	05/14/2007	FOLLOW-ON DELIVERY ORDER FOLLOWING COMPETITIVE INITIAL ORDER
ABBA CONSTRUCTION INC	INSTALL AWNING - BLD 29	$46,774	$46,774	08/02/2007	10/05/2007	FOLLOW-ON DELIVERY ORDER FOLLOWING COMPETITIVE INITIAL ORDER
ABBA CONSTRUCTION INC	REPLACE ENTRY DOOR #9, BLDG 252, FLETC, GLYNCO, GA	$10,055	$10,055	07/18/2007	10/21/2007	FOLLOW-ON DELIVERY ORDER FOLLOWING COMPETITIVE INITIAL ORDER
ABBA CONSTRUCTION INC	REPAIR SHOWER - BLD 166	$3,713	$3,713	07/27/2007	09/27/2007	FOLLOW-ON DELIVERY ORDER FOLLOWING COMPETITIVE INITIAL ORDER
ABBA CONSTRUCTION INC	DEMO & REPAIR WATER DAMAGED - BLD 372A	$10,000	$10,000	07/26/2007	09/13/2007	FOLLOW-ON DELIVERY ORDER FOLLOWING COMPETITIVE INITIAL ORDER
ACC HOSPITALITY LESSEE INCORPORATED	30 LODGING ROOMS X 3 NIGHTS	$12,834	$12,834	05/31/2007	06/14/2007	ONLY ONE SOURCE - OTHER
ACTION TARGET INC	AUTOMATED TARGET REPAIR PARTS	$9,728	$9,728	03/22/2007	4/16/2007	ONLY ONE SOURCE - OTHER
ACTION TARGET INCORPORATED	TURNING TARGET REPAIR COMPONENT	$3,523	$3,523	08/29/2007	9/14/2007	ONLY ONE SOURCE - OTHER
ADT SECURITY SERVICES, INC	INSTALLATION AND PURCHASE OF ADT EQUIPMENT	$30,233	$30,233	09/28/2007	10/15/2007	AUTHORIZED BY STATUTE
ADT SECURITY SERVICES, INC.	ALARM RECEIVING SYSTEM TO INCLUDE INSTALLATION, PROGRAMMING, AND TESTING.	$80,150	$80,150	09/20/2007	12/31/2007	AUTHORIZED BY STATUTE
ADT SECURITY SERVICES, INC.	INSTALLATION OF ALARM SECURITY SYSTEMS	$3,062	$3,062	04/25/2007	05/25/2007	SIMPLIFIED ACQUISITION PROCEDURES -NON-COMPETITIVE ONLY ONE SOURCE - OTHER
ALL POINTS LOGISTICS INC	INSTALL INTERIOR VOICE/DATA CABLING IN BLDG 200 AT FEDERAL LAW ENFORCEMENT TRAINING CENTER, GLYNCO, GA	$36,000	$36,000	06/12/2007	06/29/2007	AUTHORIZED BY STATUTE
ALL POINTS LOGISTICS INC	WINDOWS XP UPGRADE	$29,570	$29,570	09/26/2007	10/10/2007	SIMPLIFIED ACQUISITION PROCEDURES -NON-COMPETITIVE ONLY ONE SOURCE - OTHER
ALPHA PROTECTIVE SERVICES INCORPORATED	INMATE DETAIL TRANSPORT AND ESCORT SERVICES	$92,024	$284,317	07/13/2007	9/30/2009	AUTHORIZED BY STATUTE
AMERICAN NAUTICAL SERVICES INCORPORATED	BOOK, "INTERNATIONAL SHIP AND PORT FACILITY SECURITY CODE"	$3,567	$3,567	04/25/2007	5/25/2007	ONLY ONE SOURCE - OTHER

ANALYTIC ADVANTAGE INCORPORATED	GUEST LECTURER SERVICE	$17,000	$17,000	07/16/2007	07/29/2007	ONLY ONE SOURCE - OTHER
APPLIED SIMULATION TECHNOLOGIES LIMITED LIABILITY COMPANY	EVOC 101 SIMULATOR SOFTWARE	$71,880	$71,880	09/27/2007	10/31/2007	UNIQUE SOURCE
ARTESIA CITY OF	MOU BETWEEN THE FLETC AND THE CITY OF ARTESIA, NM. CITY SEWER EXPANSION N ON 13TH STREET.	$293,818	$293,818	09/19/2007	12/31/2011	ONLY ONE SOURCE - OTHER
AVAYA INCORPORATED GOVERNMENT SOLUTIONS BRANCH	CONTRACTOR SHALL PROVIDE ALL LABOR, MATERIAL, EQUIPMENT, TOOLS, SUPERVISON AND COMPONENTS NECESSARY TO ENGINEER, FURNISH, INSTALL AND TEST THE TURNKEY INFRASTRUCTURE UPGRADE. UPGRADE OF CHELTENHAM CABLING INFRASTRUCTURE. INSTALLATION OF ADDITIONAL FIBER BETWEEN BUILDINGS 11 AND 4; TERMINATING EXISTING FIBER IN DRIVING RANGE TOWERS, BLDG 11,13,100,101, AND 32. UPGRADE OF TELECOMMUNIATIONS ROOM CABLING SYSTEM AND INSTALLATIONOF MANHOLE LOCKING DEVICES. REPLACEMENT OF FIBER OPTIC PATCH PANELS WITH ST TYPE CONECTORS.	$296,184	$296,184	02/22/2007	5/22/2007	ONLY ONE SOURCE - OTHER
AVAYA INCORPORATED GOVERNMENT SOLUTIONS BRANCH	INDOOR/OUTDOOR PLANT FOR COMMUNICATIONS	$135,558	$135,558	12/22/2006	4/30/2007	ONLY ONE SOURCE - OTHER
AVAYA INCORPORATED GOVERNMENT SOLUTIONS BRANCH	INSTALLATION OF DATA CABLING	$23,893	$23,893	12/22/2006	01/15/2007	ONLY ONE SOURCE - OTHER
BLANCHARD TRAINING AND DEVELOPMENT INCORPORATED	TRAINING MATERIALS	$8,566	$8,566	01/28/2007	02/15/2007	ONLY ONE SOURCE - OTHER
BLANCHARD TRAINING AND DEVELOPMENT INCORPORATED	LEADERSHIP TRAINING MATERIALS	$8,614	$8,614	05/31/2007	06/10/2007	ONLY ONE SOURCE - OTHER
BLANCHARD TRAINING AND DEVELOPMENT INCORPORATED	TRAINING MATERIALS	$8,629	$8,629	07/16/2007	08/06/2007	ONLY ONE SOURCE - OTHER
BLOCKHOUSE\DQ INCORPORATED	OFFICE FURNITURE	$20,737	$20,737	07/19/2007	11/26/2007	AUTHORIZED BY STATUTE
BOYKIN CONTRACTING INC	VCC GROUND IMPROVEMENTS, FLETC, CHARLESTON SC	$4,497	$4,497	3/23/2007	4/23/2007	AUTHORIZED BY STATUTE
BOYKIN CONTRACTING INC	CHILLED WATER PIPING INSPECTION AND REPAIRS, B-285	$70,659	$70,659	11/16/2006	1/23/2008	AUTHORIZED BY STATUTE
BOYKIN CONTRACTING INC	SITE PREPARATION FOR TEMPORARY ENTRY CONTROL FACILITY, FLETC, CHS	$98,101	$98,101	12/12/2006	5/9/2007	AUTHORIZED BY STATUTE
BOYKIN CONTRACTING INC	RENOVATIONS BUILDING 686 - TACTICAL TRAINING FACILITY	$44,220	$44,220	12/05/2006	2/4/2007	AUTHORIZED BY STATUTE
BOYKIN CONTRACTING INC	RENOVATIONS TO BUILDING 672, FLETC, CHARLESTON SC	$72,463	$72,463	04/20/2007	10/26/2007	AUTHORIZED BY STATUTE
BRUNSWICK GROUP INCORPORATED	LEASE OF A 10 FOOT X 20 FOOT STORAGE SPACE FOR STUDENT TRAINING	$900	$900	09/17/2007	09/30/2008	ONLY ONE SOURCE - OTHER

	PURPOSES.					
CDW GOVERNMENT INCORPORATED	VERITAS BACK-UP SYSTEM YEARLY MAINTENANCE AND LICENSING	$9,465	$9,465	01/19/2007	01/30/2008	ONLY ONE SOURCE - OTHER
CENTRAL VALLEY ELECTRIC COOPERATIVE INCORPORATED	INSTALL DISTRIBUTION POWER	$5,094	$5,094	06/22/2007	7/31/2007	ONLY ONE SOURCE - OTHER
CHAMPION EXPOSITION SERVICES INCORPORATED	EXHIBIT RENTAL	$13,000	$13,000	08/10/2007	08/20/2007	ONLY ONE SOURCE - OTHER
CHENEGA MANAGEMENT LIMITED LIABILITY COMPANY	CONTRACTOR SHALL PROVIDE AN OPERATOR OF THE 270-DAY HAZARDOUS WASTE ACCUMULATION SITES AT THE FLETC. THE TITLE OF THE OPERATOR SHALL BE HAZARDOUS WASTE COORDINATOR. THE HAZARDOUS WASTE COORDINATOR SHALL BE AN INDEPENDENT CONTRACTOR AND NOT AN AGENT OF THE GOVERNMENT. THE GOVERNMENT WILL PROVIDE TOOLS, EQUIPMENT, MATERIALS AND FORMS.	$188,279	$188,279	01/10/2007	1/8/2009	AUTHORIZED BY STATUTE
CHEROKEE ENTERPRISES INCORPORATED	PREPARE A SITE SPECIFIC HEALTH AND SAFETY PLAN TO ADDRESS HEALTH RISKS ASSOCIATED WITH PERFORMING ACTIVITIES AT THE SITE.	$78,831	$78,832	02/08/2007	2/28/2007	AUTHORIZED BY STATUTE
CHEROKEE ENTERPRISES INCORPORATED	DEVELOPMENT OF A SPCC PLAN	$36,246	$36,246	08/29/2007	09/30/2007	AUTHORIZED BY STATUTE
COBHAM TRACKING AND LOCATING LIMITED	TRACKING AND LOCATING DEVICE	$5,955	$5,955	06/01/2007	06/10/2007	FOLLOW-ON CONTRACT
COLUMBIA PROPERTIES LIMITED LIABILITY COMPANY (6020)	LODGING ROOMS	$9,979	$9,979	07/19/2007	08/16/2007	ONLY ONE SOURCE - OTHER
COMCAST CABLEVISION OF CAROLIN	CABLE MODEM SERVICE	$864	$864	5/26/2005	04/06/2007	FOLLOW-ON CONTRACT
CROSSFIT INCORPORATED	TRAINING SEMINAR	$5,950	$5,950	07/16/2007	07/29/2007	ONLY ONE SOURCE - OTHER
CSC INFORMATION SYSTEMS LLC	AUTOMATED TESTING AND EVALUATION SYSTEM FATES	$161,786	$161,786	11/17/2005	9/30/2007	ONLY ONE SOURCE - OTHER
D R MYERS DISTRIBUTING COMPANY	ID CHECKING GUIDES	$22,400	$22,400	03/27/2007	05/11/2007	ONLY ONE SOURCE - OTHER
DANIEL RICHMOND	GUEST LECTURE SERVICE	$3,598	$3,598	06/19/2007	08/17/2007	ONLY ONE SOURCE - OTHER
DATASTREAM SYSTEMS INCORPORATED	SOFTWARE LICENSES AND MAINTENANCE	$24,667	$24,667	10/12/2006	09/30/2007	UNIQUE SOURCE
DED USA LIMITED LIABILITY COMPANY	TACTICAL SIMULATION EQUIPMENT	$16,233	$16,233	08/22/2007	09/30/2007	ONLY ONE SOURCE - OTHER
DUMMIES UNLIMITED INCORPORATED	DYNO FLEX BATONS & ACCESSORIES	$13,950	$13,950	08/28/2007	09/30/2007	ONLY ONE SOURCE - OTHER
ECO BLUE INCORPORATED	ASBESTOS ABATEMENT	$6,000	$6,000	01/04/2007	01/31/2007	AUTHORIZED BY STATUTE
ECO BLUE INCORPORATED	ASBESTOS REMOVAL	$3,800	$3,800	02/01/2007	02/28/2007	AUTHORIZED BY STATUTE
ECO BLUE INCORPORATED	ASBESTOS ABATEMENT	$6,900	$6,900	05/10/2007	05/31/2007	AUTHORIZED BY STATUTE
ECO BLUE INCORPORATED	BUILDING 306 LEAD PAINT AND ASBESTOS ABATEMENT PROJECT	$33,500	$33,500	09/27/2007	11/30/2007	AUTHORIZED BY STATUTE

EG SOLUTIONS LLC	CX3-80 STORAGE AREA NETWORK	$372,828	$372,828	04/23/2007	10/26/2007	AUTHORIZED BY STATUTE
EG SOLUTIONS LLC	CX3-80 STORAGE AREA NETWORK	$457,571	$457,571	4/27/2007	10/26/2007	AUTHORIZED BY STATUTE
ENFOLD SYSTEMS INC	ENFOLD SERVER SUPPORT SERVICES	$8,000	$9,200	9/6/2006	9/30/2007	ONLY ONE SOURCE - OTHER
ENGINEERING SPECIALTY PRODUCTS INCORPORATED	9MM BLANK AMMUNITION WITH LEAD-FREE PRIMERS FOR PROPRIETARY GLOCK17 CONVERSION BARRELS & 9MM BLANK AMMO WITH LEAD FREE PRIMERS FOR PROPRIETRARY SIG P229 CONVERSION BARRELS	$38,400	$38,400	03/05/2007	04/19/2007	ONLY ONE SOURCE - OTHER
ENGINEERING SPECIALTY PRODUCTS INCORPORATED	BARRELS FOR BLANK FIRING PISTOLS	$7,550	$7,550	11/17/2006	01/17/2007	ONLY ONE SOURCE - OTHER
ENGINEERING SPECIALTY PRODUCTS INCORPORATED	P2000 BLANK BARRELS	$6,800	$6,800	08/24/2007	09/30/2007	ONLY ONE SOURCE - OTHER
ENGINEERING SPECIALTY PRODUCTS INCORPORATED	9-223 GOR GLK 17 BLANKS WITH LEAD FREE PRIMERS, 9MM LONG FOR SIG P228/P229	$114,000	$114,000	09/28/2007	11/30/2007	ONLY ONE SOURCE - OTHER
EXTREME NETWORKS INCORPORATED	ON-SITE EMERGENCY SERVICES FOR TELECOMUNICATIONS. TECHNICAL SUPPORT SERVICES TO RESOLVE NETWORKING PROBLEMS AT THE FEDERAL LAW ENFORCEMENT TRAINING CENTER. COST TO INCLUDE TRAVELT IME FOR EXTREME NETWORKS EMPLOYEE.	$20,000	$20,000	01/31/2007	02/05/2007	AUTHORIZED BY STATUTE
EXTREME NETWORKS INCORPORATED	PROVIDE ON-SITE EMERGENCY SERVICES FOR TELECOMUNNICATIONS. TECHNICAL SUPPORT SERVICES TO RESOLVE NETWORKING PROBLEMS AT THE FEDERAL LAW ENFORCEMENT TRAINING CENTER (FLETC), GLYNCO, GA. COST TO INCLUDE TRAVEL TIME FOR EXTREME NETWORKS EMPLOYEE.	$10,000	$10,000	02/16/2007	02/19/2007	AUTHORIZED BY STATUTE
FEDERAL LAW ENFORCEMENT TRAINING CENTER RECREATION ASSOCIATI	PORTFOLIOS - RATIFICATION ACTION	$8,000	$8,000	09/26/2007	09/30/2007	UNIQUE SOURCE
FEDERAL SIGNAL CORPORATION (3330)	REPAIR/UPGRADE EXISTING EARLY WARNING SYSTEM.	$51,310	$51,310	09/26/2007	3/7/2008	AUTHORIZED BY STATUTE
G L WHITE AND ASSOCIATES	GUEST LECTURER	$2,500	$2,500	10/10/2006	10/20/2006	ONLY ONE SOURCE - OTHER
G L WHITE AND ASSOCIATES	GUEST LECTURER	$3,600	$3,600	02/02/2007	03/02/2007	ONLY ONE SOURCE - OTHER
GEORGIA POWER COMPANY	INSTALL OF A 3 PHASE 300KVA TRANSFORMER AT 277/480V BY GEORGIA POWER, AT BLDG 218.	$27,500	$27,500	12/01/2006	12/31/2006	ONLY ONE SOURCE - OTHER
GEORGIA POWER COMPANY	INSTALL ELECTRIC METERS FOR TWO (2) WATER WELLS	$5,500	$5,500	09/06/2007	10/31/2007	ONLY ONE SOURCE - OTHER
GOLDBELT EAGLE LIMITED LIABILITY COMPANY	ARAB LINGUISTS, ROLE PLAYERS AND FIREARMS INSTRUCTION	$68,430	$68,430	10/06/2006	4/17/2007	AUTHORIZED BY STATUTE
GOLDBELT EAGLE LIMITED LIABILITY COMPANY	ROLE PLAYERS/INTERPRETERS	$31,120	$31,120	07/20/2007	09/19/2007	AUTHORIZED BY STATUTE
GOLDBELT EAGLE, LLC	ADVANCED DEPLOYMENT TRAINING	$4,348	$4,348	01/16/2007	01/26/2007	AUTHORIZED BY STATUTE
GOODWILL INDUSTRIES OF THE	JANITORIAL SERVICES	$33,997	$33,997	1/11/2006	09/30/2007	DIRECTED TO JWOD NONPROFIT AGENCY

COA						
GUIDANCE SOFTWARE INCORPORATED	ENCASE FORENSIC V6 WITH ENCASE FORENSIC HL USB	$23,695	$23,695	09/28/2007	10/01/2007	ONLY ONE SOURCE - OTHER
HASTYS COMMUNICATIONS EAST INCORPORATED	RENTAL OF TOWER SPACE FOR ANTENNA TRUNKING SYSTEM & REPEATERS FOR FLETC RADIO COMMUNICATION SYSTEM.	$15,120	$15,120	1/11/2005	09/30/2008	UNIQUE SOURCE
HASTYS COMMUNICATIONS EAST INCORPORATED (4526)	INSTALLATION OF GOVERNMENT FURNISHED EQUIPMENT IN VEHICLES	$3,366	$3,366	07/16/2007	08/16/2007	UNIQUE SOURCE
HDS GROUP	GUEST LECTURER SERVICES	$1,413	$1,413	12/14/2006	12/15/2006	ONLY ONE SOURCE - OTHER
HECKLER AND KOCH DEFENSE INCORPORATED	TRAINING PISTOL	$10,200	$10,200	07/26/2007	08/31/2007	ONLY ONE SOURCE - OTHER
HERRIN RON COPIERS INCORPORATED	COPIER RENTAL AND SERVICE	$1,620	$1,620	09/14/2007	09/30/2007	ONLY ONE SOURCE - OTHER
HILDEBRAND AND NOLL ASSOCIATES	GUEST LECTURER SERVICES	$13,600	$13,600	08/03/2007	09/27/2007	ONLY ONE SOURCE - OTHER
HOME FRONT PROTECTIVE GROUP INCORPORATED	GUEST LECTURER SERVICE	$4,029	$4,029	07/20/2007	07/25/2007	ONLY ONE SOURCE - OTHER
IKON OFFICE SOLUTIONS INCORPORATED (9071)	LEASE AGREEMENT FOR CANON COPIER	$16,148	$16,148	03/26/2007	9/30/2007	ONLY ONE SOURCE - OTHER
IMPROVE GROUP	SUPPORT RAIL FOR GUN RACKS	$4,116	$4,116	05/09/2007	05/30/2007	UNIQUE SOURCE
INNOVATIVE TRAINING CONCEPTS INCORPORATED	TRAINING AIDS - MANNEQUINS	$4,565	$4,565	07/16/2007	08/31/2007	ONLY ONE SOURCE - OTHER
INTERNATIONAL ASSOCIATION OF CHIEFS OF POLICE	BOOTH RENTAL FOR CONFERENCE	$3,795	$3,795	07/31/2007	10/17/2007	ONLY ONE SOURCE - OTHER
INTERNATIONAL PUBLIC WORKS LIMITED LIABILITY COMPANY	CONSTRUCT NEVO/SKID PAN, FLETC, CHARLESTON SC	$3,613	$3,613	9/30/2006	11/30/2007	AUTHORIZED BY STATUTE
JAMES FUDA P	GUEST LECTURE FOR COUNTER-TERRORISM CLASS	$1,918	$1,918	02/23/2007	04/18/2007	ONLY ONE SOURCE - OTHER
JHPIEGO CORPORATION (4444)	ASSESSMENT OF TRAINING	$35,276	$35,276	01/30/2007	06/30/2007	UNIQUE SOURCE
L 3 COMMUNICATIONS CYTERRA CORPORATION	MAINTENANCE AGREEMENT FOR SCREENING EQUIPMENT	$3,760	$3,760	03/15/2007	09/30/2007	ONLY ONE SOURCE - OTHER
L C IND INC	OFFICE SUPPLIES	$4,043	$4,043	07/26/2007	08/16/2007	DIRECTED TO JWOD NONPROFIT AGENCY
L C IND INC	OFFICE SUPPLIES	$4,043	$4,043	8/8/2007	9/30/2007	DIRECTED TO JWOD NONPROFIT AGENCY
L C IND INCORPORATED (6307)	OFFICE SUPPLIES	$3,630	$3,630	07/26/2007	08/15/2007	DIRECTED TO JWOD NONPROFIT AGENCY
L C IND INCORPORATED (6307)	PRINTER CARTRIDGES	$3,156	$3,156	08/15/2007	08/22/2007	DIRECTED TO JWOD NONPROFIT AGENCY
LABOR, GEORGIA DEPARTMENT OF	FOOD SERVICE MANAGEMENT- RANDOLPH SHEPPARD ACT	$10,925,460	$55,812,255	12/9/2005	9/30/2010	AUTHORIZED BY STATUTE
LANE CITY CENTER LIMITED	HOTEL ROOMS FOR G.R.E.A.T. CONFERENCE	$10,143	$10,143	05/01/2007	06/28/2007	FOLLOW-ON CONTRACT
LASER SHOT INC	30 EA DESKTOP VIRTUAL BATTLESPACE 2 (CD-MDTVBS2)	$47,250	$47,250	09/07/2007	9/30/2007	ONLY ONE SOURCE - OTHER
LOW COUNTRY PAINT AND BODY	AUTOMOBILE REPAIRS AND PAINTING	$2,544	$2,544	09/27/2007	11/30/2007	ONLY ONE SOURCE - OTHER
MAXIMUS INCORPORATED	MAXIMUS FUEL MANAGEMENT SYSTEM	$42,294	$42,294	09/28/2007	12/1/2007	ONLY ONE SOURCE - OTHER
MEGGITT DEFENSE SYSTEMS CASWELL	TARGETING SYSTEM PARTS	$7,678	$7,678	11/06/2006	11/27/2006	ONLY ONE SOURCE - OTHER
MEYERHOFF JAMES MD	RESEARCH CONSULTANT AND ADVISOR	$23,500	$23,500	04/25/2007	09/30/2007	ONLY ONE SOURCE - OTHER
MICHAEL LEONARD	DRUG PAMPHLETS AND BOOKLETS	$3,838	$3,838	06/06/2007	07/19/2007	ONLY ONE SOURCE - OTHER

MPRI INCORPORATED	SAFE SHOT, 9 MM, 1,000 ROUNDS PER CASE	$4,000	$4,000	01/16/2007	5/11/2007	ONLY ONE SOURCE - OTHER
MPRI INCORPORATED	MOVE, INSTALL AND TEST POD 1 DRIVER SIMULATORS FROM BLDG. 210 TO BLDG. 215 (NEW SIMULATION BUILDING).	$4,795	$4,795	04/26/2007	04/26/2007	ONLY ONE SOURCE - OTHER
MULTI HEALTH SYSTEMS INCORPORATED	ASSESSMENT TOOLS	$6,731	$6,731	12/14/2006	12/18/2006	ONLY ONE SOURCE - OTHER
MULTI HEALTH SYSTEMS INCORPORATED	IQ AND LEADERSHIP ASSESSMENTS	$4,064	$4,064	01/23/2007	02/01/2007	ONLY ONE SOURCE - OTHER
MYTHICS, INC	PERPETUAL LICENSE: DHS CORE TECHNOLOGY BUNDLE INCLUDING: ORACLE DATABASE ENTERPRISE EDITION, REAL APPLICATION CLUSTERS, ADVANCED SECURITY, LABEL SECURITY, PARTIIONING, SPATIAL, DIAGNOSTICS PACK FOR DATABASE. FUNNING PACK FOR DATA BASE. CHANGE MANAGEMENT PACK FOR DATABASE, AND INTERNET APLICATON SERVER ENTERPRISE EDITION.	$55,984	$55,984	08/16/2007	08/20/2007	ONLY ONE SOURCE - OTHER
MYTHICS, INC	ORACLE LICENSES - PERPETUAL LICENSE: DHS CORE TECHNOLOGY BUNDLE: ORACLE DATABASE ENTERPRISE EDITION	$55,984	$55,984	09/15/2007	09/24/2007	ONLY ONE SOURCE - OTHER
NASCO/WA GROUP JV	CLEARING & GRUBBING TACTICAL VILLAGE, FLETC, GLYNCO, GA	$60,008	$60,008	08/10/2007	09/09/2007	AUTHORIZED BY STATUTE
NATIONAL STUDENT CLEARINGHOUSE INCORPORATED	DEGREE VERIFICATION FOR PRE-EMPLOYMENT BACKGROUND CHECKS	$900	$900	12/12/2006	09/30/2007	ONLY ONE SOURCE - OTHER
NATIVE AMERICAN SERVICES CORPORATION	REPLACE DOORS AND OTHER RELATED WORK AT BUILDING 2400	$1,025,770	$1,025,770	01/23/2007	07/02/2007	AUTHORIZED BY STATUTE
NEW MEXICO COMMISSION FOR THE	FOOD SERVICE	$5,858,972	$19,462,716	9/17/2004	09/30/2008	DIRECTED TO JWOD NONPROFIT AGENCY
NORTEL GOVERNMENT SOLUTIONS INCORPORATED	INFORMATION SYSTEMS SECURITY OFFICER, CONTRACTOR SUPPORT SERVICES @ FLETC, GLYNCO, GA	$301,309	$301,309	09/28/2007	09/27/2010	FOLLOW-ON CONTRACT
OKLAHOMA STATE UNIVERSITY	FIRE PROTECTION BOOKS	$15,602	$15,602	07/02/2007	08/02/2007	ONLY ONE SOURCE - OTHER
OLIN CORPORATION (2319)	AMMUNITION	$400,000	$400,000	10/19/2006	12/21/2006	ONLY ONE SOURCE - OTHER
OWENSBORO BRUNSWICK INCORPORATED	CABLE INTERNET SERVICE	$1,399	$1,399	11/21/2006	09/30/2007	ONLY ONE SOURCE - OTHER
OWENSBORO-BRUNSWICK, INC	CABLE SERVICES	$219,018	$1,136,058	2/9/2006	9/30/2010	ONLY ONE SOURCE - OTHER
PACIFIC TECH CONSTRUCTION INCORPORATED	CONSTRUCTION OF BUILDING 205-GARAGE ADDTIONAL PROJECT	$1,162,824	$1,255,682	05/03/2007	11/21/2007	AUTHORIZED BY STATUTE
PAUL STEENSLAND AND ASSOCIATES LIMITED LIABILITY COMPANY	GUEST LECTURER SERVICES	$4,550	$4,550	02/23/2007	03/02/2007	UNIQUE SOURCE
PVT NETWORKS INCORPORATED	INSTALLATION OF CATV	$44,000	$44,000	06/21/2007	7/16/2007	ONLY ONE SOURCE - OTHER
R M VREDENBURG AND COMPANY	FINANCIAL & PROCUREMENT SYSTEM SOFTWARE LICENSE, MAINTENANCE & TECH SUPPORT	$415,300	$1,617,610	10/1/2005	03/31/2007	ONLY ONE SOURCE - OTHER
R M VREDENBURG AND COMPANY	MOMENTUM UPGRADE	$2,492,902	$2,492,902	09/27/2007	08/31/2008	AUTHORIZED BY STATUTE

R S MEANS COMPANY INCORPORATED	2007 COSTWORKS FACILITIES MANAGERS PACKAGE	$6,647	$6,647	11/02/2006	12/20/2006	ONLY ONE SOURCE - OTHER
RAMCOR SERVICES GROUP INCORPORATED	BUSH HOG DRIVER TRAINING TRACK UNDER CLIN 0026	$3,000	$3,000	10/24/2006	10/31/2006	AUTHORIZED BY STATUTE
RAMCOR SERVICES GROUP INCORPORATED	CLIN 0012 - PROVIDE AN AUTOMOTIVE WORKER TO SUPPORT DRIVER TRAINING CLASS OUTSIDE NORMAL HOURS	$207	$207	10/24/2006	10/27/2006	AUTHORIZED BY STATUTE
RAMCOR SERVICES GROUP INCORPORATED	CONSTRUCT TIRE BARRICADES FOR DRIVER TRAINING TRACK	$4,802	$4,802	10/24/2006	12/8/2006	AUTHORIZED BY STATUTE
RAMCOR SERVICES GROUP INCORPORATED	SUPPLY AND REPLACE HEPA FILTERS	$58,558	$58,558	01/31/2007	6/15/2007	AUTHORIZED BY STATUTE
RAMCOR SERVICES GROUP INCORPORATED	REPAIR BOILERS IN BLDG. 5	$4,746	$4,746	01/19/2007	1/31/2007	AUTHORIZED BY STATUTE
RAMCOR SERVICES GROUP INCORPORATED	PAINT ADDITIONAL LINES ON FIRING RANGES IN BLDG. 5.	$8,777	$8,777	01/19/2007	2/28/2007	AUTHORIZED BY STATUTE
RAMCOR SERVICES GROUP INCORPORATED	EMERGENCY REPAIRS TO AHU IN BLDG. 5	$1,325	$1,325	01/31/2007	2/1/2007	AUTHORIZED BY STATUTE
RAMCOR SERVICES GROUP INCORPORATED	EMERGENCY SERVICE CALL FOR SNOW/ICE REMOVAL.	$1,325	$1,325	02/01/2007	2/7/2007	AUTHORIZED BY STATUTE
RAMCOR SERVICES GROUP INCORPORATED	SNOW REMOVAL FOR 02/07-02/08/2007	$2,792	$2,792	03/13/2007	2/8/2007	AUTHORIZED BY STATUTE
RAMCOR SERVICES GROUP INCORPORATED	CLEAN DIFFUSERS AND LIGHT FIXTURES IN BLDG. 3	$225	$225	03/07/2007	3/14/2007	AUTHORIZED BY STATUTE
RAMCOR SERVICES GROUP INCORPORATED	SNOW REMOVAL FOR 2/13-2/14/2007	$17,305	$17,305	03/13/2007	2/14/2007	AUTHORIZED BY STATUTE
RAMCOR SERVICES GROUP INCORPORATED	HANG POSTERS IN VARIOUS BUILDINGS.	$225	$225	03/13/2007	3/14/2007	AUTHORIZED BY STATUTE
RAMCOR SERVICES GROUP INCORPORATED	SNOW REMOVAL FOR 02/25/-02/262007	$12,724	$12,724	03/14/2007	2/26/2007	AUTHORIZED BY STATUTE
RAMCOR SERVICES GROUP INCORPORATED	WASH 5 FLEET TRANING VEHICLES	$100	$100	03/14/2007	3/14/2007	AUTHORIZED BY STATUTE
RAMCOR SERVICES GROUP INCORPORATED	STRIP AND WAX FLOORS IN BLDG. 5	$5,345	$5,345	03/15/2007	2/28/2007	AUTHORIZED BY STATUTE
RAMCOR SERVICES GROUP INCORPORATED	EMERGENCY REPAIR OF BOILERS IN BLDGS. 4 AND 13.	$1,325	$1,325	03/15/2007	2/8/2007	AUTHORIZED BY STATUTE
RAMCOR SERVICES GROUP INCORPORATED	CLEAR DOWNED TREES FROM PERIMETER ROAD RESULTING FROM ICE AND WIND STORM.	$20,100	$20,100	03/22/2007	3/30/2007	AUTHORIZED BY STATUTE
RAMCOR SERVICES GROUP INCORPORATED	INSTALL DISPLAY CABINET IN BLDG. 50.	$225	$225	03/22/2007	3/30/2007	AUTHORIZED BY STATUTE
RAMCOR SERVICES GROUP INCORPORATED	REMOVE LEAD PAINT IN TACTICAL VILLAGE.	$21,000	$21,000	03/27/2007	4/15/2007	AUTHORIZED BY STATUTE
RAMCOR SERVICES GROUP INCORPORATED	REMOVE LEAD FX CARTRIDGES FROM GROUNDS IN TACTICAL VILLAGE.	$225	$225	03/28/2007	4/25/2007	AUTHORIZED BY STATUTE
RAMCOR SERVICES GROUP INCORPORATED	CHEMICAL TREATMENT OF SIDEWALKS, PORCHES, ETC.	$800	$800	03/28/2007	3/8/2007	AUTHORIZED BY STATUTE
RAMCOR SERVICES GROUP INCORPORATED	WASH FLEET TRAINING VEHICLES FOR THE MONTH OF APRIL 2007.	$400	$400	04/04/2007	4/30/2007	AUTHORIZED BY STATUTE
RAMCOR SERVICES GROUP	SERVICE CALL TO HANG POSTERS IN BLDG. 5.	$225	$225	04/04/2007	4/18/2007	AUTHORIZED BY STATUTE

INCORPORATED						
RAMCOR SERVICES GROUP INCORPORATED	SERVICE CALL TO REMOVE BASE AND FRAME FROM OLD BUS SHELTER.	$225	$225	04/04/2007	4/18/2007	AUTHORIZED BY STATUTE
RAMCOR SERVICES GROUP INCORPORATED	SUPPLY AND REPLACE PRE AND BOX FILTERS ON SUPPLY SIDE OF AHUS FOR FIRING RANGES.	$28,342	$28,342	04/09/2007	5/31/2007	AUTHORIZED BY STATUTE
RAMCOR SERVICES GROUP INCORPORATED	CLEAN OUT BAYSAVER SYSTEM AT BLDG. 11.	$2,900	$2,900	04/11/2007	5/11/2007	AUTHORIZED BY STATUTE
RAMCOR SERVICES GROUP INCORPORATED	DISPOSE OF BIOHAZARDOUS MATERIAL	$225	$225	04/26/2007	5/18/2007	AUTHORIZED BY STATUTE
RAMCOR SERVICES GROUP INCORPORATED	LEAD SWIPE TESTS ON AHUS ON FIRING RANGES 1-4 AND 7	$225	$225	04/26/2007	5/4/2007	AUTHORIZED BY STATUTE
RAMCOR SERVICES GROUP INCORPORATED	CONSTRUCTING TIRE BARRICADES	$1,600	$1,600	05/08/2007	5/31/2007	AUTHORIZED BY STATUTE
RAMCOR SERVICES GROUP INCORPORATED	PROVIDING ONE AUTO WORKER FOR NIGHT DRIVING FOR DRIVER TRAINING	$225	$225	05/04/2007	5/4/2007	AUTHORIZED BY STATUTE
RAMCOR SERVICES GROUP INCORPORATED	HANGING 27 POSTERS IN BLDG. 5 CLASSROOMS 1, 2, AND 3	$225	$225	05/08/2007	5/22/2007	AUTHORIZED BY STATUTE
RAMCOR SERVICES GROUP INCORPORATED	HAND WASHING 20 VEHICLES IN MAY 2007 FOR DRIVER TRAINING COTR	$400	$400	05/08/2007	5/31/2007	AUTHORIZED BY STATUTE
RAMCOR SERVICES GROUP INCORPORATED	WEEDING AND MULCHING IN THE SHRUB BORDERS OF BLDG. 5	$1,750	$1,750	05/18/2007	6/17/2007	AUTHORIZED BY STATUTE
RAMCOR SERVICES GROUP INCORPORATED	REPAIRS TO CHILLERS AT BLDG. 5	$1,325	$1,325	05/23/2007	6/22/2007	AUTHORIZED BY STATUTE
RAMCOR SERVICES GROUP INCORPORATED	WASHING CARS BETWEEN JUNE 1, 2007 TO SEPT. 30, 2007	$3,900	$3,900	06/06/2007	9/30/2007	AUTHORIZED BY STATUTE
RAMCOR SERVICES GROUP INCORPORATED	HANG FIVE (5) STAPH INFECTION POSTERS	$225	$225	07/06/2007	7/15/2007	AUTHORIZED BY STATUTE
RAMCOR SERVICES GROUP INCORPORATED	WEED UNDER WATER TOWERS, FLETC, CHELTENHAM, MD	$480	$480	07/06/2007	7/30/2007	AUTHORIZED BY STATUTE
RAMCOR SERVICES GROUP INCORPORATED	LABEL AST, BUILDING 31, FLETC, CHELTENHAM, MD	$225	$225	07/06/2007	7/23/2007	AUTHORIZED BY STATUTE
RAMCOR SERVICES GROUP INCORPORATED	SERVICE CALL TO REMOVE WOOD PALLETS, FLETC, CHELTENHAM, MD	$225	$225	07/09/2007	7/30/2007	AUTHORIZED BY STATUTE
RAMCOR SERVICES GROUP INCORPORATED	EMERGENCY SERVICE CALL, CLEAN-UP OIL SPILL AT BLDG 22	$1,325	$1,325	08/07/2007	8/8/2007	AUTHORIZED BY STATUTE
RAMCOR SERVICES GROUP INCORPORATED	PROVIDE HAZARDOUS WASTE HANDLER (ADBM) PERSONNEL TO ASSIST WITH HAZWASTE SHIPMENT.	$155	$155	01/11/2007	3/19/2007	AUTHORIZED BY STATUTE
RAMCOR SERVICES GROUP INCORPORATED	DISPOSE OF BIOHAZARDOUS MEDICAL WASTE RESULTING FROM CLEANUP OF ACCIDENTAL SHOOTING ON FIRING RANGE.	$225	$225	01/11/2007	1/31/2007	AUTHORIZED BY STATUTE
RAMCOR SERVICES GROUP INCORPORATED	CLIN 0020 - RAKING OF LEAVES IN ML1 AREAS.	$2,500	$2,500	01/11/2007	1/31/2007	AUTHORIZED BY STATUTE
RAMCOR SERVICES GROUP INCORPORATED	CLIN 0032 - ROUTINE SERVICE CALL TO CLEAN ALL STORM DRAIN GRATES.	$225	$225	01/11/2007	1/31/2007	AUTHORIZED BY STATUTE
RAMCOR SERVICES GROUP INCORPORATED	REPAIR AHUS FOR FIRING RANGES IN BLDG. 5	$16,852	$16,852	04/20/2007	7/2/2007	AUTHORIZED BY STATUTE
SAFETY STORAGE, INC.	STORAGE LOCKERS	$60,064	$60,064	08/26/2007	10/30/2007	DIRECTED TO JWOD NONPROFIT AGENCY

SCIENCE APPLICATIONS INTERNATIONAL CORPORATION	INTELLIGENCE & ANALYSIS (I&A) TRAINING, EDUCATION, AND PROFESSIONAL DEVELOPMENT (TEPD) COURSE DELIVERY	$123,900	$123,900	11/06/2006	11/5/2007	SIMPLIFIED ACQUISITION PROCEDURES -NON-COMPETITIVE ONLY ONE SOURCE - OTHER
SIERRA PACIFIC INNOVATIONS CORPORATION	DIGITAL THERMAL INFRARED IMAGING CAMERA	$9,980	$9,980	09/04/2007	9/14/2007	ONLY ONE SOURCE - OTHER
SKIDCAR SYSTEM INCORPORATED	SKIDCAR KIT AND INSTALLATION	$42,197	$42,197	04/05/2007	6/5/2007	ONLY ONE SOURCE - OTHER
SOFTCHOICE CORPORATION	K2.NET SOFTWARE LICENSES (PERPETUAL) FOR TEST AND PRODUCTION ENVIRONMENT; MAINTENANCE AGREEMENTS ON TEST AND PRODUCTION LICENSES THROUGH THE END OF FY07.	$56,659	$56,659	04/20/2007	9/30/2007	ONLY ONE SOURCE - OTHER
SOUTHWEST COMFORT SALES AND SERVICE INCORPORATED	REPLACE COMPRESSOR	$9,685	$9,685	11/06/2006	12/6/2006	ONLY ONE SOURCE - OTHER
SOUTHWEST COMFORT SALES AND SERVICE INCORPORATED	PLACE ONE COMPRESSOR FOR TRANE AC UNIT	$7,519	$7,519	07/12/2007	7/18/2007	ONLY ONE SOURCE - OTHER
SPECTRUM FILMS INCORPORATED	VIDEO ANIMATION SERVICES	$7,000	$7,000	11/29/2006	09/30/2007	FOLLOW-ON CONTRACT
SPIELBERGER CHARLES D	CONSULTANT SERVICES	$2,500	$2,500	07/06/2007	09/30/2007	UNIQUE SOURCE
SRT SUPPLY INCORPORATED	FX MARKING CARTRIDGE PROTECTIVE GLOVES AND VEST	$12,520	$12,520	07/16/2007	08/06/2007	UNIQUE SOURCE
ST NET-APPTIS FIRSTSOURCE JOINT VENTURE	AMERICAN POWER CONVERSION 3000RMXL3U UPS; APC 48V BATTERY PACK; APC AP9567 RACK POWER DISTRIBUTION UNIT	$19,875	$19,875	09/24/2007	09/30/2007	AUTHORIZED BY STATUTE
STAYWELL CUSTOM COMMUNICATIONS LIMITED LIABILITY COMPANY	VARIOUS CPR/AED/FIRST AID TRAINING MATERIALS	$4,658	$4,658	07/02/2007	7/25/2007	ONLY ONE SOURCE - OTHER
STEFFRI MULTI MEDIA INCORPORATED	CAN 8 LICENSES	$250,000	$250,000	03/09/2007	3/26/2007	ONLY ONE SOURCE - OTHER
STEFFRI MULTI MEDIA INCORPORATED	CAN8 LICENSES	$62,500	$62,500	08/08/2007	8/15/2007	ONLY ONE SOURCE - OTHER
THE NASCENT GROUP JV	PTD MODULAR PROJECT	$2,163,587	$2,163,587	09/25/2007	09/25/2007	AUTHORIZED BY STATUTE
THE NASCENT GROUP JV	RENEW SURFACE FINISHES BUILDING 261 & 263 FLETC GLYNCO GA	$299,747	$299,747	09/28/2007	03/15/2008	AUTHORIZED BY STATUTE
THE NASCENT GROUP JV	NEW SIGN, FLETC, GLYNCO, GA	$27,789	$27,789	09/20/2007	10/31/2007	AUTHORIZED BY STATUTE
THE NASCENT GROUP JV	RENOVATE BUILDING 309,	$147,186	$147,186	09/28/2007	12/27/2007	AUTHORIZED BY STATUTE
THE NASCENT GROUP JV	RENOVATE FRONT ENTRANCE BLDG 394	$28,959	$28,959	09/30/2007	11/29/2007	AUTHORIZED BY STATUTE
TIMETRADE SYSTEMS INCORPORATED	ONE YEAR TIME TRADE SERVER AND RESOURCE LICENSING; ONE YEAR TIME TRADE MAINTENANCE & SUPPORT; REPORTING & OTHER 3RD PARTY COMPONENTS MAINTENANCE & SUPPORT.	$61,220	$61,220	09/11/2007	9/29/2008	AUTHORIZED BY STATUTE
TMV LIMITED LIABILITY COMPANY	MODULAR CLASSROOM BUILDINGS	$522,380	$522,380	03/06/2007	5/1/2007	AUTHORIZED BY STATUTE
TMV LIMITED LIABILITY COMPANY	PROVIDE MODULAR DORMATORIES FOR FLETC IN ARTESIA NM	$3,672,357	$3,672,357	04/17/2007	6/30/2007	AUTHORIZED BY STATUTE
TMV LIMITED LIABILITY COMPANY	PROVIDE 3 MODULAR CLASSROOM BUILDINGS IN ACCORDANCE WITH THE ORIGINAL SPECIFICATIONS.	$885,000	$885,000	07/03/2007	7/31/2007	AUTHORIZED BY STATUTE

TMV LIMITED LIABILITY COMPANY	MODULAR BUILDING	$358,315	$358,315	09/26/2007	11/05/2007	AUTHORIZED BY STATUTE
TMV LIMITED LIABILITY COMPANY	MODULAR BUILDING 1010	$222,337	$222,337	09/26/2007	12/31/2007	AUTHORIZED BY STATUTE
TMV LIMITED LIABILITY COMPANY	MODULAR BUILDING 1014,10105	$453,146	$453,146	09/29/2007	01/16/2008	AUTHORIZED BY STATUTE
TMV LIMITED LIABILITY COMPANY	MODULAR BUILDING 1012, 1013	$474,479	$474,479	09/29/2007	01/16/2008	AUTHORIZED BY STATUTE
VIDEO SHOWCASE INCORPORATED	INSTALLATION OF LCD TV	$600	$600	03/01/2007	03/30/2007	AUTHORIZED BY STATUTE
VIGIL CONTRACTING INCORPORATED	GLASS REPLACEMENT IN RANGE TOWERS, BUILDING 5, FLETC, CHELTENHAM, MD	$130,875	$130,875	09/14/2007	1/31/2008	AUTHORIZED BY STATUTE
VIVOMETRICS GOVERNMENT SERVICES INCORPORATED	VARIOUS ELECTRO MEDICAL EQUIPMENT	$20,466	$20,466	07/25/2007	08/31/2007	SIMPLIFIED ACQUISITION PROCEDURES -NON-COMPETITIVE ONLY ONE SOURCE - OTHER
WARDEN CONSTRUCTION CORPORATIO	CONSTRUCT A NEW RUNNING TRACK, DRAINING SYSTEM WORK, ELECTRICAL LIGHTING FOR TRACK AND VARIOUS WATER LINE UPGRADES AT FLETC, ARTESIA, NM.	$95,405	$95,405	05/14/2007	6/20/2008	FOLLOW-ON DELIVERY ORDER FOLLOWING COMPETITIVE INITIAL ORDER
WASTE MANAGEMENT OF NEW MEXICO INCORPORATED	ROLL OFF DUMPSTER SERVICE	$6,710	$6,710	06/13/2007	9/30/2007	ONLY ONE SOURCE - OTHER
WICKLANDER ZULAWSKI AND ASSOCIATES INCORPORATED	GUEST LECTURER SERVICE	$9,000	$9,000	07/20/2007	08/22/2007	ONLY ONE SOURCE - OTHER
WILLIAMS VALERIE L	LECTURE ON DOMESTIC VIOLENCE	$1,500	$1,500	11/21/2006	11/21/2006	ONLY ONE SOURCE - OTHER
WORD ENVIRONMENTAL CONSULTING	LEAD AND ASBESTOS ABATEMENT, BLDG 309	$28,900	$28,900	04/25/2007	06/10/2007	AUTHORIZED BY STATUTE
XEROX CORPORATION	MAINTENANCE OF LEASED DUPLICATION EQUIPMENT	$10,740	$10,740	01/16/2007	09/30/2007	ONLY ONE SOURCE - OTHER
XEROX CORPORATION	MAINTENANCE OF DUPLICATION EQUIPMENT	$40,258	$40,258	01/16/2007	09/30/2007	ONLY ONE SOURCE - OTHER
XEROX CORPORATION	COPIER LEASE AND MAINTENANCE	$979	$979	12/07/2006	12/31/2006	ONLY ONE SOURCE - OTHER
XEROX CORPORATION	COPIER LEASE AND MAINTENANCE	$367	$367	01/31/2007	09/30/2007	ONLY ONE SOURCE - OTHER
XEROX CORPORATION	COPIER LEASE AND MAINTENANCE	$5,958	$5,958	01/24/2007	09/30/2007	ONLY ONE SOURCE - OTHER
XEROX CORPORATION	COPIER MAINTENANCE AGREEMENT	$5,343	$5,343	10/31/2006	12/31/2006	ONLY ONE SOURCE - OTHER
XEROX CORPORATION	COPIER MAINTENANCE AGREEMENT	$1,951	$1,951	10/31/2006	12/31/2006	ONLY ONE SOURCE - OTHER
XEROX CORPORATION	COPIER MAINTENANCE AGREEMENT	$723	$723	10/31/2006	09/30/2007	ONLY ONE SOURCE - OTHER
XEROX CORPORATION	COPIER MAINTENANCE AGREEMENT	$11,837	$11,837	10/31/2006	09/30/2007	ONLY ONE SOURCE - OTHER
XEROX CORPORATION	COPIER MAINTENANCE AGREEMENT	$9,315	$9,315	10/31/2006	09/30/2007	ONLY ONE SOURCE - OTHER
XEROX CORPORATION	COPIER MAINTENANCE AGREEMENT	$2,494	$2,494	10/31/2006	09/30/2007	ONLY ONE SOURCE - OTHER

14. Please provide for the record a list of all contracts over $1 million in total value executed by FLETC in 2007. Organize by contractor, purpose, dollar award, full performance value, contract start date, contract end date, and contract type (e.g., firmed fixed price, etc.).

ANSWER: Please see table on the following page.

Contractor Name	Purpose	Dollar Award	Full Performance Value	Contract Start Date	Contract End Date	Contract Type
ALPHA PROTECTIVE SERVICES INC	SECURITY GUARD SERVICES	$4,163,258	$11,779,893	12/13/2005	9/30/2008	FIXED PRICE
AOC JV	HOUSING MANAGEMENT SERVICES	$6,998,223	$40,836,065	09/25/2007	9/30/2011	FIXED PRICE
CASEPRO, INC.	GLYNCO, ARTESIA AND CHARLESTON	$2,938,274	$13,246,782	6/16/2005	9/30/2009	FIXED PRICE
ELECTRONIC CONSULTING SERVICES, INC.	SYSTEM FOR FLETC ARTESIA FACILITY	$2,820,497	$2,820,497	09/29/2007	9/30/2008	FIXED PRICE
FEDERAL CARTRIDGE COMPANY	AMMUNITION	$1,019,550	$1,019,550	07/27/2007	9/30/2008	FIXED PRICE
FIELD SUPPORT SERVICES INC	SUPPORT SERVICES	$12,045,654	$63,583,655	10/1/2003	9/30/2008	FIXED PRICE
GOODWILL INDUSTRIES OF THE COA	JANITORIAL SERVICES	$1,194,778	$3,736,906	1/11/2006	9/30/2010	FIXED PRICE
INTECON LLC	CAPLE PLANT AND INSIDE CABLE PLANT LOCATED	$3,125,000	$3,125,000	09/19/2007	5/16/2008	FIXED PRICE
CONSTRUCTION INCORPORATED	BUILDING 284, FLETC, CHARLESTON, SC	$2,820,079	$2,820,079	04/17/2007	2/25/2008	FIXED PRICE
LABOR, GEORGIA DEPARTMENT OF	MANAGEMENT-RANDOLPH SHEPPARD	$10,925,460	$55,812,255	12/9/2005	9/30/2010	FIXED PRICE
KUNDA LIMITED LIABILITY COMPANY	REAL ESTATE LAND PURCHASE	$4,200,000	$4,200,000	09/25/2007	9/25/2007	FIXED PRICE
NATIVE AMERICAN SERVICES CORPORATION	OTHER RELATED WORK AT BUILDING 2400	$1,025,770	$1,025,770	01/23/2007	8/31/2007	FIXED PRICE
NEW MEXICO COMMISSION FOR THE	FOOD SERVICE	$5,858,972	$19,462,716	9/20/2004	9/30/2008	FIXED PRICE
OLIN CORPORATION (2319)	AMMUNITION	$1,537,500	$1,537,500	07/20/2007	8/30/2007	FIXED PRICE
CONSTRUCTION INCORPORATED	BUILDING 205-GARAGE ADDTIONAL PROJECT	$1,162,824	$1,255,682	05/03/2007	2/21/2008	FIXED PRICE
PYRAMID SERVICES INC	FACILITIES MAINTENANCE SUPPORT	$2,351,742	$5,106,581	3/8/2006	6/30/2008	FIXED PRICE
PYRAMID SERVICES INCORPORATED	STUDENT SUPPORT SERVICES	$3,711,034	$18,369,486	10/27/2006	9/30/2011	FIXED PRICE
R M VREDENBURG AND COMPANY	MOMENTUM UPGRADE	$2,492,902	$2,492,902	09/27/2007	8/31/2008	FIXED PRICE
RTW ENTERPRISES INCORPORATED	LOGISTICS SERVICES	$911,404	$4,613,685	09/25/2007	9/30/2012	FIXED PRICE
INTERNATIONAL CORPORATION (SA	ADMINISTRATION AND SCHEDULING SYSTEM	$1,485,326	$15,285,952	5/31/2006	9/30/2011	COST PLUS AWARD FEE
SKANSKA USA BUILDING INC	BLDG 2 ESPANSION AQUATICS FACILITY	$5,888,000	$5,888,000	4/19/2006	1/25/2008	FIXED PRICE
SKANSKA USA BUILDING INC	PHASE SERVICES FOR THE DORMITORY	$8,623,051	$8,623,051	2/27/2006	8/31/2007	FIXED PRICE
THE NASCENT GROUP JV	PTD MODULAR PROJECT	$2,163,587	$2,163,587	09/25/2007	2/15/2008	FIXED PRICE
TMV LIMITED LIABILITY COMPANY	DORMATORIES FOR FLETC IN ARTESIA NM	$3,672,357	$3,672,357	04/17/2007	6/30/2007	FIXED PRICE
TOPFLITE BUILDING SERVICE INC	JANITORIAL SERVICES	$2,200,965	$8,190,964	11/23/2005	9/30/2010	FIXED PRICE
WARDEN CONSTRUCTION CORPORATIO	CONTRACT FOR ARTESIA FLETC	$1,000,000	$1,000,000	8/17/2004	9/30/2008	FIXED PRICE
WILDFLOWER INTERNATIONAL LTD	CISCO CORE EQUIPMENT AND SERVICES	$2,150,905	$2,150,905	09/28/2007	9/30/2008	FIXED PRICE

15. Please provide for the record a list of all FLETC contracts, grants and other transactions where work is performed outside of the United States. Organize by contractor, purpose, dollar award, full performance value, contract start date, and contract end date.

ANSWER: FLETC has no contracts, grants or other transactions where work is performed outside of the United States.

United States House of Representatives
Committee on Appropriations,
Subcommittee on Homeland Security

Fiscal Year 2009
Outside Witness Testimony

AMERICAN ASSOCIATION OF EXPORTERS AND IMPORTERS

1050 17th Street, N.W., Suite 810
Washington, DC 20036

Written Testimony for the Homeland Security Subcommittee
Of the Appropriations Committee of the House of Representatives

"Cargo, Container and Supply Chain Security"

April 2, 2008

1. Introduction and Overview

Mr. Chairman and members of the Homeland Security Subcommittee for the Appropriations Committee of the House of Representatives, AAEI appreciates the opportunity to offer this written testimony on Cargo, Container and Supply Chain Security.

AAEI has been a national voice for the international trade community in the United States since 1921. Our unique role in representing the trade community is driven by our broad base of members, including manufacturers, importers, exporters, wholesalers, retailers and service providers, including brokers, freight forwarders, trade advisors, insurers, security providers, transportation interests and ports. Many of these enterprises are small businesses seeking to export to foreign markets. With promotion of fair and open trade policy and practice at its core, AAEI speaks to international trade, supply chain security, export controls, non-tariff barriers, import safety and customs and border protection issues covering the expanse of legal, technical and policy-driven concerns.

As a trade organization representing those immediately engaged in and directly impacted by developments pertaining to international trade, trade facilitation and supply chain security, we are very familiar with the "hands on" and operational impacts of policies and programs. Thus, AAEI is deeply interested in "Cargo, Container and Supply Chain Security" which is the subject of this hearing.

AAEI representatives and its member companies have provided input into and participated in a significant number of U.S. Customs and Border Protection initiatives, including security programs designed to improve the nation's physical security while not harming and in some cases improving its economic security. Because AAEI is committed to assisting CBP and DHS achieve its dual mission of security and facilitation, AAEI's testimony aims to

assist the Committee in assessing CBP's progress in improving physical security while not harming the economic security of the United States.

During AAEI's involvement in the legislative policy and regulatory processes, we have offered specific recommendations intended to more effectively accomplish homeland security related objectives while reducing economic disruption and unequivocally building the efficient facilitation of trade.

It is a privilege to submit this testimony today. Thank you for the opportunity to share our thoughts.

2. Resources

Allocation of Manpower and Resources – Both Direct and Through Third Parties

Among vital areas to the trade, the significant enhancement of manpower and resources for multiple federal, and perhaps state and local, agencies through third parties should be carefully considered by the Committee. As noted earlier, this may be the time to review CBP's toward achieving its dual mission of security and facilitating legitimate trade.

We look to you, in those areas of your concern, for potentially significant changes in the way government provides for and otherwise supports import safety, risk management and control and thus imports writ large. We would be happy to discuss CBP's significant under funding and lack of sufficient manpower in the face of expanding responsibilities.

AAEI believes that a fundamental element in the design of such systems must be the economic impact upon small and medium size enterprises. However, the overall impact upon small businesses nationwide; of implementing multiple trade-related approaches to enhanced security, compliance, and now product safety is subject to the unforgiving rule of unintended consequences. "To do no harm" is a difficult mission when, even for a vital purpose, modifying long-established importation and distribution patterns and requirements will be part of the mission.

3. AAEI Trade Security Project

For the last several months, AAEI has markedly increased its ongoing drive to provide data and policies focused on shaping a "holistic" approach to trade security. Development and implementation of pragmatic "holistic"

approaches to real world problems confronting our industry and the nation is essential.

Currently, there are numerous trade security efforts that impact the supply chain. These programs include supply chain partnerships, data collection, advanced data methods, related security program elements and 100% scanning, among many others.

Though it was not the intention of the multiple parties involved, both in and out of Government, it is now clear that, as these programs have been introduced and evolved over time, CBP and the trade community face a rapidly evolving trade security environment. Today's, and even more so – tomorrow's, environment is one where often disjunctive individual programs, if used in the aggregate, though implemented independently, encompass an overlapping system that places major and seemingly unnecessary and increasingly duplicative burdens on the supply chain. AAEI believes that these often significant new burdens may provide little or no apparent gain in trade security.

Under the guidance of the Customs Committee, AAEI developed its **American Trader's Guide to Post 9/11 and Homeland Security Programs**. Initially released in Fall 2007, the Guide is the compilation of extensive discussions and review with policymakers, industry observers and trade professionals. With this invaluable assistance, it has been very well-received in doing two things. First, it provides trade professionals with one piece of paper showing all the trade security programs that companies have to deal with. Second, it provides policymakers with an overview of the numerous, and in many cases, overlapping trade security programs that exist. And for good measure, the bottom of the Guide includes a generic global supply chain from point of manufacture and stuffing to delivery and "post-entry" compliance. This supply chain "chart" helps clarify the "basic" daily processes of trade for those interested in greater understanding. Specifically, the chart provides a linear depiction of three tracks for goods imported to the United States: I) the "transportation" flow representing the physical movement of the cargo; II) the "data" flow demonstrating where in the supply chain the foreign manufacturer, carrier, and U.S. importer must submit data to various government agencies; and III) the "regulation and security" check points along the supply chain. All of these tracks proceed simultaneously and demonstrates that the more demands for data and other regulatory requirements placed on the supply chain, the slower and more costly the supply chain will become – both for imports and exports.

Now in its fifth printing, the Guide has been widely distributed. Despite Congressional passage of comprehensive legislation, such as the SAFE Port

Act, subsequent legislation (*i.e.*, the Implementing Recommendations of the 9/11 Commission Act of 2007) added or superseded trade security initiatives and requirements without integrating existing regulatory or legislative efforts. More importantly, AAEI expressed its concern that the trade community was being inundated with overlapping programs which burden the supply chain "without significant and concomitant gain in trade security."

In advocating a "holistic" approach, AAEI seeks a vital balance. Balance between the numerous pressing security requirements demanding industry resources and the need for facilitation to enable U.S. companies to compete by importing and exporting goods efficiently. AAEI believes that such a balance can only be achieved through adopting an account-based management model to regulate companies rather than transactions.

The **American Trader's Guide to Post 9/11 and Homeland Security Programs** has been updated to reflect the Importer Security Filing and Additional Carrier Requirements published at 73 Fed. Reg. 90 dated January 2, 2008. In particular, the information on "10+2" has been updated in sections **B. Compliance Impact** and **C. Resource Expenditures** which reflects a general consensus on the impact of this rule on small and medium enterprises (SME's).

The United States is not the only country requiring data for trade security purposes. In fact, it was the United States that urged its trading partners under the auspices of the World Customs Organization (WCO) to adopt robust systems to analyze and share data on international shipments to target high-risk cargo. *See*, WCO Framework on Standards to Secure and Facilitate Global Trade adopted in June 2005. As a result of the SAFE Framework, many countries have developed their national trade data program. But most companies do not have separate and distinct supply chains for different regions of the world – they just have a global supply chain in which they build in some flexibility for regional/national variation.

To aid the Committee, AAEI is pleased to also include a new "matrix" as part of AAEI's Trade Security Project, the **International – The American Trader's Guide to Advance Data Programs**. This new "matrix" is designed to provide trade professionals and policy makers with an overview of two ongoing areas of serious concern in data programs.

First, the left side of the "matrix" shows how the primary U.S. trade data programs (*i.e.*, the 24-hour rule, and "10+2") stack up against multilateral programs (*i.e.*, the European Union and the WCO's SAFE Framework Standards) and other national programs (*i.e.*, Canada, Australia, and New Zealand). (As the Committee is aware, New Zealand is the first country to

attain "mutual recognition" with the United States' C-TPAT program.) With the widespread appreciation of the extensive benefits provided by mutual recognition, in light of development of multiple approaches as described in the chart, the drive for implementing a global program holistically is increasingly recognized.

Second, the right side of the "matrix" provides an overview of the status of the United States' International Trade Data System (ITDS). *See*, ITDS Report to Congress at 19, dated November 2007. With extensive business community policy and program involvement, it appears to be, at long last, fulfilling its original promise. Since becoming mandatory in the SAFE Port Act for all federal agencies that require documentation for clearing or licensing the import and export of cargo, getting federal agencies to participate in ITDS has taken on new urgency as the federal "interoperability system" for monitoring product safety. The chart shows many of the Participating Government Agencies (PGA's) and their access to data in relation to the agencies' requirements (*i.e.,* whether access and use of the data is deployed, partially deployed, or future functionality).

Together, the information presented in this chart provides trade professionals with the "state of play" of data programs both in the collection of data on the national and international level as well as a snapshot of the United States "single window" ITDS program. For companies engaged in global trade – keeping track of who gets the company's trade data and how the government uses it – is a core competency that trade compliance professionals need to master to serve their employers' proprietary interests.

Keeping in mind both of **The American Trader's Guides**, we are very concerned about CBP and DHS' current efforts to harmonize these various security and data programs with those of other countries and multilateral organizations through "mutual recognition." Frankly, despite our continuous inquiries, we have yet to receive a consistent definition of "mutual definition" from government agencies which is understandable, practical and meaningful to the trade community. We implore the Committee to probe CBP for full explanations of the term "mutual recognition" and other terms that the agency uses to describe its efforts to work with other governments and international organizations on these important programs.

Automated Commercial Environment (ACE)/Trade Support Network (TSN)/International Trade Data System (ITDS)

In looking to regulatory misfires we are also very concerned about the fate of ACE. We encourage you to do all that you can to fulfill the promises of the

Customs Modernization Act through the full funding, accelerated construction and timely delivery of ACE.

We have been actively involved in various forums available to trade and appreciate the real-time data access now available and this opportunity to contribute to what we in the trade are, in effect, paying for. But we encourage the Committee to examine the results of the bill you so carefully crafted. Although we could suggest multiple areas of exploration, you might well begin with just three areas: 1) where is account management; 2) what happened to true "automation" (*i.e.*, avoiding redundant data entry and transaction based information); and 3) why did digitalization fail to occur? All three of these questions go to the heart of the Customs Modernization Act – increasing compliance through productivity gains from eliminating repetitive tasks.

However, in addition to asking those questions, we would strongly urge you to monitor further development of ACE and ITDS in that we see two developments of concern. First, along with the need to fully provide ACS and TECS, a growing number of major information technology (IT) driven initiatives seem to be diluting necessary focus to complete ACE and ITDS. Information technology programs, such as the ever growing Secure Freight Initiative, the Secure Border Initiative, US VISIT, and the (WHTI) Western Hemisphere Trade Initiative, require ever more focus for productive implementation. A second concern is that we are led to believe that forthcoming ACE efforts may not target clear trade needs but instead are likely to be focused on security filings and manifest system work

We urge the Committee to carefully explore the most effective method of guaranteeing full support and resources government wide. In particular the financial and personnel resources required by multiplier agencies in implementation may require vigilance. AAEI supports the Administration's recent action where OMB mandated participation in ITDS from all of the federal agencies that depend on electronic data for international commerce, and accelerated when the ITDS portal will be fully implemented.

Without this Committee's vigilant oversight of the programs, redundancies inefficiencies and under commitment of badly needed resources can persist and our Nation's competitive edge in the global marketplace could diminish. ACE/ITDS will also help in efforts to ensure that the U.S. remains a leader in the increasingly competitive world of global trade. As our trade partners make the move to developing all-electronic trade data systems, it is important that the U.S. does the same.

4. The Need for Balance Between Facilitation and Security

The need for balance between facilitation and security is an important issue discussed throughout our testimony today, as well as a consistent theme in AAEI's previous statements submitted to this Committee, but we would like to highlight a few issues here. AAEI is concerned that federal agencies do not appreciate the trade community's contribution, in resources and time, to make CBP's initiatives more effective. Instead, we frequently hear a mantra of "guns, gates, and guards" when the focus needs to be equally attuned to overall national interest, risk management, and operations facilitation. AAEI is concerned with the lack of resources, both dollars and manpower, devoted to the facilitation and operations aspects of CBP's functions. Here we acknowledge the continuing "brain drain" that is occurring throughout federal agencies as senior government employees retire in record numbers, but the situation that the U.S. trade community confronts goes well beyond that. AAEI believes that additional training funds and private sector coordination funding would be helpful and we strongly encourage the Committee to further explore both.

As discussed above, an important risk management tool is ACE, which promises to provide both the government and the trade with greater efficiencies through productive use of data. We continue to be concerned about the roll-out of ACE, which is now viewed by the government as a security tool rather than a trade facilitation system. An example of the shift in the government's attitude towards ACE is the Federal Advisory Committee for ACE reports to DHS rather than CBP, which is the agency building the ACE program.

5. Regulatory Overreach

First Sale

We have both procedural and substantive difficulties with the new CBP interpretation of what is commonly known as "first sale rule" (i.e., sale for exportation to the United States under transaction value in 19 U.S.C. § 1401a). We are unaware of any good reason for CBP to so obviously flaunt well-settled principles decided by two other branches of the federal government - the Congress and the Judiciary. We will leave the multiple international and domestic procedural problems to another discussion with the exception of a crucial question which is directed to this Committee and the Congress.

In the debate over creation of the Department of Homeland Security, the Congress directed that the Department of Treasury would retain "Customs

revenue functions." In fact, the Congress further made clear its intention by defining "customs revenue function" to include "[a]assessing and collecting customs duties . . . classifying and valuing merchandise for purposes of such assessment." *See*, section 412 of the Homeland Security Act. In its implementation of this Congressional directive, the Treasury Department's order made equally clear that it fully retained "sole authority to approve any regulations concerning . . . valuation . . . and the establishment of recordkeeping requirements relating thereto." See, Treasury Order 100-16, § 1(a)(i) dated May 15, 2003.

While we are expert in the "hands on" application of trade policies and procedures our expertise in judicial matters is largely limited to their practical application. Thus, we have carefully followed what amounts to 20 plus years of very clear settled case law. In fact, we trust that the Committee is very familiar with the case of Target v. the United States, where as recently as January 3, 2008, CBP conceded the applicability of first sale as the proper transaction value.

With respect to the First Sale Rule proposal, we at AAEI and many of our constituents and members have repeatedly asked why CBP feels compelled to attempt to revoke this long-standing and judicially-approved principle.

- CBP has no statutory authority to use the administrative rulemaking process to overrule judicial precedent and cannot use this process to adopt a statutory interpretation of the term "sale for export" contrary to the judicial branch. CBP's only appropriate avenue to accomplish a change to the court's position is through legislation.

- Notwithstanding the sentiment among those within CBP who simply do not agree with the judicial branch's decisions with respect to the first sale rule, it is an abuse of administrative rulemaking power to initiate this proposed revocation to the first sale rule as a means for CBP to attempt to achieve a different result.

- CBP's notice points to a non-binding commentary opinion of the World Customs Organization as reason to propose overruling the judicial branch. *See*, WTO Agreement and Texts of the technical Committee on Customs Valuation Amending Supplement No. 6 dated July 2007. To say that this "non-binding commentary" is the basis for revoking the statutory interpretation of U.S. courts is spurious. U.S. law controls and the court's interpretation of the first sale rule must survive unless changed legislatively.

- CBP also points to the difficulties in administering the first sale rule as additional support for its proposed withdrawal. In response, we would simply note that CBP has been effectively administering the first sale rule for 20 years and has the processes and automated tools in place to continue to confirm or deny first sale claims. Moreover, those companies utilizing first sale have invested enormous time and effort in obtaining the necessary data requirements that CBP needs to manage the program, recognizing that in the absence of adequate back-up, CBP can simply deny first sale treatment. The claim that it may be difficult for CBP to manage compliance with the first sale rule without more analytical data to support such a contention only gives rise to consideration for more resource allocation. Under no circumstance does such a claim give credibility to the CBP's attempt to eviscerate judicial precedent that created the first sale rule.

- At a time when the U.S. economy is reeling from a slow down, revoking the concept of first sale would require the companies who current use the rule to pay the additional duties and associated costs of a re-design of their business models to accommodate the change in CBP "interpretation." These additional costs would have to be passed on to U.S. consumers.

- Many of the companies which are participating in First Sale have been partners with CBP on important efforts like the C-TPAT security initiative. They have at considerable expense taken the security measures outlined in the C-TPAT program and implemented those measures throughout their supply chains. That commitment to partnership and the costs associated with it are continuing and escalating.

- In return, CBP proposes to revoke one of the few practices that help these companies to maintain their profitability. This would hardly seem to be in keeping with the spirit of the "partnership" CBP has consistently advocated as critical to our collective success. This lack of partnership is exacerbated by the fact that in an environment where CBP has made an effort to consult with the trade on controversial matters, they chose to issue this notice of revocation without first consulting with the trade, formally or informally, to gauge the impact and test the appropriateness of this decision.

Subheading 9801.00.20 Proposal

Since 1991, Customs has without exception found that previously imported goods exported pursuant to a "bailment" agreement can return to the U.S.

duty-free under 9801.00.20. This interpretation is consistent with the primary legislative purpose for the provision, which is to prevent "double taxation." For nearly two decades, companies have created warehousing arrangements and otherwise structured their supply chains around Customs' uniform and established practice. In January 2008, without identification of any compelling justification for the sudden change, Customs has proposed to revoke this interpretation and the more than 20 rulings in which it has been expressly followed.

The only legal support cited by Customs is a fourteen (14) year-old court decision (1994) which did not even involve a "bailment" agreement. Ironically, Customs previously cited this same decision in a number of rulings as support for 9801.00.20 treatment, including two of the rulings which it now proposes to revoke.

Both law and sound policy suggest that the rule should be preserved, and certainly not reversed through an administrative process which in consistent with Court decisions and untested by meaningful consultation with the affected trade community. This is underscored by the fact that the U.S. Court of International Trade, in finding that the government's interpretation of a predecessor provision was too narrow, stated that the provision was designed to prevent "double taxation" and should be interpreted liberally. Yet, Customs now seeks to significantly narrow the scope of the provision, which will lead to the double taxation of certain imported goods.

AAEI submits that both of these CBP proposals evidence administrative overreaching and asks that the Congress do whatever it can, including making specific demands in the appropriations process, to ensure neither proposal is adopted.

6. Importer Security Filing "10+2" Proposal

An issue of immediate interest to the trade community which we know that the Committee has heard a great deal recently is the "Importer Security Filing and Additional Data Requirements," commonly referred to as "10+2." In its effort to fulfill the requirements of Section 203 of the SAFE Port Act, CBP published a Notice of Proposed Rulemaking (NPRM) on January 2, 2008. *See*, 73 Fed. Reg. 90.

As you know, AAEI's involvement in the legislative policy and regulatory processes leading to the issuance of this NPRM has been extensive. We were very active in our appeals here that Congress fully reviews the anticipated impact of contemplated provisions, the clear need for a pilot program as well as a truly comprehensive cost benefit analysis. Subsequently, in the

regulatory arena, through our multiple prior filings and frequent communications on the Importer Security Filing (ISF), we have offered specific recommendations intended to more effectively accomplish homeland security related objectives while reducing economic disruption and unequivocally building the efficient facilitation of trade. In this, we have strongly suggested, unfortunately without success, that the impact upon the nation's small and medium sized business – the vast majority of the 800,000 U.S. importers - be fully understood and calculated in the dimensions of this effort. Frankly, as a result of our unique familiarity with this issue, we sincerely question whether the NPRM fulfills Congress' intent as set forth in the authorizing statutes.

In our efforts to fully assess the impact of the NPRM and to provide further substantive recommendations, we and multiple other industry groups requested an extension of comment period which was granted for only an additional 15 days. We have attempted to distill our extensive comments to just seven points, as listed below.

- First is the likely accomplishment of Physical and Economic Security Goals. We believe that proposed program is not likely to achieve the physical and economic security intended because it calls for the collection of millions of lines of data from low risk importers/shipments. In so doing, the proposed program fails to incorporate appropriate risk management concepts, is expensive to the trade and counterproductive for CBP in their efforts to find high risk shipments.

- The second is the imposition of new Bond requirements. These requirements were a complete surprise to all elements of the trade in particular those sectors most directly impacted. CBP inappropriately imposes liabilities on the importer, prior to entry, for actions that are taken beyond the importer's control and for data of which the importer has no certain knowledge.

- The "prototype test" which is proposed by CBP is a very different animal than the kind of pilot which AAEI suggested was absolutely necessary to avoid unnecessary disruption. In short, this test proposed by CBP is inadequate for the job. It fails to incorporate multiple constructive suggestions offered by the trade community. One of multiple concerns is that it merely verifies where the data is in commercial documents and what data can be consistently gathered by the trade. To truly gauge economic and trade impact, CBP should, at minimum, run a true prototype test of the actual filing rather than the different beast altogether currently utilized. This is particularly

important in the timing of getting the relevant data - and the targeting processes in order to avoid massive disruption and displacement of trade.

- We fail to understand why an ISF Confirmation Number is not provided. The failure of CBP to provide a number that can be used to identify the ISF for post filing corrections and to provide visibility to the importer once the ISF has been filed (while requiring updates if data changes) will create significant unnecessary difficulties (e.g. uncorrected clerical errors). These difficulties and other unavoidable human error will only serve to distract CBP from more relevant information.

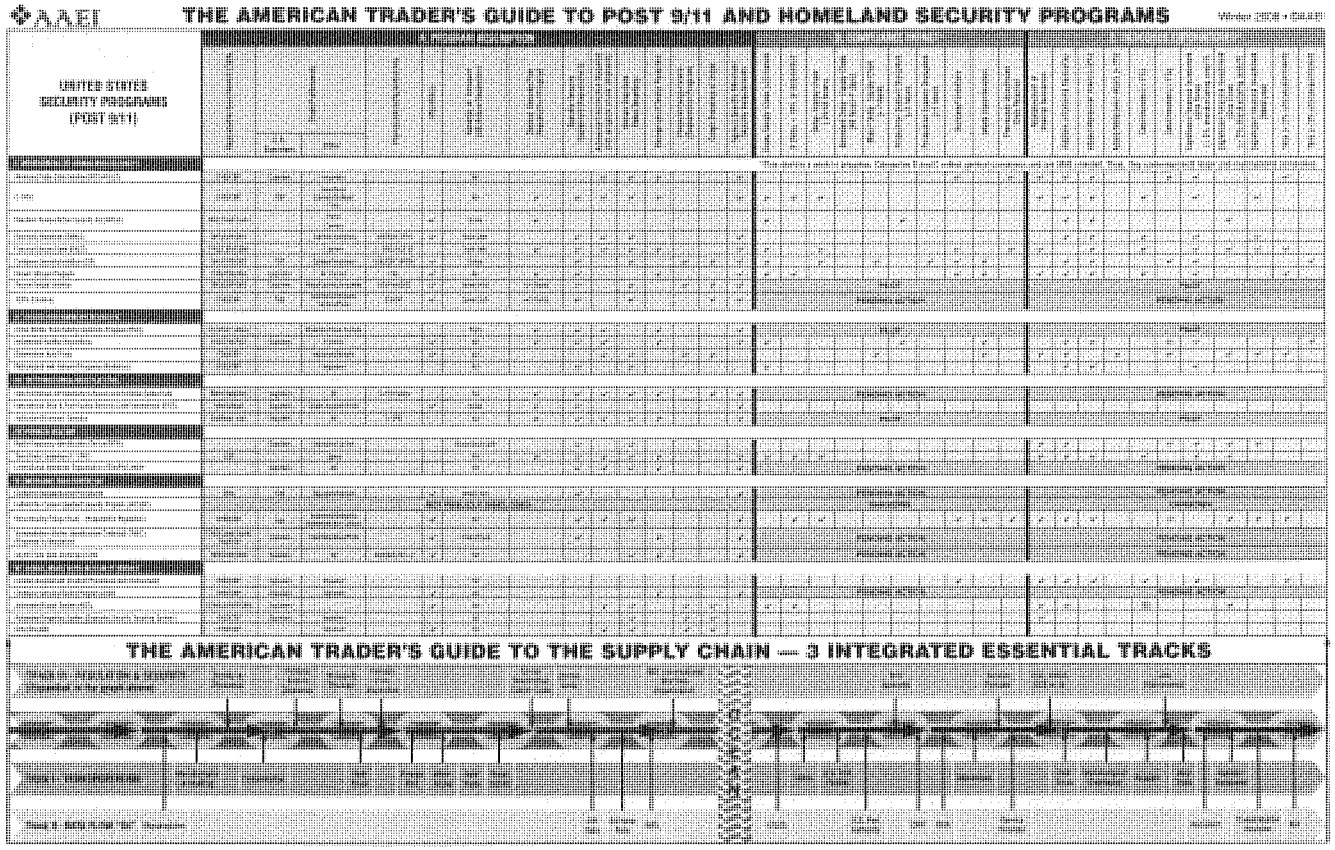
- In implementing Section 203 it was clear to the trade that extensive Technical Details would be required from CBP. The lack of technical details included in the NPRM makes assessing the impact of the proposal difficult for the trade. Clearly, more information is needed in order for the trade to fully understand the technical requirements of fulfilling this rule.

- A sufficient Phase in period is needed for effective implementation and minimum disruption to the economy. Given that the proposal is a fundamental departure from requirements and procedures that have governed the import process for many years, CBP's decision to not provide a meaningful "phase-in" period is ill-advised and counterproductive. While CBP has indicated that it is willing to allow for an enforcement "phase-in," CBP should provide a transition period that takes into account the unique challenges that this new program presents. Frankly, phase in for enforcement, while appreciated, does not begin to repair the damage anticipated from rapid deployment.

- A realistic assessment of cost impact is required. There is consensus within the trade community, across sectors and scale of enterprise, that the ISF requirements will create significant supply chain delays and substantially increase the costs of importing into the U.S. attacks. The economic analysis performed for CBP by Industrial Economics, Incorporated is so fundamentally flawed that a new study should be commissioned in order to measure the true costs, and feasibility of this regulatory proposal. In addition we would, separately, encourage the Congress to seriously examine whether this proposed rule, in its current construct, will reduce the risks of terrorist attack.

7. Conclusion

In conclusion, we wish to thank the Homeland Security subcommittee of the Appropriations Committee of the House of Representatives for holding this important hearing. We greatly appreciate the Committee's continued efforts to ensure that the issues of "Cargo, Container and Supply Chain Security" are addressed. AAEI looks forward to working with this Committee to demonstrate our commitment to partner with you in pursuit of these missions.


THE AMERICAN TRADER'S GUIDE TO POST 9/11 AND HOMELAND SECURITY PROGRAMS
UNITED STATES SECURITY PROGRAMS (POST 9/11)
THE AMERICAN TRADER'S GUIDE TO THE SUPPLY CHAIN — 3 INTEGRATED ESSENTIAL TRACKS

TESTIMONY OF

WILLIAM W. MILLAR, PRESIDENT

AMERICAN PUBLIC TRANSPORTATION ASSOCIATION

BEFORE THE

HOUSE COMMITTEE ON APPROPRIATIONS

SUBCOMMITTEE ON HOMELAND SECURITY

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March 27, 2008

SUBMITTED BY

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APTA is a nonprofit international association of over 1,500 public and private member organizations including transit systems and commuter rail operators; planning, design, construction and finance firms; product and service providers; academic institutions; transit associations and state departments of transportation. APTA members serve the public interest by providing safe, efficient and economical transit services and products. Over ninety percent of persons using public transportation in the United States and Canada are served by APTA members.

Mr. Chairman, thank you for this opportunity to provide testimony to the House Appropriations Subcommittee on Homeland Security on the security and safety of public transportation systems. I appreciate your interest in improving security for the millions of Americans who use transit daily, and look forward to working with the subcommittee as it develops the Fiscal Year (FY) 2009 appropriations bill for the Department of Homeland Security (DHS). I offer this testimony to request $750 million in transit security funding in the FY 2009 Department of Homeland Security Appropriations bill and provide our comments on DHS's 2008 Transit Security Grant Program guidance.

ABOUT APTA

The American Public Transportation Association (APTA) is a nonprofit international association of more than 1,500 public and private member organizations, including transit systems and commuter rail operators; planning, design, construction, and finance firms; product and service providers; academic institutions; transit associations and state departments of transportation. APTA members serve the public interest by providing safe, efficient, and economical transit services and products. More than ninety percent of the people using public transportation in the United States and Canada are served by APTA member systems.

FUNDING REQUEST

Mr. Chairman, public transportation is a critical component of our nation's infrastructure. Americans take more than 10.3 billion transit trips each year. People use public transportation vehicles more than 34 million times each weekday. This is eighteen times the number of daily boardings on the nation's domestic airlines.

Both the Administration and Congress have fully acknowledged that terrorist threats to transit systems are real, and have not diminished. The Government Accountability Office (GAO) released a 2002 report which said "about one-third of terrorist attacks worldwide target transportation systems, and transit systems are the mode most commonly attacked." On February 29, 2008, the Office of Intelligence of the Transportation Security Administration (TSA) released a report concluding that public transportation in America remains vulnerable to terrorist attack. The report states, "The volume of previous attacks and recent plotting against mass transit systems overseas demonstrates continued strong terrorist interest in targeting this sector." The report further states that, "Previous rail attacks in Madrid, London, and Mumbai could inspire terrorists to conduct similar attacks in the United States."

Safety and security have always been the top priority of the public transportation industry. Since 9/11, transit systems have taken many steps to further improve security. Public transit agencies with state and local governments, have invested billions of dollars on security and emergency preparedness programs. While we are pleased that Congress recognizes the importance of investing in the safety of public transportation, federal investment in transit security has been minimal when compared to other transportation modes. For example, since 9/11 the federal government has spent over $24 billion on aviation security and only $898 million for transit security.

In 2004, APTA surveyed U.S. transit systems to determine what actions were needed to improve security for their customers, employees and facilities. In response to the survey, transit agencies around the country identified in excess of $6 billion in transit security investment needs. State and local governments and transit agencies are doing what they can, but it is important for the federal government to increase support for transit security.

Last August, President Bush signed into law H.R.1, the 9/11 Commission Recommendations Act of 2007. The legislation authorizes $3.4 billion in transit security funding over a four year period. We ask that Congress provide $750 million in the Homeland Security Appropriations bill, consistent with the authorized level for FY 2009 in H.R.1. We are extremely disappointed that the Administration proposed only $175 million for transit security in the FY 2009 DHS budget proposal, which would be a cut of $225 million from the $400 million that Congress appropriated for transit security for FY 2008, and significantly less than the $750 million authorized in H.R.1. Federal funding for transit security needs should provide for both hard and soft costs as described below and be separate from investments in the federal transit capital program.

In addition, we urge Congress to provide $600,000 to maintain and operate the Public Transit Information Sharing Analysis Center (ISAC). Funding for this program was authorized under the 9/11 Commission bill under Section 1410 (d), which provides for the sharing of security information between transit agencies and DHS. The ability to share vital information is crucial in preventing and mitigating potential terrorist attacks.

We also urge Congress to provide $500,000 to DHS for the APTA security standards program. APTA is recognized as a Standards Development Organization (SDO) for the public transportation industry. H.R. 1 requires that DHS work with the transit industry. We are applying our growing expertise in standards development to transit industry safety and security, best practices, guidelines and standards. Over the last several years, APTA has worked closely with the Department of Transportation (DOT), DHS and industry leaders to develop standards that help transit agencies use available resources as effectively as possible. We request $500,000 in the DHS Appropriations bill to continue this important work.

FY 2008 TRANSIT SECURITY GRANT PROGRAM GUIDANCE

Last year, Congress enacted H.R. 1, the 9/11 Commission Recommendations Act of 2007. That law authorizes significant increases for transit security grants, and gives specific instructions on how DHS must distribute funds. APTA was pleased to have the opportunity to form a working group among our members to help the Administration deliver grants in the most efficient manner, while fully complying with the intent of the statute. Regrettably, DHS failed to consider our input. In fact, the current distribution process not only ignores the industry's recommendations, but in many cases violates the statute.

First, H.R.1 included conference report language directing DHS to distribute grants directly to transit agencies. However, DHS has chosen to ignore this directive. Instead, DHS has distributed transit security funds to states who continue to administer the program and retain 3 percent in management and administrative costs while providing no additional value in the distribution of the grant program.

In addition, the new guidance requires a local cost share. For operational costs, the maximum federal share is 66 percent of the total cost. The FY 2009 guidance reduces the federal share to 50 percent. The guidance also imposes a 25 percent local match for the purchase of equipment, management and administration activities. As you know, there is no local cost share requirement authorized in H.R.1.

Furthermore, the new grants guidance specifically excludes items in H.R.1 that should be considered for funding such as chemical-biological detection, and redundant Operation Control Centers. We appreciate the flexibility that H.R.1 provided in allowing a broad range of items for consideration of funding, yet DHS is ignoring this legislative language and restricting the use of federal funds.

APTA appreciates the challenges that DHS faces in implementing the new authorizing statute, and hopes that the agency will fully consider the transit industry's recommendations in the future. We look forward to working with Congress in the upcoming year to ensure that the grants distribution process complies with H.R.1, and allows transit agencies maximum flexibility to implement the transit security improvements.

SECURITY INVESTMENT NEEDS

Mr. Chairman, since the events of 9/11, the transit industry has invested billions of its own funds for enhanced security measures, building on the industry's already considerable efforts. At the same time, our industry conducted comprehensive reviews to determine how we further improve on existing security practices. This effort has included a range of activities, which include research, best practices, education, information sharing in the industry, and surveys. As a result we have a better understanding of how to create a more secure environment for our riders and of the most critical security investment needs.

Our survey of public transportation security identified enhancements of at least $5.2 billion in additional capital funding to maintain, modernize, and expand transit system security functions to meet increased security demands. Over $800 million in increased costs for security personnel, training, technical support, and research and development have been identified, bringing total additional transit security funding needs to more than $6 billion.

Responding transit agencies were asked to prioritize the uses for which they required additional federal investment for security improvements. Priority examples of operational improvements include:

Funding current and additional transit agency and local law enforcement personnel
Funding for over-time costs and extra security personnel during heightened alert levels
Training for security personnel
Joint transit/law enforcement training
Security planning activities
Security training for other transit personnel

Priority examples of security capital investment improvements include:
Radio communications systems
Security cameras on-board transit vehicles and in transit stations
Controlling access to transit facilities and secure areas
Automated vehicle locator systems
Security fencing around facilities

Transit agencies with large rail operations also reported a priority need for federal capital funding for intrusion detection devices.

Mr. Chairman, the Department of Homeland Security issued directives for the transit industry in May 2004 which would require that transit authorities beef up security and to take a series of precautions to set the stage for more extensive measures without any federal funding assistance. Transit systems have already carried out many of the measures that Transportation Security Administration (TSA) has called for, such as drafting security plans, removing trash bins and setting up procedures to deal with suspicious packages. The cost of these measures and further diligence taken during times of heightened alert is of particular concern to us. We look forward to working with you in addressing these issues.

CONCLUSION

Mr. Chairman, in light of the nation's heightened security needs since 9/11, we believe that increased federal investment in public transportation security is critical. The public transportation industry has made great strides in transit security improvements since 9/11 but much more needs to be done. We need the federal government to increase its support for transit security grants that help transit systems address the $6 billion in identified transit security investment needs. We urge this subcommittee to provide $750 million in the FY 2009 Department of Homeland Security Appropriations bill. We urge Congress to fund the Public Transit ISAC and the APTA security standards program as previously described. We urge Congress to include legislative language to correct the DHS's implementation of the FY 2008 grant program guidance to reflect the authorization law.

We have also found that investment in public transit security programs, resources and infrastructures provides a direct benefit in preparation and response to natural disasters as well. We look forward to building on our relationship with the Department of Homeland Security and Congress to better address these needs. We thank you and the Subcommittee for allowing us to provide testimony on these critical issues and look forward to working with you to improve safety and security for the millions of people who use transit every day.

Testimony On
FY 2009 Budget Request
Federal Emergency Management Agency

Submitted by
Association of State Floodplain Managers
Larry Larson, P.E., CFM, Executive Director

To the Committee on Appropriations
Subcommittee on Homeland Security
U.S. House of Representatives

March 12, 2008

The Association of State Floodplain Managers (ASFPM) and its 26 State Chapters represent over 11,000 state and local officials as well as other professionals engaged in all aspects of floodplain management and hazard mitigation. This includes floodplain management, mapping, engineering, hydrology, flood mitigation, forecasting, water resources, planning, community development, emergency response and insurance. All ASFPM members are concerned with reducing our nation's flood-related losses. Our state and local officials are the federal government's partners in implementing flood mitigation and flood insurance programs and working to achieve our shared objectives. Our state members head offices that are designated by the state governors to coordinate the National Flood Insurance Program (NFIP) with communities.

In general, the Association of State Floodplain Managers is pleased with the funding requested for an on-going flood mapping program and with the funding requested for the repetitive flood loss grant programs that are funded under the National Flood Insurance Program. We would urge the Committee to fully fund the Flood Mitigation Assistance grant program at its authorized level of $40 million. In addition, we urge that the Pre-Disaster Mitigation grant program under the Stafford Act be funded at a level significantly higher than the budget request of $75 million.

Flood Mitigation Assistance Program (Sec. 1366)

The budget request includes $35.7 million from the National Flood Insurance Fund for the regular Flood Mitigation Assistance (FMA) program. The program was authorized at $40 million in the Flood Insurance Reform Act of 2004 to incorporate an enhanced capability to mitigate repetitive flood loss properties in addition to its support of local mitigation planning and other projects.

In the past, FEMA had determined that FMA could be funded only from policy fee income rather than from premium income and funds were provided by transfer from the

National Flood Insurance Fund to the Flood Mitigation Assistance Fund. The explanation for funding the program at $34 million in FY '08 referenced the amount available from fee income. For FY '09, the budget proposes to eliminate the FMA Fund and to fund the program directly from the NFIF. This would appear to provide for funding from premium income in the same manner that the two repetitive loss mitigation programs are funded (Sections 1361A and 1323 of FIRA 2004). The rationale for limiting FMA because of the availability of fee income seems to be no longer valid.

►► ASFPM urges the Committee to provide the authorized $40 million for the Flood Mitigation Assistance Program.

Flood Mapping

The budget request includes $150 million in appropriated funds and also adds funds derived from policy holder fees for a total mapping program level of approximately $248 million in FY '09, thus approaching the FY '08 funding level.

ASFPM is very pleased that the budget request includes provision for a substantial on-going mapping program. The final funding year for the 5 year Map Modernization Initiative was FY '08. While the Map Modernization effort made a major contribution to improving the nation's flood risk maps, much mapping work remains to support FEMA's risk identification and risk reduction (mitigation) responsibilities for working with states and localities to reduce flood losses. Many areas require new engineering (hydrology and hydraulics) studies; many areas have yet to be mapped; and risk identification in many areas is being affected by decertification of levees. Keeping flood maps current is a dynamic process since the hazard changes due to development, natural events and other topographic changes. Flood insurance reform legislation pending in the Congress would add additional mapping tasks to FEMA's risk identification activities. It is critical to the National Flood Insurance Program and to federal, state and local flood risk reduction efforts that FEMA continue its mapping activities at a robust level.

►► ASFPM strongly supports the requested funding level for flood risk mapping.

Pre-Disaster Mitigation Grants

ASFPM is concerned about the reduced funding of $75 million requested for FY '09 for the Pre-Disaster Mitigation Grant program (PDM). The program was funded at $114 million in FY '08 and up to $150 million in some prior years. FEMA reports that this nationwide, multi-hazard competitive program regularly draws applications that represent needs much greater than the available funding can address. There is demonstrated need for much more mitigation activity than this program can support, even at $150 million.

The Congressionally requested report of the Multi-Hazard Mitigation Council (MMC) of the National Institute of Building Sciences released in 2006 found an overall benefit-to-

cost ratio of 4 to 1 for mitigation investment. The ratio was 5 to 1 for flood mitigation projects. The Pre-Disaster Mitigation grant program generates local mitigation funding through its cost-share. It is evident that mitigation is a wise investment and good public policy.

A significant number of applications submitted each year cannot be approved due to lack of funds. These applications are a product of focused work at the local level, often with state involvement, to develop projects that are consistent with local and state hazard mitigation plans and meet the many other important program eligibility requirements. FEMA has developed, and then refined, an evaluation process for grant applications that is rigorous and involves mitigation officials from all over the country participating in review panels.

The process of developing hazard mitigation plans and of working locally to put together mitigation grant applications has the important corollary benefit of building local commitment to risk reduction. Utilizing a significant portion of limited PDM funds in funding directives outside of the competitive grant application process can have the unfortunate effect of reducing impetus to utilize that awareness and commitment building process at the local level. We urge the Committee to avoid use of funding directives and instead to encourage the local planning and project development that leads to local commitment to hazard mitigation and to the most cost effective mitigation projects.

To enhance the development of eligible and good quality grant applications from the many jurisdictions that do not necessarily have mitigation expertise locally or the funds to hire such expertise, the Committee may wish to consider setting aside a portion of PDM funds for allocation to states to support technical assistance to communities. Many communities nationwide could improve their hazard mitigation activities with even minimal technical assistance

►► ASFPM urges increased funding for Pre-Disaster Mitigation grants; urges encouragement of local mitigation awareness and commitment by not funding projects through directives and suggests consideration of a set-aside for allocations to states so that hey can provide technical assistance to communities.

Other

FEMA has been working collaboratively with the US Army Corps of Engineers on assessment of flood control structures (usually levees) and the reflection of that work on FEMA's flood maps. ASFPM notes that the interagency collaboration is most effective and important.

FEMA has embarked on a unification of requirements and applications procedures for its five mitigation grant programs. ASFPM supports this effort as it will very likely simplify and streamline the grant application process for states and communities.

WRITTEN STATEMENT OF
THE NATIONAL ASSOCIATION OF MANUFACTURERS
FOR
THE COMMITTEE ON APPROPRIATIONS,
SUBCOMMITTEE ON HOMELAND SECURITY HEARING
"CARGO, CONTAINER AND SUPPLY CHAIN SECURITY"
ON
APRIL 2, 2008

The National Association of Manufacturers (NAM) is providing the following written statement for the record of the Committee on Appropriations, Subcommittee on Homeland Security Hearing "Cargo, Container and Supply Chain Security" held on April 2, 2008. The NAM represents a broad spectrum of U.S. manufacturers, with members in every industrial sector and every state. Its membership includes both large multinational corporations with operations in many foreign countries and small and medium manufacturers that are engaged in international trade on a more limited scale. Our members depend heavily on imported parts, components and finished products to compete not only in the U.S. marketplace but in foreign markets as well.

NAM members recognize the important role Customs and Border Protection (CBP) plays not only in protecting the United States but also in facilitating legitimate trade. Our members are committed to working with CBP and other U.S. law enforcement agencies to keep America secure and safe from terrorist threats. Many NAM members gladly participate in the numerous CBP initiatives that make the United States more secure.

This hearing is very timely as CBP is currently working on a number of new initiatives. While the NAM supports the efforts of CBP, we want to ensure that new customs requirements achieve the dual CBP goals to "enhance national security while protecting the economic vitality of the United States." The NAM recognizes the difficulty of striking the right balance between the two. We believe, however, that protecting national security and facilitating international trade need not be mutually exclusive.

Striking the right balance between enhancing national security and facilitating trade is critical. Manufactured goods accounted for 76% of all imports in 2007, or $1.9 trillion. U.S. manufacturers have global supply chains, source from around the world, and import parts and components on a daily basis. Many have developed "just in time" supply chains. Therefore, any new programs developed by CBP must be mindful of the way U.S. manufacturers operate their supply chains and their important role in the U.S. economy. New programs should be real world tested to guarantee that they do not place U.S. manufacturers at a competitive disadvantage vis-à-vis their competitors around the globe.

In order to strike the right balance, CBP must implement new programs based on sound risk management principals. Low-risk cargo should be treated differently than high risk cargo and to do so, CBP can not implement programs that treat the two identically. Doing so wastes limited resources on containers and companies that represent little to no risk and that have been validated by CBP.

The NAM welcomes this committee's and others interest on customs programs. There are a myriad of customs issues that merit attention including resources for CBP, technical issues such as duty drawback, interagency cooperation, intellectual property rights and supply chain management programs such as C-TPAT. While those issues are deserving of increased attention, the NAM would like to focus our statement on one issue in particular—the so-called Custom's 10+2 proposed rule. CBP published a Notice of Proposed Rule Making (NPRM) on January 2, 2008 to which the NAM submitted comments that mirror those submitted to the record of this hearing. We believe the proposed rule is deserving of increased focus and scrutiny.

The proposed rule requires all importers to submit ten data elements 24 hours in advance of the cargo being laden on the vessel. Thousands of containers will sit at the port for 24 hours while the importer submits the information to CBP.

The NAM is not opposed to the proposed rule. However as currently drafted the rule not only fails to enhance national security, it also fails to facilitate trade by greatly increasing the cost of doing business for U.S. manufactures—achieving neither of CBP's dual goals.

Our statement focuses on implementation of the rule and the increased costs for U.S. manufacturers. We also offer recommendations we believe will enhance the effectiveness of the proposed rule and make it work better to both protect national security and facilitate trade.

10+2 Implementation Issues

- **Weak linkage to risk assessment mandate.** The SAFE Port Act of 2006 mandated that CBP should promulgate regulations to require electronic transmission of additional data elements in order to improve "high-risk targeting." Industry expected that CBP would establish a clear and readily understandable link between enhanced security and submission of these new data elements prior to foreign lading. The explanation for the proposed rule, however, provides no compelling rationale or evidence on how the specific security filing requirements as defined in the NPRM would achieve that goal. The advance data collection program as described in the NPRM appears based on the premise that all imports, from every country and from every party pose the same level of risk.

  Yet this approach differs fundamentally from the risk-assessment approach used in other CBP programs (e.g., C-TPAT). In its current formulation, the proposed rule in effect requires both CBP and industry to devote considerable security resources to monitoring a large volume of imports that pose low or minimal risk Rather than narrowing the monitoring focus through intelligence evaluation and existing knowledge of imports and supply chain participants, the rule treats all parties equally.

Moreover, it is not clear how the additional data elements will allow CBP to target "high risk" transactions when the same information is requested across the board from all importers regardless of their participation in CBP programs or their importing history. If implemented, this approach would require CBP to waste significant resources collating and reviewing vast quantities of repetitive information that provides no additional intelligence value.

- **Lack of data availability.** Most importing manufacturers do not have access to the data in all 10 categories required for importers 24 hours in advance of loading containers onto vessels in foreign ports. While importers may transmit purchase orders to foreign suppliers, other intermediaries (e.g., freight forwarders) often have the more detailed information on shipments. Importers, therefore, would have to expend additional resources not only to compile the data but also to modify expensive IT systems to manage the data and ensure data systems interface. Manufacturers that import thousands of different parts and components for final assembly in the U.S. face acute data collection and coordination challenges. "Data overload" is a real concern.

- **Unproductive duplication of data filing**. The "10+2" filing requirements duplicate customs filing requirements mandated under other regulations. Even when the data requirements are the same, the timing of submissions differs, increasing the complexity of data collection and collation. Many of our members would have to file different combinations from the same universe of data, over and over again. This repetition of the same data filings creates delays and raises costs without adding security value.

- **Failure to take full advantage of C-TPAT risk assessment.** Participants in the C-TPAT program must meet strict criteria to receive officially recognized status as a "trusted" party in trade. Yet the 10+2 rule fails to take full advantage of C-TPAT risk assessment in applying the new filing requirements. By treating C-TPAT participants the same as other importers, CBP wastes limited targeting and inspection resources that could be more effectively devoted to unknown or suspect parties. This is not consistent with the risk-based approach that underpins CBP's overall enforcement strategy. CBP should offer C-TPAT participants additional benefits under the 10+2 rule consistent with their trusted-party status.

- **Costly burdens on small companies.** Small manufacturers will be particularly burdened as they lack the internal resources and expertise to compile data and submit it in a timely fashion. This will pose a crisis for many smaller firms that import products or components and may well lead to companies simply closing their doors and going out of business.

- **Protecting sensitive commercial data.** For most companies, the identity of their suppliers and customers is sensitive commercial information that can materially damage business interests if disclosed to competitors. In its report on the proposed rule, however, CBP has not indicated what additional, enhanced measures will be taken to protect this sensitive information.

- **Incompatibility with WCO SAFE Framework Standards.** At the request of the United States, the World Customs Organization (WCO) adopted a SAFE Framework of Standards for security filings. The 10+2" rule contains elements not agreed to by the WCO and also requires that the filings be much earlier in the supply chain than was intended by the WCO. The new U.S. rule should be consistent with its international obligations by following the WCO standards.

10+2 Cost Concerns

NAM members have reviewed the CBP cost analysis of the proposed rule and have concluded that the estimated cost of implementation substantially underestimates the real costs for manufacturers. Several factors merit special note:

- **Increased inventories**. CBP estimates that implementation of the proposed rule will require only a one-day increase in inventories. Some large NAM member companies, however, estimate that up to five days in additional inventory may be needed to ensure collection and filing of the required data. Costs result not simply from the production of this inventory but also the need to pay for additional storage capacity and cover depreciation costs.

- **Charges for waiting time.** Based on comments we received from manufacturers, we believe that cargo could sit at the port of export for as long as several additional days while the importer collects the 10 data elements. Particularly in the start-up phase of implementation, a significant percentage of containers sent to port for shipment will be delayed because data are not available for filing. These containers will be subject to additional charges at container yards.

  The additional charges at the container yards account for only a small portion of the costs associated with the delay. Delays in shipping impose inventory-holding and depreciation costs on shippers. Multiple large manufacturers have estimated that on average their cargo will sit at the port of export for at least two days while they collect the necessary information for the importer security filing. Such a delay would cost U.S. manufacturers billions of dollars annually. One large manufacturer estimates that every day its cargo sits at the port will cost the company $60 million annually. Under the proposed rule, cargo would sit for at least two days, costing the company over $120 million annually. Another large manufacturer estimates that the two-day delay will cost the company over $100 million annually.

The cost estimates proposed by CBP grossly underestimate the cost on industry and are not representative of the actual measures companies will have to take to comply. The Department of Economics at Purdue University recently concluded a study on international trade and time. In the study, Purdue University estimated that each day of shipping time saved is worth 0.8 percent ad-valorem for manufactured goods. Based on the value of total manufactured imports carried by sea vessels in 2007 ($1.04 trillion) a two-day delay would collectively increase the costs for U.S. manufacturers by $17 billion annually (this amount does not include all the additional costs identified above, which would increase the cost even more). Shipping delays, then, are costly. These additional costs would further erode the competitiveness of U.S.-based manufacturers and put them at a further disadvantage vis-à-vis manufacturers located overseas.

- **Infrastructure and IT system upgrades.** Collecting additional data will require expensive modifications and upgrades to existing IT and data processing systems. Moreover, these IT systems modifications will have to be made throughout the foreign supply chain and not simply at the U.S. and foreign ports. For large global companies with an extensive supplier networks, the costs would be substantial and much higher than what is estimated in the CBP analysis.

  Furthermore, companies cannot begin designing the new infrastructure and IT systems until a final rule is published. Companies are concerned that there will be insufficient time to develop the necessary new systems. New systems will take months of development and testing. If the systems are not fully tested, manufacturers are concerned that the data filings could contain numerous inadvertent errors that would result in unwarranted financial penalties and delays in shipments.

- **Additional administrative and monitoring costs.** The costs of administering and monitoring the new data filing requirements would be substantial, particularly for large companies. Since inaccurately filed data could result in CBP no-load orders, companies would need to significantly increase not only the number but also the technical qualifications of personnel assigned in order to avoid costly disruptions in just-in-time supply chains. To prevent delays, there must be seamless and rapid transmission of data between importers and shippers and then between importers and CBP to comply with the proposed rule. The sheer volume of the increased data filings raises formidable processing challenges for both companies in the trade and CBP.

- **Increased broker/shipper fees.** Importers that rely on brokers and shippers to submit the required data—mainly small and mid-size manufacturers—would face higher fees and possibly additional delays as intermediaries seek to offset their increased data collection costs and adjust their schedules to the new requirements.

10+2 Recommendations

The NAM recognizes that obtaining the right balance between enhanced security and trade facilitation is difficult to achieve. The following changes, however, could improve the proposed rule and make it more effective for advancing both CBP's security and trade facilitation goals.

- **Real-world testing.** CBP could better test and evaluate the proposed rule if it first undertook pilot testing of the data filing requirements. Pilot testing should using the required timeframes for data submission and employ the actual targeting, validation and electronic processes that are intended to be employed upon implementation. The cost-benefit and feasibility analysis required by law of CBP cannot be accomplished credibly without actual testing. At present, companies have difficulty assessing the costs and administrative burdens of the proposed rule because they do not have a precise data template prototype. We recommend real-world testing that applies "business process flow" models for different industries and types of importers to analyze the potential impact. This kind of testing would enable CBP to more accurately assess the technical feasibility of managing massive data flows under 10+2 in real time and the impact of random technical malfunctions and inevitable data input errors on the overall functioning of the system for both CBP and business.

- **Explicit delineation of security linkages.** Industry remains unconvinced that submission of the required data would actually advance U.S. security goals. Industry is also concerned that the proposed rule as drafted could increase the security risk as cargo would sit at the port of export for at least two or more days before being loaded and shipped cargo at rest is cargo at risk.

  A more explicit delineation of these goals and discussion of how the new requirements advance those goals would not only improve industry understanding but also encourage consideration of alternative measures that would be more effective and less costly to implement.

- **Consideration of small business impact.** There is a broad industry consensus that implementation of the proposed rule would be particularly costly for small businesses. CBP should give specific consideration either to exempting small businesses from some requirements or making it easier for them to comply.

- **Recognizing risk assessment in C-TPAT.** Companies that already qualify for C-TPAT participation should be given treatment commensurate with their status as "trusted" parties in trade. Consideration should be given to the following benefits:

    - Full ISF exemption for Tier 3 Members or, as an alternative, the opportunity to pre-file commercial data in aggregate (e.g., monthly, quarterly or annually) rather than repeat variations of the exact same information for shipments of high-volume, low-risk products
    - The option to file the security filing after departure and up to 24 hours prior to arrival in the United States
    - Special consideration for minor errors in filing (e.g., mitigation of liquidated damage amounts)
    - Fee offsets, refunds, rebates or other tangible financial incentives

  Such improvements would significantly reduce the burden on CBP for monitoring low-risk shipments and allow additional resources for imports of higher risk.

- **Import bond conditions/liquidated damages**. There should be a fundamental revision of the proposed importer bond conditions to align with those now in effect for import entries. The need for payment of liquidated damages should also be reconsidered. Liquidated damages are not appropriate for CBP to enforce the rule on importers.

  Traditionally, under the common law of the United States, liquidated damages are not enforced if the purpose is to punish the wrongdoer/party in breach rather than to compensate the injured party. It is difficult to see how liquidated damages materially improve security and serve to compensate the injured party, the U.S. Government, if the importer, without intent or negligence, provides incorrect information. Yet as currently drafted, the proposed rule appears to use liquidated damages as a way of punishing the importer.

  Additionally, for liquidated damages to be deemed appropriate the amount of the damages must roughly approximate the damages likely to fall upon the "injured" party. Liquidated damages are clearly not appropriate in the case of inadvertent mistakes or for other minor violations because it is hard to quantify the harm caused to the U.S. government, especially if the government still receives all the correct data elements before the vessel is near a U.S. port of entry.

  The no-load penalty for inadequate data is likely to be a sufficient penalty for importers to comply fully with the rule. If penalties are deemed to be necessary, the NAM would support a tiered penalty structure based on a simple negligence standard (i.e., inadvertent mistakes, negligence, gross negligence and fraud).

- **Redefining of the "10" data elements and requirements on importers.** To reduce data inputting costs and inadvertent errors, CBP should:
    - Eliminate HTS code and include other product descriptions because HTS code offers no explicit product information. Rather than HTS codes, importers should provide textual descriptions of the products sufficient for CBP to make appropriate risk assessments.
    - Use a "DUNS" number instead of the name and address of the buyer. Use of DUNS numbers will reduce the possibility of inputting errors and also facilitate expeditious CBP review of companies.
    - Link the data elements once it has received all the information from an importer as opposed to requiring the importer to link.
    - Clearly identify the type, length and description of each data element.
    - Provide a timely confirmation message to the importer that the filing has been completed and accepted.

- **Mutual recognition of foreign security filing requirements.** Further cost reductions could be obtained if CBP worked either to harmonize foreign security filing requirements or to allow for mutual recognition of foreign requirements, particularly with major trading partners like the European Union. The risk to the supply chain is a global threat, and many countries have implemented supply chain security programs. Greater efforts are needed to recognize these countries and programs and to reach mutual recognition agreements. Programs such as the proposed rule not only fail to recognize these efforts but in fact also result in CBP and the private sector expending scarce resources in areas that others have already made secure.

NAM members are committed to working with CBP to keep America secure from terrorist threats. However new programs and initiatives must be based on risk management principles in order to enhance national security and facilitate trade. National security and economic vitality are not mutually exclusive and the NAM firmly believes the right balance can be struck to achieve the dual goals.

NATIONAL BUSINESS TRAVEL ASSOCIATION
Connecting the Business Travel World

Statement of Bill Connors
Executive Director and Chief Operating Officer
National Business Travel Association

The National Business Travel Association (NBTA) urges members of the House Appropriations Committee's Homeland Security Subcommittee to oppose yet another proposal by the Administration to increase the aviation security fees paid by businesses and consumers as part of the Fiscal Year 2009 budget proposal for the Transportation Security Administration (TSA) of the Department of Homeland Security (DHS). Since the original imposition of the "September 11 Security Fee", to fund the purchase of security systems and equipment, Administration budget officials have repeatedly-and unsuccessfully-sought to shift additional security costs onto the traveling public.

While the stated purpose of the proposed fees in the Administration's FY09 budget proposal-replacing baggage screening equipment-is laudable, NBTA believes that it is the federal government's responsibility to shoulder such costs within the general fund. Indeed, TSA has an aggressive plan to deploy security-enhancing technology across the country. The Administration would be wise to not only begin providing necessary resources for these improvements, but also make the plans to replace it in appropriate intervals-without resorting to gimmicks like the temporary fee in the FY09 budget for TSA.

NBTA has consistently opposed additional security fees on the travel community since the Administration began seeking to impose new costs on this segment of the public in 2002. The security of our nation's aviation system is a matter of national security, and the costs of maintaining and improving aviation security should be paid for by general revenue funds that have traditionally been used for national security concerns.

The authoritative voice of the business travel community is the National Business Travel Association, representing over 3,000 corporate travel managers and travel service providers who collectively manage and direct more than $170 billion of expenditures within the business travel industry, primarily for Fortune 1000 companies.

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NCAI TESTIMONY TO HOUSE APPROPRIATIONS COMMITTEE SUBCOMMITTEE ON HOMELAND SECURITY ON FY 2009 APPROPRIATIONS

On behalf of the tribal nations of the National Congress of American Indians (NCAI), we are pleased to present our recommendations on the Administration's Fiscal Year 2009 budget and funding for Tribal governments within the Homeland Security Subcommittee.

There are over 560 Tribal governments in the United States. As independent sovereign governments, Tribes are not subdivisions of the States but completely separate nations. In general, State governments do not have any jurisdiction on Indian reservations. As such, Tribes have all the same responsibilities for the public safety and security of their community as any other government. Not only does this include the more traditional concepts of public safety but it also includes responsibilities which have been more recently defined as "homeland security."

Nearly forty Tribes are located directly on or near the U.S. international borders with Mexico and Canada. Hundreds of other tribal governments are the only major governmental presence in rural and isolated locations, serving as the first and often only law enforcement authority and emergency responders for their Native and non-Native communities. In addition, dozens of Tribes have major national critical infrastructure on their lands, including national oil pipelines, nuclear facilities, missile sites, and dams.

Tribal governments, have broad emergency and first responder responsibilities, as well as extensive border security responsibilities including immigration, anti-terrorism and smuggling.

NCAI FY09 HOMELAND SECURITY APPROPRIATIONS SUBCOMMITTEE RECOMMENDATIONS:

- **Tribal minimum of 1.0% of the total of SHSGP + UASI for the DHS Direct Tribal Funding Grant Program.**
- **$20 million within the WHTI (and/or REAL ID) appropriations for a Tribal governmental ID compliance grant program**
- **A $5 million grant for the creation of a national Tribal ID database**

FY09 HOMELAND SECURITY APPROPRIATIONS
TRIBAL GOVERNMENTAL REQUESTS

(1) STATE/TRIBAL HOMELAND SECURITY GRANT PROGRAM: 1.0% FOR TRIBAL GRANTS

The ***Implementing the 9/11 Commission Recommendations Act of 2007 (P.L. 110-53)*** acknowledged the importance of Tribes applying directly to the Department of Homeland Security, rather than through the State governments, for homeland security funds to ensure streamlined homeland security infrastructure. The bill authorized Congress and DHS to expend a **minimum** of 0.1% of the total of the SHSGP + UASI programs for "directly eligible" Tribal governments. For the FY08 appropriations that minimum equaled about $1.6 million. With over 100 eligible Tribes, each with several million dollars in homeland security needs, this amount is unfortunately grossly insufficient. (Territories received 0.8% per territory (5 territories), while all 560 tribes (many the size of the state of West Virginia and Connecticut) had to share 0.1% collectively this year.)

The authorization exists for the appropriators to set the amount at their choosing, as long as it is equal to or greater than 0.1%. The Tribes, therefore, respectfully request that the Homeland Security Subcommittee indicate that a minimum of 1.0% of the SHSGP + AUSI be directed toward Tribal applicants.

- ***Tribal minimum of 1.0% of the total of SHSGP + UASI for the DHS Direct Tribal Funding Grant Program***

(2) WESTERN HEMISPHERE TRAVEL INITIATIVE: TRIBAL ID COMPLIANCE

Congress has taken a number of legislative steps since 9-11 to increase the security of government issued ID cards. DHS has correctly recognized that Tribal governments are not a subdivision of State governments, but are separate sovereigns with separate citizenships, and therefore their governmental IDs must be addressed separately. Tribal governments are pleased to be a part of the homeland security effort to increase the security of their governmental ID cards. However, Tribal governments have even fewer resources available to them than the State governments to help meet these new mandates.

A. TRIBAL ID WHTI (REAL ID) COMPLIANCE GRANTS: $20 MILLION. At his FY08 Budget briefing, DHS Secretary Chertoff estimated that it would cost States approximately $8 per card to increase the security and infrastructure to meet the Congressional and DHS's guidelines. Since many Tribal governments will probably need to take a few additional steps than States to meet these new requirements, we currently estimate it will be closer to $10-15 per card for Tribal governments. Combined, Tribal governments have approximately 2 million enrolled Tribal citizens. A conservative estimate of the cost to increase the security of Tribal government ID cards to meet these federal requirements, therefore, ranges from $20-30 million.

- ***$20 million within the WHTI (and/or REAL ID) appropriations for grants for Tribal governmental ID compliance***

B. DHS TRIBAL ID DATABASE: $5 MILLION. The DHS has indicated to State and Tribal governments that there are two options to comply with DHS's need to access governmental ID databases for verification purposes. Either governments can turn over a copy of their database to DHS, or they can create a database system that is sufficiently secure and fast to allow DHS real-time "ping"/dial-in access to verify each ID as presented.

The majority of Tribal governments would understandably prefer not to release their private citizenship information, but do want to be helpful and responsive. The Tribes recognize the challenge in being both secure and responsive to DHS. Many Tribal governments have been discussing the creation of national or regional Tribally owned and managed database that meets DHS's security and real-time access needs. The DHS WHTI office has specifically asked NCAI and Tribal governments to consider the creation of such a database to facilitate these communications.

It is estimated that creating and maintaining a database that could accommodate a list of 2 million Tribal citizens, and meet the necessary security requirements, including DHS real-time access, would cost approximately $5-10 million.

- ***$5 million grant for the creation of a national Tribal ID database for DHS purposes***

ADDITIONAL BACKGROUND INFORMATION: TRIBAL GOVERNMENTAL HOMELAND SECURITY RESPONSIBILITIES

PROTECTING CRITICAL INFRASTRUCTURE

In addition to preparing for the protection of the people within its jurisdiction, there is significant vital infrastructure located on and near Tribal lands including national communications network systems, highway and rail lines, dams, power transmission stations and relays, oil and natural gas pipelines, dams, military defense facilities and operations.

The Fort Berthold Indian Reservation has several Minuteman missile launch facilities located within its exterior borders as a strategic element of the homeland security system. Tribal police officers have patrolled these areas for decades and occasionally respond to trespass incidents. The Grand Coulee Dam is the largest electric power producing facility in the United States and is situated within the Colville Indian Reservation. The Mdewakanton Dakota of the Prairie Island Indian Community are bordered by a nuclear power reactor. Tribal officials take their responsibilities to protect these facilities and to protect their community from misfortune to these facilities very seriously. Unfortunately, State and local governments are not always cognizant of this responsibility. For example, the Prairie Island reactor was built without consultation with tribal officials, and only recently have tribal officials been invited to participate in emergency response exercises which the utility and federal and state governments have been conducting since 1980.

FIRST RESPONDERS

In many Tribal jurisdictions, because of the remoteness of the location (and proximity to U.S. international borders), Tribal emergency responders are the only emergency response entity for both the Tribal and non-tribal community members; this includes firefighters, law enforcement, and medical emergency response.

A number of Tribes now have their own departments of Homeland Security or Emergency Responsiveness. In addition to preparing for basic first responder duties, Tribes also prepare their communities for incidents such as pandemic outbreaks, natural and technical disasters, and terrorist incidents.

In recent years, some tribal economies have risen to the level of enabling tribal governments to support public safety effort not only for themselves but for non-Native surrounding communities. These Tribes have built significant emergency management infrastructure with highly trained personnel. They have constructed and upgraded transportation routes, purchased police, fire, and emergency medical service vehicles and purchased state of the art equipment and provide services to tribal and non-tribal surrounding jurisdictions. However many Tribes without the resources still lack an emergency management infrastructure.

THE BORDER, DRUGS, & IMMIGRATION SMUGGLING

Approximately 40 Tribes are on or near U.S. international borders and many are in very remote areas of the border. These border Tribes are struggling with a number of increased public safety problems and concerns, not unlike border states.

For the past decade, the result of the U.S. federal border enforcement strategy has been to funnel illegal immigration and drug smuggling into more remote areas. Unfortunately the "remote" areas include Indian reservations. The substantial increase in the flow of people and drugs, and the subsequent increase in crime and property damage have been very difficult for Tribal law enforcement and Tribal communities to address with already limited resources.

The overall success of the U.S.'s national border strategy may ultimately hinge on the ability to protect the U.S. borders in Indian country, as one of the more vulnerable areas along the border, both because of historic under funding of law enforcement resources, but also due to the inefficient jurisdiction complexities previously discussed.[i]

In addition to the Tribes own Tribal law enforcement responding to the border enforcement issues, one Tribe, the Tohono O'odham in Arizona, have created a unique program with the Federal government, the Shadow Wolves. In order to respect the Tribes right to protect its own boundaries, but still provide Federal border and drug smuggling assistance, the Tohono O'odham Nation and the U.S. Customs Department created an Indian-only border enforcement unit, the Shadow Wolves. Made up primarily but not exclusively of members of the Tohono O'odham Nation, the Shadow Wolves are uniquely situated to not only know and protect the land in the area, but to also know and respect the people in the community.

THE WESTERN HEMISPHERE TRAVEL INITIATIVE (NEW PASSPORT REQUIREMENTS) & TRIBAL GOVERNMENTS

Because Tribal nations pre-existed the founding of the United States and the creation of its international borders, many Nations and communities were split in two by the new U.S. borders. Therefore, these Nations now have Tribal family members residing on both sides of the U.S. international border. This bifurcation of their families has created years of difficulties with border crossing for sacred ceremonies and family visits. In addition, nearly 40 Tribes either straddle or are very near the U.S. international borders and cross daily as a part of religious, cultural, familial, and economic obligations.

DHS recognized this unique obligation and relationship and will be accepting enhanced Tribal ID cards for international land border crossing purposes. The Tribes want to ensure that they effectively participate in the U.S.'s homeland security plan and sufficiently enhance their governmental ID cards to the same secure standards. But like State governments, Tribes need federal resources support to meet these new security guidelines. The creation of a competitive grant program will help ensure Tribal governments are full partners in this project.

In addition, once the IDs themselves are designed and distributed, the DHS has indicated to State and Tribal governments that there are two options to comply with DHS's need to access their governmental ID databases for verification purposes. Either governments can turn over a copy of their database to DHS, or they can create a database system that is sufficiently secure and fast to allow DHS real-time "ping"/dial-in access to verify each ID as presented.

The majority of Tribal governments would understandably prefer not to release their private citizenship information, but do want to be helpful and responsive. The Tribes recognize the challenge in being both secure and responsive to DHS. Many Tribal governments have been discussing the creation of national or regional Tribally owned and managed database that meets DHS's security and real-time access needs. The DHS WHTI office has specifically asked NCAI and Tribal governments to consider the creation of such a database to facilitate these communications.

DHS & THE NEED DIRECT TRIBAL RELATIONSHIP/DIRECT FUNDING

After 9-11 the U.S. Department of Homeland Security (DHS) was created as an effort to integrate and streamline national homeland security efforts. Unfortunately for Tribes, the implementation model DHS choose for developing, monitoring, and delivering the national strategy was through State governments. All federal homeland security and emergency management planning, and all federal homeland security funds are distributed through this structure.

As previously discussed, Tribes are independent Nations with a government-to-government relationship with the Federal government, and they exist outside of the State government structure. In addition, historically the most relationship have been those between State and Tribal governments. States are consistently leading the legal and legislative charge to dis-empower and often dismantle Tribal governments.

Therefore, one can imagine the difficulty Tribes have experienced in trying to integrate into the national homeland security planning and funding structure through State governments. States often do not include Tribal leaders, or even a single Tribal leader, in the development of their homeland security plans. This fact is particularly startling when you consider many states have over 20 Tribes within their boundaries and a few have over 100 Tribes.

The result for many Tribes has been poor multi-jurisdiction coordination, poor communications inter-operability, and little to no access to DHS funds. Many states, for example, utilize Tribal populations, Tribal land bases, and Tribal risk-needs in their requests to DHS for funding, but do not then share the allocated portion with the Tribal governments. While some states, like Arizona, work well with their Tribal governments, many states, like California, have not provided any DHS funding to Tribal governments, while others still (like the State of Connecticut) are withholding specific Tribally allocated grants until Tribal governments sign unrelated restrictive agreements of interest to the State government.

Tribal governments have been concerned for sometime that they have not been fully integrated into the Department of Homeland Security infrastructure. Not only does the current structure go against the basic nature of Tribal sovereignty and the Tribal-Federal government-to-government relationship, it has been very ineffective from a practical standpoint. Tribal governments, therefore, have been advocating for a direct relationship with DHS and a direct Tribal funding path.

[i] *See generally, Border Security Agencies Need to Better Coordinate Their Strategies and Operations on Federal Lands*, United States General Accounting Office, GAO-04-590, June 2004; *see also Border Security and the Southwest Border: Background, Legislation, and Issues*, CRS Report for Congress, Order Code RL33106, September 28, 2005

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

ON

CUSTOMS AND BORDER PROTECTION ISSUES

BEFORE

THE HOUSE SUBCOMMITTEE ON HOMELAND SECURITY
APPROPRIATIONS OF THE U.S. HOUSE OF
REPRESENTATIVES
APPROPRIATIONS COMMITTEE

April 9, 2008

1750 H Street, N.W. • Washington, D.C. 20006 • (202) 572-5500

Chairman Price, Ranking Member Rogers, distinguished members of the Subcommittee; I would like to thank the Subcommittee for the opportunity to provide this testimony. As President of the National Treasury Employees Union (NTEU), I have the honor of leading a union that represents over 22,000 Customs and Border Protection (CBP) Officers and trade enforcement specialists who are stationed at 327 land, sea and air ports of entry (POEs) across the United States. CBP employees make up our nation's first line of defense in the wars on terrorism and drugs.

In addition, CBP trade compliance personnel enforce over 400 hundred U.S. trade and tariff laws and regulations in order to ensure a fair and competitive trade environment pursuant to existing international agreements and treaties, as well as stemming the flow of illegal contraband such as child pornography, illegal arms, weapons of mass destruction and laundered money. CBP is also a revenue collection agency, expecting to collect an estimated $29 billion in federal revenue according to FY 2009 revenue estimates.

First, NTEU would like to thank the Committee for including language in its FY 2008 DHS Appropriations bill that provides an enhanced retirement benefit to all eligible GS-1895 CBP Officers to address the concern that CBP was losing valuable law enforcement personnel to other agencies due to the disparity in retirement pay. The final funding bill included $50 million to cover the FY 2008 costs associated with this enhanced retirement benefit. Nothing that the Committee has done since the creation of the Department has had a more positive effect on the morale of the CBP Officer.

NTEU was alarmed that the President in his FY 2009 budget request sought to repeal this new law and rescind the $50 million appropriated in FY 2008 to begin this new program. NTEU members are extremely grateful that, despite the President's request, the Committee remains firmly committed to this new program and fully supportive of funding this program. All NTEU members commend the Committee on its forethought and perseverance in enacting this seminal legislation.

FUNDING FOR DHS HUMAN RESOURCES MANAGEMENT SYSTEM

NTEU continues to have concerns about funding priorities at DHS. The President's 2009 Budget request includes an increase of $29.3 million for the Office of Chief Human Capital from $18.8 million in FY 2008 to $48.1 million in FY 2009 to fund the DHS personnel system. In a number of critical ways, the personnel system established by the Homeland Security Act and the subsequent regulations issued by the Department of Homeland Security (DHS) have been a litany of failure because the law and the regulations effectively gut employee due process rights and put in serious jeopardy the agency's ability to recruit and retain a workforce capable of accomplishing its critical missions.

When Congress passed the Homeland Security Act in 2002 (HSA), it granted the new department very broad discretion to create new personnel rules. It basically said that DHS could come up with new systems as long as employees were treated fairly and continued to be able to organize and bargain collectively.

The regulations DHS came up with were subsequently found by the Courts to not even comply with these two very minimal and basic requirements. In July 2005, a U.S. District Court for the District of Columbia ruled that the Labor Relations portion and parts of the adverse action and appeals portions of the proposed DHS personnel regulations infringed on employees' collective bargaining rights, failed to provide an independent third-party review of labor-management disputes and lacked a fair process to resolve appeals of adverse management actions. The Appellate Court rejected DHS's appeal of this District Court decision and DHS declined to appeal the ruling to the Supreme Court.

In February 2008, DHS notified the District Court that it had abandoned its effort to implement the Labor Relations portion of its new personnel regulations. This means that Title 5, Chapter 71, collective bargaining rights remain in effect for all DHS employees. DHS cannot come up with new Labor Relations regulations. However, there are 6 parts to the DHS Human Resource Management System (formerly called MAX-HR) established pursuant to Title 5, Chapter 97. Only one part of Max-HR--Labor Relations--has been ruled illegal and will not go into effect.

Title 5, Sec. 9701(h) states that, after passage of 5 years following the completion of the "transition period," DHS/OPM will have no authority to issue regulations pertaining to the new human resource management system authorized by Sec. 9701 (formerly called MAX-HR), including regulations that would modify, supersede, or terminate any regulations that were already issued. In other words, the regulations in place at the end of the 5-year period would stay in place and no new regulations could be issued.

Right now, DHS drafted regulations are in place for adverse actions, appeals, performance management, and pay and classification. Assuming nothing changes between now and the end of the 5-year period, the adverse action, appeals, performance management, pay, and classification regulations would be frozen in place and remain applicable.

NTEU has the following concerns about the remaining MaxHR regulations and requests that no funding be appropriated to implement any part of the regulations promulgated pursuant to Title 5, Chapter 97.

Classification, Pay, and Pay Administration (Subparts B and C)

DHS cannot justify deviation from the classification and basic pay system set forth in 5 U.S.C. Chapters 51 and 53. The Title 5 system has, for decades, provided an objective, transparent basis for making pay decisions. It has ensured that employees doing the same jobs receive the same basic pay. It does not permit an employee's pay to be determined by factors unrelated to the performance of his or her duties. It does not permit a federal employer to favor one employee or group over another in setting basic pay. And, if administered properly, it permits agencies to reward high performers. These objectives are just as important and vital today as they were when the General Schedule system was designed.

While many of the details of the DHS pay and classification system are still unknown, it is clear that DHS would abandon these bedrock principles in favor of an unproven "pay for

performance" system. Such a system would present significant funding concerns as the Secretary would retain final decision making authority in such matters as the annual allocation of funds between market and performance pay adjustments and the annual adjustment of rate ranges and locality supplements. This, of course, allows for the possibility that performance-based increases for a select few would be funded with money that would otherwise be used to provide an across-the-board General Schedule increase for all employees.

Moreover, DHS cannot show that such a system could be implemented in a fair and objective manner. Indeed, NTEU's experience with a similar "pay for performance" system at the Securities and Exchange Commission shows that pay schemes like the one contemplated by DHS entail a significant risk of discrimination in violation of Title VII and the Age Discrimination in Employment Act. Subjective pay systems also undermine employee morale.

Performance Management (Subpart D)

There has been no showing that the provisions of Chapter 43 and 5 C.F.R. Part 430, which require agencies to develop performance appraisal systems that include standards and procedures that protect employees from arbitrary or unfair treatment in the evaluation of their performance, is inadequate for DHS' needs. Particularly troubling is the regulations' abandonment of Chapter 43's requirement that a reasonable performance improvement period (PIP) be provided before imposing an adverse action based on unacceptable performance. A PIP provides employees with a chance for rehabilitation and, if successful, obviates the need for the employer to incur the time and expense of hiring and training a replacement.

Adverse Actions and Appeals (Subparts F and G)

The current one-year probationary period provides sufficient time to assess a new employee. DHS' need for a longer "Initial Service Period" (up to two years) during which employees would have no adverse action rights, has never been established. Adverse action rights, as currently available under Chapter 75, should remain available to DHS employees.

The "mandatory removal offense" concept must be eliminated. DHS has never demonstrated why generally applicable adverse action procedures are inadequate to address these types of serious offenses. Neither has it demonstrated why arbitrators and the Merit Systems Protection Board (MSPB) are incapable of adjudicating these types of adverse actions fairly. Employees can have no confidence in the objectivity of a Mandatory Removal Panel with members appointed and retained solely at the Secretary's discretion.

Current law requires at least 30 days notice of adverse actions appealable to the MSPB. DHS cannot justify reducing that time to 15 days, thereby depriving DHS employees of the same opportunity to prepare a reply to a proposed adverse action that other federal employees have.

DHS employees should be subject to the same MSPB appeal filing limits as other federal employees. It is both unfair and unnecessary to reduce the current 30-day filing time limit to 20 days, thereby depriving DHS employees of valuable time for preparing their appeal and making arrangements for adequate representation.

By requiring all MSPB "case suspension" requests to be jointly submitted, the DHS regulations permit one party to prevent the other party from seeking a suspension for good cause, such as the illness of the party or a party's representative. DHS cannot show why the MSPB should be divested of its discretion to rule on the merits of unilateral case suspension requests.

Summary judgment is not currently available in MSPB appeals. Appellants are entitled to a hearing in any appeal over which the MSPB has jurisdiction. Plainly, the DHS regulation making summary judgment available will prejudice appellants. Summary judgment is a concept imported from civil litigation. Agencies, with staffs of attorneys who are familiar with summary judgment principles, will take advantage of the opportunity to have appeals dismissed. Many appellants are pro se or represented by non-attorneys. They lack the expertise to draft or reply to a summary judgment motion.

DHS' penalty mitigation standard (an arbitrator, presiding official, or MSPB may not modify a penalty imposed by the employer "unless such penalty is so disproportionate to the basis for the action as to be wholly without justification") constitutes an unfair and unwarranted departure from the current mitigation standard that was first established in Douglas v. Veterans Administration, 5 M.S.P.R. 1981. In fact, DHS's mitigation standard was enjoined by Judge Collyer in the U.S. District Court for the District of Columbia as being contrary to the Homeland Security Act's requirement that DHS employees be entitled to "fair treatment" in employment appeals. The D.C. Circuit set aside NTEU's challenge to the mitigation standard as being "unripe." NTEU stands ready to renew its challenge in the event that DHS applies this unreasonable and illegal standard to employees.

From the beginning of discussions over personnel regulations with DHS, it was clear that the only system that would work in this agency is one that is fair, credible and transparent. These remaining regulations promulgated under the statute fail miserably to provide any of those critical elements. It is time to end this flawed personnel experiment.

The Committee has been extremely thoughtful and deliberative in allocating funds for implementing the new DHS personnel system. The FY 2006, 2007 and 2008 appropriations were well below the President's budget request.

Last session, the DHS Authorizers also acted. At NTEU's request, the House Homeland Security Committee approved an amendment to the FY 2008 DHS Authorization bill that repeals the DHS Human Resources Management System. The full House passed the FY 2008 DHS Authorization bill, but the Senate failed to act on this legislation last session.

Despite Congress' clear intent to stop implementation of the failed DHS Human Resources Management System, DHS persists in seeking funds to implement these compromised personnel regulations. **NTEU urges the Appropriations Committee ensure that no funding can be expended in FY 2009 to implement this failed, discredited personnel program.**

An ongoing example of DHS's abuse of personnel "flexibilities" that are in place government-wide is the Federal Career Intern Program (FCIP). NTEU has filed a lawsuit

challenging the legality of one of FCIP alleging that there is no justification for FCIP's broad exemption from the competitive examination and selection requirements fundamental to the federal civil service. CBP now uses FCIP authority as its exclusive mean of hiring new CBP Officers. The FCIP was originally created in 2000 as a limited special focus hiring program to provide formally structured two-year training and development "internships" as a strategic recruitment tool. Since then, however, because OPM placed very few restrictions on the program, its use by agencies has increased so dramatically that it amounts to a frontal assault on the competitive examination process as the primary method of hiring for competitive civil service positions.

As established by Office of Personnel Management (OPM), the FCIP allows agencies to hire "interns" for almost any entry-level position. FCIP vacancies are not required to be posted for internal candidates or on OPM's USAJOBS web site. The FCIP authority threatens to undermine fundamental merit systems principles. These principles require that selection and advancement be determined on the basis of relative ability, knowledge, and skills, after fair and open competition which assures that all receive equal opportunity. NTEU's lawsuit asks the court to declare FCIP's hiring authority illegal. Since the lawsuit was filed, NTEU has filed an amicus brief in the U.S. Court of Appeals for the Federal Circuit supporting a disabled veteran's challenge to the legality of the excepted service hiring allowed under the FCIP. The petitioner, a 30% disabled veteran who had applied for an auditor position in the Department of Defense, was passed over in favor of two non-preference eligible applicants who were hired under the FCIP.

Based on DHS's abuse of this existing flexibility and on more than five years of fruitless consultation regarding personnel regulations to create new and broader personnel flexibilities, NTEU has no confidence in the agency and asks the Committee to stop funding these failed personnel experiments.

CBP STAFFING AT THE PORTS OF ENTRY

For years, NTEU has said that CBP needs several thousand additional CBP Officers and CBP Agriculture Specialists (AS) at its ports of entry; that insufficient staffing and scheduling abuses are contributing to morale problems, fatigue, and safety issues for CBP Officers and CBP AS's and that CBP is losing personnel faster than it can hire replacements.

NTEU was very grateful that the Committee, in its FY 2007 DHS appropriations conference report, directed CBP to submit a resource allocation model for current and future year staffing requirements.

CBP's staffing model, completed and delivered to Congress last summer, concludes that the agency needs to hire 1,600 to 4,000 more CBP Officers and CBP AS positions (*Washington Post*, November 6, 2007) in order to perform its dual anti-terrorism and trade and travel facilitation mission. The President, however, requested funding to hire only 539 additional CBP Officers and no additional CBP AS hires in his FY 2009 Budget, far short of the 4,000 additional hires needed.

NTEU calls on the Committee to fund staffing levels for CBP Officers and CBP Agriculture Specialists at the ports of entry as specified in CBP's own workforce staffing model.

ONE FACE AT THE BORDER:

In 2006, Congress requested that the Government Accountability Office (GAO) evaluate the One Face at the Border initiative and its impact on legacy customs, immigration and agricultural inspection and workload. GAO conducted its audit from August 2006 through September 2007 and issued its public report, Border Security: Despite Progress, Weaknesses in Traveler Inspections Exist at Our Nation's Ports of Entry (GAO-08-219), on November 5, 2007. The conclusions of this report echo what NTEU has been saying for years:

- CBP needs several thousand additional CBP Officers and Agriculture Specialists at its ports of entry.
- Not having sufficient staff contributes to morale problems, fatigue, and safety issues for CBP Officers.
- Staffing challenges force ports to choose between port operations and providing training. In these instances...training is often sacrificed.
- CBP's onboard staffing level is below budgeted levels, partly due to high attrition, with ports of entry losing officers faster than they can hire replacements.
- One of the major reasons for high attrition is that CBP Officers are leaving to take positions in other federal agencies to obtain law enforcement officer benefits not provided to them at CBP. (The Committee rectified this in P.L. 110-161)

The Homeland Security Appropriations Committee added report language to the FY 2007 DHS Appropriations bill that, with regard to CBP's One Face at the Border initiative, directs "CBP to ensure that all personnel assigned to primary and secondary inspection duties at ports of entry have received adequate training in all relevant inspection functions."

It is my understanding that CBP has not reported to the Committee pursuant to this language, but NTEU's CBP members have told us that CBP Officer cross-training and on-the-job training is woefully inadequate. In addition, staffing shortages force managers to choose between performing port operations and providing training. In these instances, it is training that is sacrificed.

GAO reports extensively in GAO-08-219, pages 35-41, on the shortcomings with CBP's on-the-job and cross training programs and I urge you to review this information. With regard to the One Face at the Border initiative, CBP's training policy calls for no officer to be placed in an area without receiving the proper cross training module, officers and supervisors "told us that officers are placed in situations for which they had not been trained." See GAO-08-219, page 37)

It is apparent that CBP sees its One Face at the Border initiative as a means to "increase management flexibility" without increasing staffing levels. **NTEU again calls for Congress to end the failed One Face at the Border experiment and ensure that expertise is retained with respect to customs, immigration, and agriculture inspection functions.**

Agriculture Specialists Staffing:

NTEU was certified as the labor union representative of CBP Agriculture Specialists in May 2007as the result of an election to represent all CBP employees that had been consolidated into one bargaining unit by merging the port of entry inspection functions of Customs, INS and the Animal, Plant and Health Inspection Service as part of DHS' One Face at the Border initiative.

According to GAO (GAO-08-219, page 31), CBP's staffing model "showed that CBP would need up to several thousand additional CBP Officers and agriculture specialists at its ports of entry." And GAO testimony issued on October 3, 2007 stated that, "as of mid-August 2007, CBP had 2,116 agriculture specialists on staff, compared with 3,154 specialists needed, according to staffing model." (See GAO-08-96T page 1.) This is unacceptable. CBP needs to dramatically increase Agriculture Specialist staffing levels.

NTEU also recommends that Congress, through oversight and statutory language, make clear that the agricultural inspection mission is a priority and require DHS to report to them on how it is following U.S. Department of Agriculture procedures on agriculture inspections. The report should include wait times for clearing agricultural products and what measures could be implemented to shorten those wait times.

Trade Operations Staffing:

Section 412(b) of the Homeland Security Act of 2002 (P.L. 107-296) mandates that "the Secretary [of Homeland Security] may not consolidate, discontinue, or diminish those functions...performed by the United States Customs Service...on or after the effective date of this Act, reduce the staffing level, or reduce the resources attributable to such functions, and the Secretary shall ensure that an appropriate management structure is implemented to carry out such functions."

When CBP was created, it was given a dual mission of not only safeguarding our nation's borders and ports from terrorist attacks, but also the mission of regulating and facilitating international trade; collecting import duties; and enforcing U.S. trade laws. In 2005, CBP processed 29 million trade entries and collected $31.4 billion in revenue. In 2009, the estimated revenue collected is projected to be $29 billion—a drop of over $2 billion in revenue collected.

In Section 402 of the SAFE Port Act, Congress mandated CBP to prepare a Resource Allocation Model (RAM) to determine optimal staffing levels required to carry out the commercial operations of CBP, including commercial inspection and release of cargo. The RAM was delivered to Congress in July 2007 and states that currently, CBP has over 8,200 employees that are involved in commercial trade operations, but suggests that to carry out these commercial

operations and to adequately staff the needs for priority trade functions, the optimal staff level in FY 2008 would be over 10,000. These numbers include CBP Officers and CBP Agriculture Specialists involved in the commercial inspection and release of cargo.

The Model proposes increases from the current floor of 2, 263 customs revenue function employees, which includes Fine, Penalty and Forfeiture Specialists, Import Specialists, International Trade Specialists, Customs Attorneys, Customs Auditors, Chemists and CBP Technician positions, but notes that the Model is not tied to any specific budget request and does not reflect the Department's, CBP's, or the President's funding priorities.

The President's FY 2009 Budget requests funds for an additional 7 attorneys, 2 economists, 2 paralegals and 1 mission support personnel to support CBP's regulatory program.

According to a GAO report on Customs Revenue Functions (GAO-07-529), CBP collected nearly $30 billion customs duties in FY 2006, but did not collect approximately $150 million in antidumping duties alone in 2006. CBP has been unable to collect more than $500 million in antidumping duties over the past 5 years. (See GAO-07-529, page 23 and pages 29-30.) GAO also concluded that CBP's shift in mission contributed to reduced focus and resources devoted to customs revenue functions.

Customs revenues are the second largest source of federal revenues that are collected by the U.S. Government. The Committee depends on this revenue source to fund federal priority programs. The Committee should be concerned as to how much CBP trade enforcement staffing shortages cost in terms of revenue loss to the U.S. Treasury.

NTEU urges the Committee to ensure that trade compliance personnel is increased to the staffing levels that CBP itself states in the July 2007 RAM are sufficient to ensure effective performance of customs revenue functions.

Conclusion:

Each year, with trade and travel increasing at astounding rates, CBP personnel have been asked to do more work with fewer personnel, training and resources. The more than 22,000 CBP employees represented by the NTEU are capable and committed to the varied missions of DHS from border control to the facilitation of trade into and out of the United States. They are proud of their part in keeping our country free from terrorism, our neighborhoods safe from drugs and our economy safe from illegal trade. These men and women are deserving of more resources and technology to perform their jobs better and more efficiently.

The American public expects its borders and ports be properly defended. Congress must show the public that it is serious about protecting the homeland by fully funding the staffing needs of the CBPOs at our 327 POEs. I urge each of you to visit the land, sea and air ports of entry in your home districts. Talk to the CBPOs, canine officers, and trade entry and import specialists there to fully comprehend the jobs they do and what their work lives are like. Thank you for the opportunity to submit this testimony to the Committee on their behalf.

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