

**THE PRESIDENT'S FISCAL YEAR 2010 BUDGET  
REQUEST FOR THE DEPARTMENT OF HOME-  
LAND SECURITY**

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**HEARING**  
**COMMITTEE ON HOMELAND SECURITY**  
**HOUSE OF REPRESENTATIVES**  
**ONE HUNDRED ELEVENTH CONGRESS**

FIRST SESSION

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# CONTENTS

	Page
STATEMENTS	
The Honorable Bennie G. Thompson, a Representative in Congress From the State of Mississippi, and Chairman, Committee on Homeland Security ..	1
The Honorable Peter T. King, a Representative in Congress From the State of New York, and Ranking Member, Committee on Homeland Security .....	2
The Honorable Sheila Jackson Lee, a Representative in Congress From the State of Texas:	
Prepared Statement .....	4
WITNESSES	
The Honorable Janet Napolitano, Secretary, Department of Homeland Security:	
Oral Statement .....	7
Prepared Statement .....	9
APPENDIX	
Questions From Chairman Bennie G. Thompson .....	51
Questions From Honorable Sheila Jackson Lee .....	67
Questions From Honorable Henry Cuellar .....	68
Question From Honorable Ann Kirkpatrick .....	69
Questions From Honorable Mike Rogers .....	69
Questions From Honorable Charles W. Dent .....	70
Questions From Honorable Paul C. Broun .....	71



# THE PRESIDENT'S FISCAL YEAR 2010 BUDGET REQUEST FOR THE DEPARTMENT OF HOMELAND SECURITY

Wednesday, May 13, 2009

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

The committee met, pursuant to call, at 10:05 a.m., in Room 311, Cannon House Office Building, Hon. Bennie G. Thompson [Chairman of the committee] presiding.

Present: Representatives Thompson, Harman, DeFazio, Jackson Lee, Cuellar, Carney, Clarke, Richardson, Kirkpatrick, Luján, Pascrell, Cleaver, Green, Kilroy, Massa, Titus, King, Souder, Lungren, Rogers, McCaul, Dent, Bilirakis, Broun, Miller, Olson, Cao, and Austria.

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

The committee is meeting today to receive testimony from Secretary Janet Napolitano on the President's fiscal year 2010 budget request for the Department of Homeland Security. I want to thank Secretary Napolitano for being here today to testify in support of the President's fiscal year 2010 budget request for the Department.

The transition period for the Obama administration has been very busy on many fronts. From border violence to the recent flu outbreak, the Department has had a lot on its plate, yet you still managed to submit a very comprehensive budget that answers a lot of the questions we have had about where the Department wants to go.

Last week, the President's budget, just over \$55 billion, was requested for the Department of Homeland Security. This is an increase of \$2.6 billion over last year. Within that request, the President is seeking about \$43 billion in appropriations. This represents an increase of 6.6 percent over last year and will cover key investments in homeland security in the range of areas, including the following: \$121 million in funding for explosive detection; an additional \$96 million for southbound firearms and currency smuggling enforcement; \$420 million for SAFER firefighter grant program; and an additional \$75 million for DHS headquarters project. I believe that funding sought for the Department will benefit this vital agency.

Additionally, the budget includes a number of critical programmatic changes that I support and would like to highlight here. The transfer of the Office of Intergovernmental Programs to the Of-

office of the Secretary is a long time coming and will surely enhance DHS's ability to coordinate with State, local, and Tribal governments.

I also support moving the Federal Protective Service from ICE to the National Protection and Programs Directorate, the center of gravity for infrastructure protection at DHS.

The \$75 million increase slated for the comprehensive National Cybersecurity Initiative is another step in the right direction.

Although I agree overall with the President's request for the Department, I do have some concerns. In previous years, over 40 percent of DHS's budget went out the door to contractors to perform a host of functions, including policymaking. This overreliance on contractors has undermined DHS's ability to execute its missions. I am hopeful that through your efficiency review, Madam Secretary, we will start to see some progress in this area.

While overall funding for grant programs seems in-line with past budgets, I am concerned about the significant decreased plan for the FIRE Grant Program. As a volunteer firefighter, I know how much communities rely on this critical program.

In these tough economic times, I am committed to working to help secure a budget for the Department that keeps on our commitment to fiscal responsibility while strengthening the security of our Nation. I am also committed to executing my legislative responsibility and producing authorization legislation to give DHS the resources and authorities it needs to execute all its missions.

Tomorrow, the committee is moving its first piece of authorization legislation for fiscal year 2010. The TSA Authorization Act is a product of extensive bipartisan discussions. It reflects input from members, GAO DHS Inspector General, and transportation stakeholders from across the spectrum. Regrettably, input from TSA was hard to come by. With no Senate-confirmed leader at the head of TSA, the agency has not been the partner that we had hoped to have.

Madam Secretary, I appreciate the challenges that this vacancy creates for you on an operational level, and am eager to see a strong manager installed in this critical position. Please keep in mind that the delays in filling key positions throughout the Department not only makes things difficult for you, but also complicates this committee's ability to carry out its oversight and legislative responsibilities.

I look forward to a foregoing collaborative relationship with you and the new leadership at DHS. This committee has years of knowledge and experience on a range of issues that you face. Please look to us as a resource as you consider homeland security challenges.

In closing, Madam Secretary, I look forward to working with you to ensure that the Department has the resources it needs to execute all its missions, including to prevent and respond to the threat of terrorism.

Thank you, and I look forward to your testimony.

The Chair now recognizes the Ranking Member of the full committee, the gentleman from New York, Mr. King, for an opening statement.

Mr. KING. Thank you, Mr. Chairman.

Good morning, Madam Secretary. It is good to see you today.

At the outset, let me express some positive notes. One, I want to thank you for your level of cooperation and contact, certainly at my office and I am sure with other Members as well. I must tell you, though, you do cause trauma among my staff when they realize it is you on the phone, that there are no intermediaries. Go a little easy on them. Okay? They are not expecting that.

Also, on the issue of swine flu, you are very cooperative in keeping us apprised of what was happening. On the issue of the first report that came out on the right-wing extremist returning veterans, I very much appreciate your personal call to me on that and discussing it.

Having said that, I believe that the combination of the first report and then the second report, which I know was called back, to me and to others certainly on this side does demonstrate we believe a weakness in the Department which has to be addressed, and we certainly look forward to what you have to say on that and working with you on that because it has raised very significant issues. Certainly back in our districts we hear about it. It has made an impression that I don't think reflects well on the Department. I know you want to address it. I would like to really hear what your plans are and how those were released and what caused them to be brought about.

Also, while the Chairman has mentioned the issue of the FIRE grants, a 70 percent cut in the FIRE grants, this I can assure you is a bipartisan issue. There is tremendous concern over this. I am certainly hearing from fire districts. I am Chairman of the Congressional Fire Caucus, and I believe last year it was over \$3 billion in FIRE grants which shows the real need for it and demand for it. So, again, that is an issue that certainly we have to work together on and which I will be very much looking forward to your testimony on.

Also on the Secure the Cities, which was a 3-year pilot program; and while the program was primarily in New York City, this is something that affects cities throughout the country, and it is a pilot program which for the most part worked. I believe still more has to be done on it. So I don't believe the pilot program even in the pilot stage has been completed. But the fact is that when we look overseas at Madrid and London, it is very likely that the next attack on a major city is going to be launched from outside the city, from suburban areas, from areas outside the city, which is why it is so essential that we have radiation detection, that we have comprehensive efforts.

For instance, the Secure the Cities pilot program in New York, which is being zeroed out, is being ended, involved not just New York City. It was New York City, it was Long Island, it was Westchester, Rockland, it was New Jersey, it was Connecticut. It was a regional defense against radioactive attack.

I saw an anonymous call in the Washington Post from somebody at the Department of Homeland Security saying one of the reasons this program was eliminated was because the Department did not want to be a goal-line defense; that we wanted to stop nuclear weapons from coming, getting them overseas before they got here. But one of the reasons the Department was set up was to be a

goal-line defense. If everything was being done well overseas, we wouldn't have to have the Department of Homeland Security, certainly not to the extent that we do.

Also, you don't need a bomb coming from Pakistan to impact New York City or Los Angeles or Chicago. There can be radioactive material stolen from a hospital, which could create a dirty bomb which could devastate financial sectors, devastate neighborhoods and communities. So, again, I certainly want to discuss that with you.

On the issue of immigration, I have real concerns that the SCAAP program is being eliminated. I even remember some former Governors telling us how important that program was in the fight against illegal immigration. Again, I think this is something that really has to be addressed, and I believe there is strong bipartisan support for the SCAAP program.

On the issue of Guantanamo, I know we have sent a letter to you asking what precautions the Department is going to make. There have been various news reports, whether it involves the Uighurs going into Virginia, whether it involves prisoners or detainees being brought to the Southern District of New York for trial in Northern Virginia, as to what measures are going to be taken, if that does happen, to providing security that is needed to do what has to be done, because this to me is going to make already prime targets even more targets and create much more security problems for us.

So I want to again commend you for reaching out, but again there are some real questions here which have to be addressed. Certainly on FIRE grants, on Secure the Cities, on immigration, and the whole issue of the unit in your Department which issued these reports, and also what we are going to do about Guantanamo if in fact detainees are brought to the United States either for trial or even to be released as has been heard in some cases.

With that, Mr. Chairman, I yield back the balance of my time.  
Chairman THOMPSON. Thank you, Mr. King.

Other Members of the committee are reminded that, under committee rules, opening statements may be submitted for the record.  
[The statement of Hon. Sheila Jackson Lee follows:]

PREPARED STATEMENT OF THE HONORABLE SHEILA JACKSON LEE

Mr. Chairman, thank you for your leadership in convening today's very important hearing on the President's fiscal year 2010 budget request for the Department of Homeland Security. I would also like to thank the Ranking Member. Welcome Secretary Janet Napolitano.

The Department of Homeland Security was established approximately 6 years ago. The National Strategy for Homeland Security and the Homeland Security Act of 2002 served to mobilize and organize our Nation to secure the homeland from terrorist attacks. To this end, the primary reason for the establishment of the Department of Homeland Security (DHS) was to provide the unifying core for the vast network of organizations and institutions involved in the efforts to secure our Nation. In order to better do this and to provide guidance to the 180,000 DHS men and women who work every day on this important task, the Department developed its own high-level strategic plan. The vision, mission statements, strategic goals and objectives provide the framework guiding the actions that make up the daily operations of the Department.

DHS's vision is simple: To preserve our freedoms, protect America, and secure our homeland. Its mission is to lead the unified national effort to secure America; prevent and deter terrorist attacks and protect against and respond to threats and haz-

ards to the Nation; and ensure safe and secure borders, welcome lawful immigrants and visitors, and promote the free flow of commerce.

DHS has seven strategic goals and objectives. These include, awareness, prevention, protection, response, recovery, service, and organizational excellence.

The magnitude and severity of the tragic events of September 11, 2001, were unprecedented, and that dark day became a watershed event in the Nation's approach to protecting and defending the lives and livelihoods of the American people. Despite previous acts of terror on our Nation's soil, such as the 1993 attack on the World Trade Center and the 1995 bombing of the Alfred P. Murrah Federal Building in Oklahoma City, homeland security before the tragic events of September 11 existed as a patchwork of efforts undertaken by disparate departments and agencies across all levels of government. While segments of our law enforcement and intelligence communities, along with armed forces, assessed and prepared to act against terrorism and other significant threats to the United States, we lacked a unifying vision, a cohesive strategic approach, and the necessary institutions within Government to secure the homeland against terrorism.

The shock of September 11 transformed our thinking. In the aftermath of history's deadliest international terrorist attack, we developed a homeland security strategy based on a concerted national effort to prevent terrorist attacks within the United States, reduce America's vulnerability to terrorism, and minimize the damage and recover from attacks that do occur. To help implement that strategy, DHS enhanced homeland security and counterterrorism architecture at the Federal, State, local, Tribal, and community levels.

The Department's understanding of homeland security continued to evolve after September 11, adapting to new realities and threats. Most recently, our Nation endured Hurricane Katrina, the most destructive natural disaster in U.S. history. The human suffering and staggering physical destruction caused by this national disaster was a reminder that threats come not only from individuals, inside and outside of our borders, but also from nature. Indeed, certain natural events that reach catastrophic levels, such as hurricanes and other natural disasters, can have significant implications for homeland security. The resulting national consequences and possible cascading effects from these events might present potential or perceived vulnerabilities that could be exploited.

Over 6 years after September 11, 2001, DHS is moving beyond operating as an organization in transition to a Department diligently working to protect our borders and critical infrastructure, prevent dangerous people and goods from entering our country, and recover from natural disasters effectively. The total fiscal year 2009 budget request for DHS is \$50.5 billion in funding, a 7 percent increase over the fiscal year 2008 enacted level excluding emergency funding. The Department's fiscal year 2009 gross discretionary budget request is \$40.7 billion, an increase of 8 percent over the fiscal year 2008 enacted level excluding emergency funding. Gross discretionary funding does not include mandatory funding such as the Coast Guard's retirement pay accounts and fees paid for immigration benefits. The Department's fiscal year 2009 net discretionary budget request is \$37.6 billion, which does not include fee collections such as funding for the Federal Protective Service and aviation security passenger and carrier fees.

DHS has engaged in much good work over the past 6 years, but more needs to be done. The Department of Homeland Security has been dogged by persistent criticism over excessive bureaucracy, waste, and ineffectiveness. In 2003, the Department came under fire after the media revealed that Laura Callahan, Deputy Chief Information Officer at DHS, had obtained her advanced computer science degrees through a diploma mill in a small town in Wyoming. The Department was blamed for up to \$2 billion of waste and fraud after audits by the Government Accountability Office revealed widespread misuse of Government credit cards by DHS employees. The frivolous purchases included beer brewing kits, \$70,000 of plastic dog booties that were later deemed unusable, boats purchased at double the retail price (many of which later could not be found), and iPods ostensibly for use in "data storage".

The Associated Press reported on September 5, 2007 that DHS had scrapped an anti-terrorism data mining tool called ADVISE (Analysis, Dissemination, Visualization, Insight, and Semantic Enhancement) after the agency's internal Inspector General found that pilot testing of the system had been performed using data on real people without required privacy safeguards in place. The system, in development at Lawrence Livermore and Pacific Northwest National Laboratories since 2003, has cost the agency \$42 million to date. Controversy over the program is not new; in March 2007, the Government Accountability Office stated that "the ADVISE tool could misidentify or erroneously associate an individual with undesirable activity such as fraud, crime or terrorism". Homeland Security's Inspector General later said

that ADVISE was poorly planned, time-consuming for analysts to use, and lacked adequate justifications.

Increasingly, the Department has come under growing scrutiny because of its immigration and deportation practices. In February 2007, the Judiciary Subcommittee on Immigration held a hearing investigating the problems with U.S. Immigration and Customs Enforcement (ICE) interrogation, detention, and removal procedures as applied to U.S. citizens. During that hearing, there were many reports of our immigration system targeting American citizens by detaining, interrogating, and forcibly deporting U.S. citizens under the pretext that these citizens were illegal aliens. The citizens targeted have been some of the most vulnerable segments of American society. ICE has targeted the mentally challenged and youths.

ICE detention facilities Nation-wide have been criticized, including the detention facility at the T. Don Hutto correctional Center in Williamson County, Texas. Corrections Corporation of America (CCA) operates the 512-bed facility under a contract with Williamson County. The facility was opened in May 2006 to accommodate immigrant families in ICE custody. As history has shown us, even the best of intentions can go astray, which is what happened at the Hutto Detention Center.

Due to the increased use of detention, and particularly in light of the fact that children are now being housed in detention facilities, many concerns have been raised about the humanitarian, health, and safety conditions at these facilities. In a 72-page report, "Locking Up Family Values: The Detention of Immigrant Families," recently released by two refugee advocacy organizations, the Women's Commission for Refugee Women and Children and the Lutheran Immigration and Refugee Service concluded that the T. Don Hutto Family Residential Center and the Berks Family Shelter Care Facility, were modeled on the criminal justice system. In these facilities, "residents are deprived of the right to live as a family unit, denied adequate medical and mental health care, and face overly harsh disciplinary tactics."

The American Civil Liberties Union (ACLU) filed a lawsuit against ICE in March 2007 on behalf of several juvenile plaintiffs that were housed in the facility at the time claiming that the standards by which they were housed was not in compliance with the Government's detention standards for this population. The claims were, amongst other things, improper educational opportunities, not enough privacy, and substandard health care. The relief being sought was the release of the plaintiffs.

In August 2007, the ACLU reached a landmark settlement with the ICE that greatly improves conditions for immigrant children and their families in the Hutto detention center in Taylor, Texas.

Since the original lawsuits were filed, all 26 children represented by the ACLU have been released. The last six children were released days before the settlement was finalized and are now living with family members who are U.S. citizens or legal permanent residents while pursuing their asylum claims. Conditions at Hutto have gradually and significantly improved as a result of litigation. Children are no longer required to wear prison uniforms and are allowed much more time outdoors. Educational programming has expanded and guards have been instructed not to discipline children by threatening to separate them from their parents. Despite the tremendous improvements at Hutto, the facility still has a way to go.

As one of the principal and long-standing supporters of comprehensive immigration reform in the U.S. Congress and an author of a comprehensive immigration reform bill, the SAVE AMERICA Act, I hope that today's hearing will serve as a catalyst for closer scrutiny of our immigration detention system and the immigration enforcement functions of DHS.

The administration has more work to do to secure our border. The Border Patrol needs more agents and more resources. The Rapid Response Border Protection Act, H.R. 4044, a bill that I co-sponsored, would meet these needs by providing critical resources and support for the men and women who enforce our homeland security laws.

This would include adding 15,000 Border Patrol agents over the next 5 years, increasing the number of agents from 11,000 to 26,000. It would require the Secretary of the Department of Homeland Security (DHS) to respond rapidly to border crises by deploying up to 1,000 additional Border Patrol agents to a State when a border security emergency is declared by the governor. It would add 100,000 more detention beds to ensure that those who are apprehended entering the United States unlawfully are sent home instead of being released into our communities. And, it would provide critical equipment and infrastructure improvements, including additional helicopters, power boats, police-type vehicles, portable computers, reliable radio communications, hand-held GPS devices, body armor, and night-vision equipment.

The Department has achieved much over the past 5 years in ensuring that America is a safer place; however, much work is still required. I am hopeful that this new Federal agency will become more effective and diverse. The Members of Congress and the Department all want a safe and secure America. Again, I welcome the testimony from our distinguished panelist, Secretary Napolitano.

Thank you. Mr. Chairman, I yield the remainder of my time.

Chairman THOMPSON. Again, I welcome our witness today. Janet Napolitano is the third Secretary of the Department of Homeland Security. I would like to publicly commend you, Madam Secretary, for your leadership for the 3 months, especially your handling of the recent influenza outbreak.

Prior to joining this administration, Secretary Napolitano was midway through her second term as Governor of Arizona. As Governor, she implemented one of the first State homeland security strategies in the Nation, opened the first State Counterterrorism Center, and spearheaded efforts to transform immigration enforcement. Secretary Napolitano previously served as the Attorney General of Arizona and the U.S. Attorney for the District of Arizona.

Madam Secretary, I thank you for your service and for appearing before this committee today.

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

Secretary Napolitano, I now recognize you to summarize your statement for the committee for 5 minutes.

**STATEMENT OF JANET NAPOLITANO, SECRETARY,  
DEPARTMENT OF HOMELAND SECURITY**

Secretary NAPOLITANO. Thank you, Mr. Chairman, Representative King, Members of the committee. Thank you for this opportunity to testify on the Department of Homeland Security portion of President Obama's budget proposal for fiscal year 2010.

The proposed total budget for DHS is \$55.1 billion, which includes \$42.7 billion in appropriated funding.

DHS performs a broad range of activities across a single driving mission: To secure America from the entire range of threats that we face. The Department's leadership in the past couple of weeks in response to the H1N1 flu outbreak only proves the breadth of the Department's portfolio, as well as the need to make DHS a stronger, more effective Department.

This budget strengthens our efforts in what I see as the five main mission areas where we need to focus in order to secure the American people:

First, guarding against terrorism, the founding purpose and perennial top priority of the Department.

Second, securing our borders, an effort even more urgent as the United States looks to do its part to counter a rise in cartel violence in Mexico.

Third, smart and effective enforcement of our immigration laws. We want to facilitate legal immigration and pursue enforcement against those who violate our country's immigration laws.

Next, improving our preparation for, response to, and recoveries from disasters. Not just hurricanes and tornados, but also unexpected situations like the outbreak of the H1N1 flu.

Last, unifying, creating one Department of Homeland Security. We need to work together as one Department to ensure that we op-

erate at full strength. As this committee knows, the Department was recently created out of 22 separate agencies. Part of this budget is designed to help us continue to knit and unify into one DHS.

Now, there are three approaches that the Department is taking to strengthen its performance in each of the five main mission areas and that are also strengthened in this budget.

First, expanding partnerships with State, local, and Tribal governments, the first detectors, and the first responders.

Second, bolstering our science and technology portfolio, investing in new technologies that can increase our capabilities while being very cognizant of privacy in other interests that are there.

Third, maximizing efficiency. Through an efficiency review initiative that we launched in March, we intend to ensure that every security dollar is spent in the most effective way.

This budget adheres to the President's main reform goals, Government efficiency, transparency, and cohesion, and will play a major part in bringing about a culture of responsibility and fiscal discipline at DHS.

The DHS budget was based on alignment with the Department programs and priorities, and that was assessed on the basis of effectiveness and risk.

In terms of budget priorities to guard against terrorism, this budget proposal includes \$121 million to fund research for new technologies that detect explosives in public places, transportation networks, \$87 million for new measures to protect critical infrastructure and cyber networks from attack, and it also enhances information sharing about Federal, State, local, and Tribal law enforcement.

For border security, the budget proposal includes \$116 million to deploy additional staff and technology to the Southwest border to disrupt southbound smuggling of drugs and bulk cash to help combat cartel violence. It also includes \$40 million for smart security technology funding on the northern border to expand and integrate surveillance systems there.

To assure smart, effective enforcement of our immigration laws, this budget proposal includes \$112 million to strengthen E-Verify to help employers maintain a legal work force, a total of \$198 million for the Secure Communities Program which helps State, local, and Tribal law enforcement target criminal aliens. It improves security and facilitates trade and tourism to the Western Hemisphere Travel Initiative, \$145 million, and \$344 million for US-VISIT.

To help Americans prepare for and recover from natural disaster, the budget proposal includes doubling the funds from \$210 million to \$420 million, to increase the number of frontline firefighters, a \$600 million increase to the Disaster Relief Fund, and it strengthens pre-disaster hazard mitigation efforts to reduce injury, loss of life, and destruction of property.

Finally, to unify the Department, this budget proposal includes \$79 million for the consolidation of DHS headquarters, which will bring 35 disparate offices together, generating significant savings in the long run. It also includes \$200 million to consolidate and unify our IT infrastructure, and bring all of DHS under the same system.

In my few months as Secretary, I have seen a number of remarkable accomplishments in addition to challenges that DHS faces. I have seen this Department's potential. I believe we have a path toward realizing it. We are aiming to do even better at achieving our Nation's security mission, and this budget will help the Department do just that.

Thank you, Mr. Chairman.

[The statement of Ms. Napolitano follows:]

PREPARED STATEMENT OF JANET NAPOLITANO

MAY 13, 2009

Mr. Chairman, Congressman King, and Members of the Committee: Let me begin by saying thank you for the strong support you have consistently shown the Department, and I look forward to working with you to make certain that we have the right resources to protect the homeland and the American people and that we make the most effective and efficient use of those resources.

I am pleased to appear before the committee today to present President Obama's fiscal year 2010 budget request for the Department of Homeland Security (DHS). I will also summarize the progress we have made since the start of the new administration along with some of our key accomplishments from last year.

FISCAL YEAR 2010 BUDGET REQUEST

The Department of Homeland Security's budget will strengthen current efforts that are vital to the Nation's security, bolster DHS's ability to respond to emerging and evolving threats, and allow DHS to embrace new responsibilities in order to secure the Nation. This budget puts forward critical investments in the protection of the American people.

DHS and its many component agencies fulfill a broad mandate and conduct many different activities within a single, unified security mission. DHS performs critical tasks from protecting transportation hubs to conducting maritime rescues, from aiding disaster victims to enforcing immigration laws. Within this broad portfolio, the Department aims to secure the American people from all hazards—including terrorist threats and natural or accidental disasters—and to work effectively with its many partners to lead the collaborative effort to secure the Nation. DHS undertakes the mission of securing the United States against all threats through five main action areas, each of which is strengthened by this budget:

- *Guarding Against Terrorism.*—Protecting the American people from terrorist threats is the founding purpose of the Department and DHS' highest priority. This budget expands DHS efforts to battle terrorism, including detecting explosives in public spaces and transportation networks, helping protect critical infrastructure and cyber networks from attack, detecting agents of biological warfare, and building information-sharing partnerships with State and local law enforcement that can enable law enforcement to mitigate threats.
- *Securing Our Borders.*—DHS prevents and investigates illegal movements across our borders, including the smuggling of people, drugs, cash, and weapons. In March, the Department announced a new initiative to strengthen security on the southwest border in order to disrupt the drug, cash, and weapon smuggling that fuels cartel violence in Mexico. This budget strengthens those efforts by adding manpower and technology to the southwest border. This budget also funds smart security on the northern border and facilitates international travel and trade. The President's request also makes targeted investments to reduce security risk across our Nation's vast maritime borders.
- *Smart and Tough Enforcement of Immigration Laws and Improving Immigration Services.*—DHS welcomes legal immigrants, protects against dangerous people entering the country, and pursues tough, effective enforcement against those who violate the Nation's immigration laws. This budget contains funding to strengthen our employment eligibility verification systems, target and crack down on criminal aliens, and expedite the application process for new legal immigrants.
- *Preparing for, Responding to, and Recovering from Natural Disasters.*—The Department must aid local and State first responders in all stages of a natural disaster—preparing for the worst, responding to a disaster that has occurred, and recovering in the long run. This budget contains funding to strengthen DHS

assistance for local first responders and the communities and families affected by disasters.

- *Unifying and Maturing DHS.*—DHS is a young department. Its components must further evolve in order to operate as effectively as possible as one agency with a single, unified security mission. This budget contains funding to initiate consolidation of mission support activities that will remain off-site from the St. Elizabeths campus, reducing the many small and widely scattered leased locations and supporting the goal to build “One DHS.”

DHS is employing several cross-cutting initiatives to strengthen activities in each of these mission areas.

First, DHS is working across the board to increase cooperation with its partners—State, local, and Tribal law enforcement agencies, international allies, the private sector, and other Federal departments. The effort to secure America requires close coordination and collaboration; this budget increases resources dedicated to these critical partnerships.

Second, the Department is bolstering its science and technology portfolio. This will lead to the development of new techniques and technologies that will expand DHS’ law enforcement capabilities while minimizing law enforcement’s impact on everyday, law-abiding citizens. This budget contains important investments in technologies that will allow DHS officers to perform their security tasks more quickly and with greater accuracy.

Third, the Department continually aims for greater efficiency in its operations. Through the Department-wide Efficiency Review Initiative launched in March, DHS is ensuring all its resources are used in the most effective way possible to secure the Nation.

The total fiscal year 2010 budget request for the Department of Homeland Security is \$55.1 billion in funding; a 5 percent increase over the fiscal year 2009 enacted level excluding supplemental funding. The Department’s fiscal year 2010 gross discretionary budget request<sup>1</sup> is \$45.8 billion, an increase of 6 percent over the fiscal year 2009 enacted level excluding emergency funding. The Department’s fiscal year 2010 net discretionary budget request is \$42.7 billion.<sup>2</sup>

The following are highlights of the fiscal year 2010 budget request:

#### GUARDING AGAINST TERRORISM

- *State and Local Fusion Centers.*—Full support and staffing by the end of fiscal year 2011 are requested for the 70 identified State and Local Fusion Centers, facilities where information and intelligence is shared between Federal, State, local, and Tribal authorities. Funding is dedicated to IT maintenance, support, and training.
- *Explosives Detection Systems (EDS) Procurement and Installation.*—An increase of \$565.4 million to accelerate the Electronic Baggage Screening Program (EBSF) at the Nation’s airports to ensure 100 percent of all checked baggage is screened with an in-line explosive detection capability system, or a suitable alternative. This funding will support facility modifications, recapitalization efforts, as well as procurement and deployment of electronic baggage screening technology systems.
- *Bomb Appraisal Officers.*—\$9 million for an additional 109 Bomb Appraisal Officers (BAOs) to provide expertise in the recognition of and response to improvised explosive devices at airports to enhance aviation security. The request will provide BAO coverage at 50 percent more airports including all Category X, I, and II airports, and will provide a BAO in every hub-spoke airport system, and to airports that currently have only one BAO assigned.
- *Visible Intermodal Prevention and Response Teams.*—An increase of \$50 million is requested to fund 15 Visible Intermodal Prevention and Response (VIPR) teams dedicated to guarding surface transportation. The VIPR teams contain multi-skilled resources, including Transportation Security Inspectors, canine teams, Transportation Security Officers, Bomb Detection Officers, and Federal Air Marshals. These teams enhance the Transportation Security Administration’s (TSA) ability to screen passengers, identify suspicious behavior, and act as a visible deterrent to potential terrorists in surface transportation environments.

<sup>1</sup> Gross discretionary funding does not include funding such as Coast Guard’s retirement pay accounts and fees paid for immigration benefits.

<sup>2</sup> This does not include fee collections such as funding for the Federal Protective Service (NPPD), aviation security passenger and carrier fees (TSA), credentialing fees (such as TWIC-TSA), and administrative cost of the (National Flood Insurance Fund, FEMA).

- *Vulnerability Assessments*.—A \$3.0 million increase is requested to provide for new nuclear reactor security consultations with the Nuclear Regulatory Commission. The budget request will also support vulnerability assessment pilot projects, which provide State and local stakeholders with a comprehensive understanding of vulnerabilities and critical infrastructure resiliency.
- *Bombing Prevention*.—\$4.2 million is requested to enhance improved, coordinated national bombing prevention and improvised explosive device (IED) security efforts. Additionally, this funding will provide resources to enhance national awareness of the threat, facilitate multi-jurisdiction planning, and conduct additional capabilities assessments for 132 high-risk urban area detection, deterrence, response, and search elements. These elements include canine units, bomb squads, SWAT teams, and dive teams.
- *Cybersecurity for the Federal Government*.—A \$75.1 million increase is requested to enable DHS to develop and deploy cybersecurity technologies to counter on-going, real world national cyber threats and apply effective analysis and risk mitigation strategies to detect and deter threats.
- *Explosives Detection Research*.—Total funding of \$120.8 million, an increase of \$24.7 million, is requested to support DHS' Science and Technology Directorate (S&T) in addressing critical capability gaps in detecting, interdicting, and lessening the impacts of non-nuclear explosives used in terrorist attacks against mass transit, civil aviation, and critical infrastructure. Of the \$24.7 million, \$10.0 million will develop high-throughput cargo screening technology through automated, more efficient equipment. The remaining \$14.7 million will build on fiscal year 2009 efforts to counter the threat of hand-carried improvised explosive devices to mass transit systems by detecting all types of explosive threats such as homemade, commercial, and military explosives.
- *Cybersecurity Research*.—Total funding of \$37.2 million, an increase of \$6.6 million, is requested to support Science and Technology in addressing critical capability gaps identified in the Comprehensive National Cybersecurity Initiative (CNCI). Specifically, this effort will develop technologies to secure the Nation's critical information infrastructure and networks.
- *Transformational Research and Development (R&D)*.—A \$7.2 million increase is requested for Transformational R&D to improve nuclear detection capabilities, address enduring vulnerabilities, and reduce the operational burden of radiation and nuclear detection. The increase in fiscal year 2010 will further these efforts to accelerate material optimization and production techniques, and establish a low-rate production capability for these materials. Additional funding could have a tremendous impact on the ability to uncover threats by detecting radiation sources.
- *BioWatch*.—Total funding of \$94.5 million is requested for the BioWatch program in the Office of Health Affairs, which provides the capability for early detection and warning against biological attacks in over 30 of our Nation's highest-risk urban areas through placement of a series of biological pathogen collectors. The request sustains the baseline capability of Gen-1/Gen-2 collectors while moving into the next generation of equipment. The funding would complete field testing for the Gen-3 prototype unit, secure IT architecture to facilitate networking between the biodetection systems, and procure production units to support the Gen-3 operational test and evaluation.
- *Vetting Infrastructure Modernization*.—An increase of \$64 million is requested to modernize vetting infrastructure data management, adjudication workflow, and integration of all vetting systems in the third and final phase of the Vetting Infrastructure Improvement Plan. Modernization will enable a universal fee mechanism that will reduce duplicative background checks and fees for transportation workers, and provide the capability to process new populations using existing enrollment and vetting infrastructure, while continuing to ensure privacy and security.
- *Information Integration and Technology*.—Total funding of \$34 million is requested for U.S. Secret Service information technology. Funding would provide for a secure cross-domain IT application, engineering, and architecture activities to modernize and improve Secret Service systems, information-sharing environments, database performance, cyber security, and continuity of operations through robust backup and recovery procedures.
- *Intermodal Security Coordination Office (ISCO)*.—A \$10 million increase is requested for the Intermodal Security Coordination Office within DHS Policy to support integrated planning between DHS and the Department of Transportation in the area of maritime transportation, as well as in other homeland security mission areas. The Intermodal Security Coordination Office will develop a strategic plan and metrics to guide development and modernization of inter-

modal freight infrastructure that links coastal and inland ports to highways and rail networks; an assessment of intermodal freight infrastructure needs and capability gaps; and recommendations to address the needs and capability gaps. The recommendations to address intermodal freight infrastructure needs and capability gaps will be incorporated into DHS' 5-year programming and budgeting guidance, and tracked to ensure they are achieved.

- *Electronic Crime Task Forces (ECTFs)*.—Total funding of \$2.0 million is requested to support the operational costs of 13 ECTFs and DHS-mandated Certification and Accreditation of the Secret Service on-line reporting system.
- *Train 21*.—Total funding of \$4.1 million is requested for Train 21, a business operations and training transformation initiative that advances the Federal Law Enforcement Training Center's mission to provide training for law enforcement personnel.
- *Uniformed Division Modernization*.—Total funding of \$4.0 million is requested to support a restructuring of the U.S. Secret Service Uniformed Division's (UD) legal authorities governing pay and compensation to bring the UD in line with the rest of the Federal Government and to more effectively recruit and retain the talent necessary to carry out its protective mission.
- *National Technical Nuclear Forensics*.—A \$2.8 million increase is requested to expand efforts to develop the capability to improve technical nuclear forensics on U.S.-made nuclear and radiological materials. The increase will also expand international collaborative efforts to collect and share relevant nuclear forensics information.

#### SECURING OUR BORDERS

- *Combating Southbound Firearms and Currency Smuggling*.—An increase of \$26.1 million is requested to enhance DHS' capability to combat southbound firearms and currency smuggling through additional personnel at and between the ports of entry and along the southwest border. This funding will support an additional 44 Border Patrol agents and 8 support staff as well as 65 Customs and Border Protection officers and 8 support staff. Resources are also requested to expand and maintain the Licensed Plate Reader (LPR) program to help establish and maintain effective control of the border. Additionally Immigration and Customs Enforcement (ICE) requests an additional \$70 million to hire 349 positions (specifically Special Agents, Intelligence Analysts, and Criminal Investigators) to increase enforcement staffing, improve cooperative efforts with the Mexican government, and establish another Border Violence Intelligence Cell. This cross-program initiative will increase national security by expanding activities to secure our borders.
- *Maritime Border Security Enhancements*.—\$700 million is requested to purchase five new Coast Guard Cutters, two Maritime Patrol Aircraft and one aircraft flight simulator to increase surface and air asset presence in the maritime domain and vastly improve threat detection and interdiction capabilities. \$103 million is requested to purchase 30 new Coast Guard small boats to replace aging, obsolete assets with more capable, multi-mission platforms. \$1.2 million is requested to establish a permanent Biometrics at Sea System, an investment which enables Coast Guard boarding teams to identify dangerous individual documented in the US-VISIT database and yields the type of cross-component operational integration sought through creation of DHS and that must continue to be built upon.
- *Northern Border Technology*.—\$20.0 million is requested to assist U.S. Customs and Border Protection (CBP) in providing improved situational awareness along the northern border through the design, deployment, and integration of surveillance, sensing platforms, detection technologies and tactical infrastructure. This technology will expand DHS capabilities, increase the effectiveness of our agents, and increase the ability to detect unlawful border activity successfully.
- *CBP Air and Marine (A&M) Personnel*.—A \$19.1 million increase is requested to support Border Patrol agents by providing air cover as well as expanding maritime assistance along the borders. Funding is requested to hire an additional 68 pilots, 20 marine and 56 support personnel. During fiscal year 2010, A&M plans to continue the expansion of its capabilities across the northern and coastal border and place heavy emphasis on the maritime requirements along the southeast and Caribbean borders. The additional personnel resources are requested as new marine vessels are deployed to marine branches at strategic locations along the coastal borders.
- *Research and Development for Border and Maritime Security*.—A \$7.1 million increase for Science & Technology is requested to fund a new research effort

to provide advanced detection, identification, apprehension, and enforcement capabilities along borders, increasing the security of the border and lowering the risk of a successful terrorist attack. Additionally, funding will provide new technologies to the United States Coast Guard, Customs and Border Protection, and Immigration and Customs Enforcement, and other components operating in the maritime environment.

SMART AND TOUGH ENFORCEMENT OF IMMIGRATION LAWS AND IMPROVING  
IMMIGRATION SERVICES

- *E-Verify*.—Total funding of \$112 million and 80 new positions are requested to support improvements to the employment eligibility verification system, E-Verify. The growth of the E-Verify program will increase the need for monitoring and compliance activities to protect employees from discriminatory practices, safeguard privacy information, and enhance program efficacy. The fiscal year 2010 program increase is primarily for monitoring and compliance activities, as well as IT-related business initiatives to improve system use.
- *Secure Communities*.—Total funding of \$39.1 million is requested to hire, train, and equip 80 new enforcement personnel who will identify suspected criminal aliens, determine subjects' alien status, prioritize ICE enforcement actions against the highest threat criminal aliens, and assist in the removal of apprehended criminal aliens. Funding will also support the continued investment in information technology to improve efficiencies within ICE criminal alien identification prioritization and removal processes.
- *Detention and Removal Operations Modernization (DROM)*.—Total funding of \$25 million is requested for improvements to the system of detaining and removing illegal immigrants. The funding will be dedicated to developing and deploying the Detainee Location Tracking Module as part of the Bed Space and Transportation Management System, expanding the ICE Data warehouse data capacity and reporting capability to support the DRO IT data, and expanding Web services to allow the Electronic Travel Document application to communicate with other internal or external applications. DROM will effect improvements in the areas of real-time dynamic data reporting, detainee management, management of detention beds and tracking detainees, bed-space availability management, and transportation management for improved efficiency in detention and removals.
- *Law Enforcement Systems Modernization*.—Total funding of \$49 million is requested to fund the ICE Law Enforcement Systems Modernization initiative, including a number of case management, information sharing, and operational support service projects that will improve access to law enforcement information. For example, the case management Traveler Enforcement Communication System (TECS) system modernization effort will support the investigative arm of ICE and update a 20-year-old system, giving ICE improved capabilities for case management, money laundering tracking and reporting, telephone analysis, intelligence reporting and dissemination, Bank Secrecy Act data access, information sharing of subject record data, and statistical/performance reporting. The funding will also support the design and development for the integration of ICE-Agreements of Cooperation in Communities to Enhance Safety and Security (ACCESS) and Information Sharing.
- *Immigrant Integration*.—Total funding of \$10 million is requested for an Immigrant Integration program within USCIS, in order to improve the integration of immigrants into the United States. This program allows USCIS and the Office of Citizenship to work across the Federal Government and with State and local governments, U.S. businesses, non-profits, academia, and faith-based organizations to support effective integration efforts across the country. USCIS will provide grants to community-based organizations for citizenship preparation programs; facilitate English language learning through improved Web resources; build volunteer capacity by developing a training certification framework for volunteers and, promote citizenship with integration messages at the workplace, among Federal agencies, and the general public.
- *US-VISIT Identity Management and Screening Services*.—An \$11.2 million increase is requested to support the increased workload demands associated with the transition from 2- to 10-fingerprint biometric capture for foreign visitors. The increase will support biometric identifications and verifications, latent print processing, data sharing with other agencies, and the growing Secure Communities initiative, which shares biometric information with local law enforcement. The funding will also support information sharing and technical assistance to select foreign governments to promote the adoption and use of common biomet-

ric identity management standards in order to advance the ability to screen travelers to and workers within the United States.

- *Western Hemisphere Travel Initiative (WHTI)*.—A \$20.9 million increase is requested to continue maintaining and operating the WHTI program that supports Departmental efforts to facilitate the efficient movement of people at the land border POEs. WHTI provides a tool to conduct the necessary authentication at the time of crossing and it also accelerates the verification process mandated by law to the extent possible with Radio Frequency Identification (RFID) Technology and communications technology.

#### PREPARING FOR, RESPONDING TO, AND RECOVERING FROM NATURAL DISASTERS

- *Pre-Disaster Mitigation (PDM)*.—A \$60 million increase is requested for Pre-Disaster Mitigation in the Federal Emergency Management Agency. Funding will assist in the implementation of pre-disaster hazard mitigation measures that are cost-effective and are designed to reduce injuries, loss of life, and damage and destruction of property, including damage to critical services and facilities.
- *Adequate Fire and Emergency Response Staffing for Adequate Fire and Emergency Response (SAFER) Grants*.—Total funding of \$420 million is requested to double the funds devoted to SAFER grants administered by the Federal Emergency Management Agency, which help fire departments increase the number of frontline firefighters. Funding will enable fire departments to increase their staffing and deployment capabilities, ensuring around-the-clock protection.
- *Disaster Relief Fund (DRF)*.—Total DRF funding of \$2 billion, an increase of \$0.6 billion, is requested. The DRF, administered by the Federal Emergency Management Agency (FEMA), provides a significant portion of the total Federal response to victims in declared major disasters and emergencies. This increase will provide relief for non-catastrophic disaster activity.
- *First Responder Technology*.—Total funding of \$12 million is requested to develop and design technologies to address capability gaps identified by Federal, State, local, and Tribal first responders. This program will test technologies, assess usability, and commercialize them to increase availability across all first responder communities.
- *Gap Analysis Program*.—An additional \$3.0 million is requested for the Gap Analysis Program to supplement programs that evaluate the strengths and weaknesses of each State's emergency plans and evacuation plans and expand beyond earlier focus on hurricane-prone regions and rural and suburban areas to all hazards.

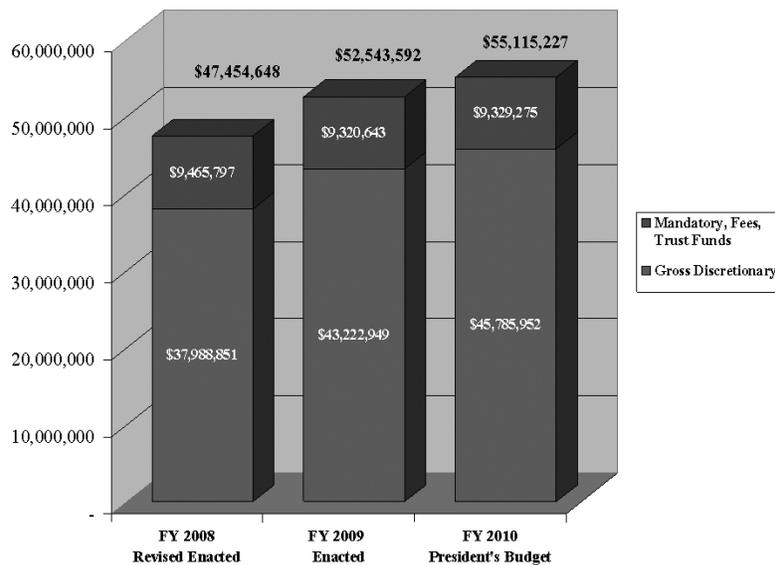
#### MATURING AND UNIFYING DHS

- *DHS Headquarters Consolidation Project*.—An additional \$75.0 million is requested in fiscal year 2010 to initiate consolidation of mission support activities that will remain off-campus, reducing the amount of small and widely scattered leased locations.
- *Strategic Requirements Planning Process*.—An additional \$5.0 million and 5 FTE are requested for the DHS Strategic Requirements Planning Process (SRPP) to establish tangible Department-wide targets and goals to help integrate DHS components' efforts and ensure that the Department fulfills its homeland security mission. The SRPP is designed to coordinate with the Department's resource allocation and investment processes and ensure that both of these processes address the most critical homeland security needs and capability gaps. The SRPP is designed to utilize risk assessments to prioritize analysis of capability gaps, and risk would also be used to inform the prioritization of investment in capability gaps and needs identified through the SRPP.
- *OIG Auditors*.—An increase of \$5.1 million is requested to hire an additional 60 staff. The increase of staffing will better position the Office of Inspector General to assist in supporting the Department's integrated planning guidance (IPG) of strengthening border security and interior enforcement. In addition, the increase will expand oversight of activities relating to DHS issues on immigration and border security, transportation security, critical infrastructure protection, Federal and State/local intelligence sharing, Secure Border Initiative (SBI), and acquisition strategies. The OIG's oversight activities add value to DHS programs and operations by providing an objective third-party assessment to ensure integrity and transparency.
- *Data Center Development/Migration*.—A \$200.0 million increase is requested to support further migration of component systems, applications, and disaster recovery to the DHS Enterprise Data Centers for central DHS management. Se-

lect DHS component budgets include funds to migrate their component specific applications to the DHS Data Center. The Data Center consolidation efforts will standardize IT resource acquisitions across DHS components, as well as streamline maintenance and support contracts, allowing for less complex vendor support and expediting response times in the event of an emergency. Benefits derived from consolidation include enhanced IT security, improved information sharing with stakeholders, and enhanced operational efficiencies over time.

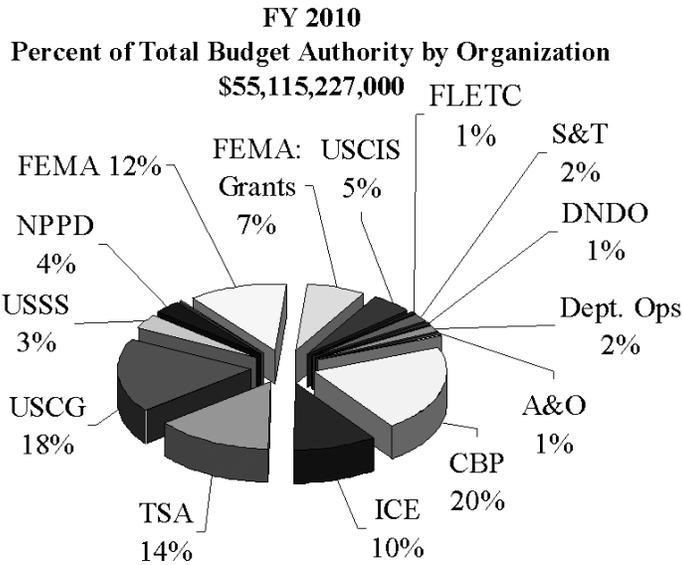
- **Information Security and Infrastructure.**—\$23.0 million is requested to support: Network Security Enhancements, Internet Gateway Enhancements, and Single Sign-On Capability.
  - **Network Security Enhancements.**—This funding is requested to mitigate high-risk areas within the DHS firewall. This request will establish critical Policy Enforcement Points across the DHS Network, improve DHS Security Operation Center capabilities (i.e., remediation, forensics), and establish robust classified facilities with highly skilled analysts. Network Security Enhancements will identify all internet connections for remediation by migrating separate, legacy component connections behind the DHS Trusted Internet Connections (TICs).
  - **Internet Gateway Enhancements.**—This request will implement a High Assurance Guard to support mission requirements for accessing social networking sites and establishing the DHS Email Disaster Recovery capability where 100 percent of all e-mail traffic will be behind the two DHS TICs.
  - **Single Sign-On (SSO) Capability.**—Increased fiscal year 2010 funding will be utilized to initiate the application integration and establishment of the core infrastructures for AppAuth, eAuth, the SSO Gateway, and Service Oriented Architecture required under the SSO project. Through the close alignment with HSPD-12, DHS employees and Federal, State, local, and private-sector partners will be able to log in to their systems with only a single set of credentials in order to access multiple applications.

TOTAL BUDGET AUTHORITY  
Dollars in Thousands



- Fiscal year 2010 Gross Discretionary funding increases by \$2.6 billion, or 6 percent, over fiscal year 2009.

- There is an increase of \$8.6 million, or .1 percent, in estimated budget authority for Mandatory, Fees, and Trust Funds over fiscal year 2009.
- Does not include supplementals or rescissions of prior-year carryover funds.



- The following offices are less than 1 percent of the total budget authority and are not labeled in the chart above: Office of the Inspector General, Office of Health Affairs.
- Departmental Operations is comprised of the Office of the Secretary & Executive Management, the Office of the Federal Coordinator for Gulf Coast Rebuilding, the Office of the Under Secretary for Management, the Office of the Chief Financial Officer, and the Office of the Chief Information Officer.

TOTAL BUDGET AUTHORITY BY ORGANIZATION

Gross Discretionary & Mandatory, Fees, Trust Funds

	Fiscal Year 2008 Revised Enacted <sup>1</sup>	Fiscal Year 2009 Enacted <sup>2</sup>	Fiscal Year 2010 President's Budget <sup>3</sup>	Fiscal Year 2010 +/- Fiscal Year 2009 Enacted	Fiscal Year 2010 +/- Fiscal Year 2009 Enacted
	[\$000]	[\$000]	[\$000]	[\$000]	[%]
Departmental Operations <sup>4</sup>	\$573,983	\$644,553	\$904,673	\$260,120	40
Analysis and Operations	304,500	327,373	357,345	29,972	9
Office of the Inspector General	108,711	98,513	127,874	29,361	30
U.S. Customs and Border Protection	9,285,001	11,274,783	11,436,917	162,134	1
U.S. Immigration and Customs Enforcement	5,054,317	5,928,210	5,762,800	(165,410)	-3
Transportation Security Administration	6,809,359	6,990,778	7,793,576	802,798	11
U.S. Coast Guard	8,631,053	9,623,779	9,955,663	331,884	3
U.S. Secret Service	1,629,496	1,637,954	1,709,584	71,630	4
National Protection and Programs Directorate	896,476	1,158,263	1,958,937	800,674	69
Office of Health Affairs	118,375	157,191	138,000	(19,191)	-12
Federal Emergency Management Agency	5,515,178	5,985,805	6,612,287	626,482	10
FEMA: Grant Programs	4,117,800	4,245,700	3,867,000	(387,700)	-9
U.S. Citizenship & Immigration Services	2,822,012	2,690,926	2,867,232	176,306	7
Federal Law Enforcement Training Center	273,302	332,986	288,812	(44,174)	-13
S&T Directorate	830,335	932,587	968,391	35,804	4
Domestic Nuclear Detection Office	484,750	514,191	366,136	(148,055)	-29
<b>TOTAL</b>	<b>47,454,648</b>	<b>52,543,592</b>	<b>55,115,227</b>	<b>2,571,635</b>	<b>4.89</b>
Less Rescission of Prior Year Carryover Funds <sup>5</sup>	(124,985)	(61,373)	.....	61,373	-100
<b>ADJUSTED TOTAL BUDGET AUTHORITY</b>	<b>47,329,664</b>	<b>52,482,219</b>	<b>55,115,227</b>	<b>2,633,008</b>	<b>5</b>
<b>SUPPLEMENTAL<sup>6</sup></b>	<b>15,129,607</b>	<b>2,967,000</b>	.....	<b>(2,967,000)</b>	.....

<sup>1</sup> Fiscal year 2008 revised enacted reflects net reprogramming/transfer adjustments for CBP (\$2.6 million); TSA (-\$10.5 million); USSS (\$34.0 million); NPPD (-\$5.6 million); OHA (\$1.9 million); FEMA (-\$23.0 million); US CIS (\$282.167 million); FLETC (\$5.636 million); FEMA-DRF to OIG (\$16 million). Reflects technical adjustments to revise fee estimates for TSA Aviation Security—General Aviation Fee (\$ .050 million); TSA Aviation Security—Passenger & Aviation Security Infrastructure Fee (\$96.025 million); TSA Transportation Threat Assessment and Credentialing—Registered Traveler (-\$31.601 million); TSA Transportation Threat Assessment and Credentialing—Transportation Worker Identification Credentials (\$37.9 million); TSA Transportation Threat Assessment and Credentialing—HAZMAT (-\$1.0 million); TSA Transportation Threat Assessment and Credentialing—Alien Flight School (\$1.0 million); and FEMA—Radiological Emergency Preparedness (-\$0.492 million). Pursuant to Pub. L. 110-161 reflects a scorekeeping adjustment for rescissions of prior year unobligated balances from USCG—AC&I (-\$137.264 million) and a rescission of current-year appropriations for USM (-\$5.0 million).

<sup>2</sup>Fiscal year 2009 enacted reflects technical adjustments to revise fee estimates for TSA—Transportation Threat and Credentialing—Registered Traveler (–\$10.0 million); TSA—Transportation Threat and Credentialing—Transportation Worker Identification Credentials (\$22.7 million); TSA—Transportation Threat and Credentialing—HAZMAT (–\$3.0 million); TSA—Transportation Threat and Credentialing—Alien Flight School (\$1.0 million). Reflects USCG realignment of Operating Expenses funding and pursuant to Pub. L. 110–53 reflects TSA realignment of funds for 9/11 Commission Act implementation (\$3,675 million—Aviation Security; \$13,825 million—Surface, \$2.5 million—Support). Reflects a scorekeeping adjustment for a rescission of prior year unobligated balances from USCG—AC&I (–\$20.0 million).

<sup>3</sup>Fiscal year 2010 President’s budget reflects the proposed transfer of Federal Protective Service from ICE to NPPD (\$640.0 million).

<sup>4</sup>Departmental Operations is comprised of the Office of the Secretary & Executive Management, the Office of the Federal Coordinator for Gulf Coast Rebuilding, the Office of the Under Secretary for Management, the Office of the Chief Financial Officer, and the Office of the Chief Information Officer.

<sup>5</sup>Pursuant to Pub. L. 110–161, reflects rescission of prior year unobligated balances: fiscal year 2008—Counter-Terrorism Fund (–\$8,480 million); TSA (–\$4.5 million); Analysis and Operations (–\$8.7 million); FEMA—Disaster Relief Fund (–\$20.0 million); USCG—Operating Expenses (–\$9,584 million); CBP (–\$2,003 million); US CIS (–\$0,672 million); FEMA (–\$2,919 million); ICE (–\$5,137 million); FLETC (–\$0,334 million); OSEM (–\$4,211 million); USM (–\$0,444 million); CFO (–\$0,380 million); CIO (–\$0,493 million); DNDO (–\$0,368 million); OHA (–\$0,045 million); OIG (–\$0,032 million); NPPD (–\$1,995 million); S&T (–\$0,217 million).

Pursuant to Pub. L. 110–161, reflects fiscal year 2008 rescissions of start-up balances: CBP (–\$25,621 million); FEMA (–\$14,257 million); Departmental Operations (\$12,084 million); Working Capital Fund (–\$2,509 million).

Pursuant to Pub. L. 110–329, reflects fiscal year 2009 rescissions of prior year unobligated balances: Analysis and Operations (–\$21,373 million); TSA (–\$31.0 million); FEMA—Cerro Grande (–\$9.0 million).

<sup>6</sup>In order to obtain comparable figures, Total Budget Authority excludes:

- Fiscal year 2008 supplemental funding pursuant to Pub. L. 110–161: CBP (\$1,531 million); ICE (\$526.9 million); USCG (\$166.1 million).
- NPPD (\$275.0 million); FEMA (\$3,030 billion); US CIS (\$80.0 million); FLETC (\$21.0 million).
- Fiscal year 2008 supplemental funding pursuant to Pub. L. 110–252: USCG (\$222,607 million); FEMA (\$897.0 million).
- Fiscal year 2008 supplemental funding pursuant to Pub. L. 110–329: OIG (\$8.0 million); USCG (\$112 million).
- Fiscal year 2009 supplemental funding pursuant to Pub. L. 111–5: USM (\$200 million); CBP (\$680 million); ICE (\$20 million); TSA (\$1.0 billion); USCG (\$240 million); FEMA (\$610 million); OIG (\$5 million).
- Fiscal year 2009 supplemental funding pursuant to Pub. L. 111–8: USSS (\$100 million).

## EFFICIENCY REVIEW

As the Department highlights its spending priorities in this budget, it is simultaneously conducting a bold and far-reaching Efficiency Review initiative to ensure that taxpayer dollars are spent in the most effective way possible. Efficiency Review encompasses both simple, common-sense reforms and longer-term, systemic changes that will, over time, make DHS a leaner, smarter Department better equipped to protect the Nation.

I launched the Efficiency Review on March 27, 2009 announcing sixteen Department-wide initiatives beginning within 120 days, including:

*30 Days*

- Eliminate non-mission critical travel and maximize use of conference calls and web-based training and meetings.
- Consolidate subscriptions to professional publications and newspapers.
- Minimize printing and distribution of reports and documents that can be sent electronically or posted on-line.
- Maximize use of Government office space for meetings and conferences in place of renting facilities.

*60 Days*

- Implement an electronic tracking tool for fleet usage data to identify opportunities for alternative fuel usage; heighten vigilance for fraud, waste or abuse; and optimize fleet management.
- Conduct an assessment of the number of full-time, part-time employees, and contractors to better manage our workforce.
- Utilize refurbished IT equipment (computers and mobile devices) and redeploy the current inventory throughout DHS.
- Leverage buying power to acquire software licenses for Department-wide usage (estimated savings of \$283 million over the next 6 years).

*90 Days*

- Develop cross-component training opportunities for employees.
- Develop a process for obtaining preliminary applicant security background data for candidates referred for final consideration (savings of up to \$5,500 per avoided full background check).
- As replacements are needed, convert new printers, faxes, and copiers into all-in-one machines (estimated savings of \$10 million over 5 years).
- Streamline decision-making processes in headquarters offices to eliminate redundancies.

*120 Days:*

- Establish a plan to ensure the DHS workforce has employees sufficient in number and skill to deliver our core mission.
- As replacements are needed for non-law enforcement vehicles, initiate acquisition and leasing of hybrid vehicles, or alternative-fuel vehicles in cases where hybrids are not feasible (estimated mileage improvement of above 30%).
- Maximize energy efficiencies in facility management projects (estimated savings of \$3 million a year).
- Standardize content for new-employee orientation and mandatory annual training modules Department-wide.

I have issued formal guidance to all DHS employees regarding the 30-day initiatives, and planning for the remaining initiatives is underway. Beyond the first 120 days, Efficiency Review will become a central element of budget development and the long-term strategic vision of the Department.

## PROGRESS

The initiatives strengthened by this budget would build atop what the Department has already accomplished since the start of the new administration.

To secure the border, DHS has launched a major new initiative to combat drug, cash, and weapons smuggling that support drug cartels in Mexico in their efforts against law enforcement. The initiative includes hundreds of new personnel at the border and increased technological capabilities. These efforts have resulted in significant seizures of smuggled items headed into Mexico.

The Department has distributed \$970 million dollars to bolster transit and port security. The Recovery Act signed by President Obama contains \$1 billion for the development of new explosives-detection technologies to increase safety at transit hubs and public places. To guard against terrorism, I signed a new agreement with Germany to cooperate in developing new counter-terrorism technologies.

In terms of increasing preparedness for, response to, and recovery from natural disasters, DHS has led the national effort in response to and preparedness for the 2009 H1N1 flu outbreak. Furthermore, the Department has responded quickly and effectively to severe ice storms in Kentucky, Arkansas, and Missouri, as well as to record flooding on the Red River in North Dakota and Minnesota. The Department has also taken critical steps to speed recovery in the Gulf Coast communities still struggling due to Hurricanes Katrina and Rita, including the extension of critical programs.

The Department has also taken important steps toward building a single identity and culture. The Recovery Act contained \$650 million for a new, consolidated headquarters for DHS, which is now scattered in buildings throughout the Washington, DC area. In March, I announced a moratorium on new branding for DHS components, which will now all use the established DHS seal.

Thank you for inviting me to appear before you today. I look forward to answering your questions and to working with you on the fiscal year 2010 budget request and other issues.

Chairman THOMPSON. Thank you, Madam Secretary. I thank you for your testimony.

I will remind each Member that he or she will have 5 minutes to question the Secretary. I now recognize myself for the first question.

Madam Secretary, recent reports have indicated that some 5,000 families across Mississippi and Louisiana will have to leave their FEMA trailers at the end of this month. With that, I have been unsuccessful in figuring out the plan for those 5,000 families.

Can you assure this committee that there will be a plan for those individuals who are presently housed in those trailers soon to be displaced?

Secretary NAPOLITANO. Yes, Mr. Chairman. Let me just begin by saying that we have placed over 100,000 families already. These are the last remaining. I would be happy to supply you with a list extensive of contact with the families, options they have been given, and also share with you that we offered to give the State of Louisiana additional caseworkers to work with those families, because this goes to the State to work through the families. They did not accept that offer.

But it is now time to start closing out the remains of Katrina, and we are and do have many options that have been made available to those occupants.

Chairman THOMPSON. Coupled with that is this committee's real interest on just the housing of individuals with natural disasters. Some of the numbers associated with it have been astronomical, and Chairman Conyers and a couple of us are planning to look at the whole temporary housing issue. Some of it, \$60,000 cost associated with one temporary trailer is a lot of money, and the only answer we have been able to get is, well, we have always done it this way.

So I am hoping that you will look at that going forward and see whether there are alternatives that can be explored in that temporary housing arrangement.

Secretary NAPOLITANO. Mr. Chairman, one of the first meetings I had as Secretary was with the Secretary of HUD, Shaun Donovan, because there is not a clean connection in terms of housing for disaster victims. We are looking, at some point after the immediate response of temporary housing these have become long-term housing issues. What this has revealed is that long-term recovery plan-

ning is not as robust as it needs to be. So housing is part of that, and yes, indeed, we are working very hard on those issues.

Chairman THOMPSON. Another issue around procurement, Madam Secretary, is the fact that presently DHS has over 15,000 contractors. That is some 300 percent increase since the Department was created.

Can you share with the committee whether or not there is a plan to reduce the overreliance on outside contractors for the Department?

Secretary NAPOLITANO. Yes, Mr. Chairman. One of the management things we will be doing this year and probably will be reflected in the 2011 budget is really looking at contractors and what needs to be brought in-house. I think the committee understands that contractors were used at the outset because of the speed with which the Department had to get up and running. But now, as you note, there is an overreliance there, and what the committee needs to know and appropriators need to know is what do we really need in-house to properly staff some of these functions. So, yes, we are looking at that from a management standpoint.

Chairman THOMPSON. So your testimony is that, not this year, but next year.

Secretary NAPOLITANO. I think it would be fair to say that the fiscal year 2010 budget has some changes in it already. But looking at the contractor issue simply requires more time than we had available.

Chairman THOMPSON. With respect to compliance with detention standards and ICE, a number of reports have talked about some pretty devastating things occurring with respect to medical care and facilities. Some have led to multiple deaths. Looking at this budget, it appears that we will expand detention facilities. What have you taken to prevent some of those issues medically from re-occurring?

Secretary NAPOLITANO. Mr. Chairman, one of the things that I discovered when I took over the Department was that within the huge organizational chart that it has, the whole issue of where detention was, was at the very, very bottom. We have moved that up, so if a person who reports directly to the head of ICE and brought in to help us there, a person who has run the prison systems in Missouri and Arizona, extensive experience with these types of facilities, she has been going facility by facility, contract by contract, looking at what we have. The budget reflects not only the need for beds, but the need to increase the expenditure for health care to reach standards for detainees. So we are in the process of doing that right now as well.

Chairman THOMPSON. Thank you.

I now recognize the Ranking Member of the full committee, the gentleman from New York, for questions.

Mr. KING. Thank you, Mr. Chairman.

Madam Secretary, I would like to cover issues of Secure the Cities, FIRE grants, and immigration. How far I will get, I don't know, but I will start with Secure the Cities. Not for the parochial respect of New York City, but really what this means for other cities throughout the country. I realize this was a pilot program. I don't believe it has really been completed. I know from talking with

the NYPD and other police departments they feel there is still more that has to be done, even in the pilot phase of it. But even if it were finished, I think it is really rolling the dice to be asking cities across the country to be applying for grants every year. I think there should really be a dedicated revenue stream. I just see this as being such a real threat to our cities. I am not aware of anything, for instance, of any Federal officials being on highways or parkways or roadways leading from suburbs or cities doing radiation detection. This is going to be left to the cities to do, and it really requires a regional approach. To that extent, I believe that the detection and interdiction of infrastructure that was set up in New York is a model that can be used and should have a dedicated revenue stream. To me, to zero it out or to end it just because the 3-year pilot program is over to me is really missing the larger picture. I would appreciate your thoughts on that, especially since, if we look at Europe, generally the attacks come from suburbs into the cities.

Secretary NAPOLITANO. Thank you. On Secure the Cities, I couldn't agree with you more that protection of the country from a radiation attack is key, a very important mission. This particular grant, I think I should share with you that the recipient has not yet spent the fiscal year 2008 money that it got, has not yet submitted its grant application for the fiscal year 2009 money that it got. So there is money in the pipeline to continue and fulfill the grant through fiscal year 2010. So it was the judgment that we shouldn't put more new money in it because there was money that would fund the program through this fiscal year.

As I think we all recognize, money is very tight this year. What we are trying to do is if we have unspent moneys, we will use those as opposed to asking for others.

With respect to continuation of the pilot permanently, I think that is worthy of consideration once we see how it works. Obviously, New York, the other States participating could apply to some of the other preexisting grant programs and use those funds for the Secure the Cities operation. But moving forward, one of the things you want to know from a pilot is does it work and does it make sense to make it permanent and expand it—and we will evaluate it.

Mr. KING. With the previous administration, with Secretary Chertoff, we had this disagreement one year about whether or not the grant application was in or it was not, and whether or not there was money available or not. Rather than lose because of bookkeeping tactics, I would ask if you would be willing to meet with officials involved in New York City Secure the Cities program to make sure this can be continued over the next year without any damage being done. Because, again, I sort of went through this with Secretary Chertoff and there was a question of whether or not the grant was in on time, whether the form was filled out correctly. In the meantime, tens of millions of dollars were lost. So rather than go through that again, I would really ask if I can or if you could be willing to meet with them to make sure everyone is on the same page. Again, not for the parochial interests of New York, but I just see our cities across the Nation being at threat because of this.

Secretary NAPOLITANO. Yes. We will work with your staff to make sure we are talking to the people you would like us to speak with.

Mr. KING. Thank you, Secretary.

On the issue of the FIRE grants, I think of all the programs administered by the Department, I don't think any received a higher rating, both being effective, and yet there is going to be a 70 percent cut. I believe you testified yesterday that your belief in the fire departments is they needed more personnel as opposed to equipment and training. Again, when you have over \$3 billion being applied for under the FIRE grants, and certainly from my contact with fire districts not just in my State but around the country, I think there is a real demand for this, a real necessity. Again, the role of the fire service has also changed since September 11. They also become first-line defenders, certainly again in areas which are target-rich.

So I think you are going to be hearing from us on that in a bipartisan way. I promise you, I will try to restrain Congressman Pascrell when he gets going.

Secretary NAPOLITANO. He is looking at me right now.

Mr. KING. But, seriously, on that, again I look forward to hearing what you have to say on it, but also these need to be part of an on-going dialog.

Secretary NAPOLITANO. Thank you. Yes. There was money in the Stimulus Act for the FIRE grants. The FIRE grants have been heavily funded in the past years, as you recognize, kind of 2-1, as compared to what are called the SAFER grants which really go for firefighters themselves.

Our analysis was and our context were in this era of very restricted local budgets and departments having to lay off firefighters, that they really wanted some money to keep their personnel numbers up. So the judgment was made, given that the Congress already had put money for the SAFER grants in the stimulus bill, was to significantly now plus up the FIRE grants during this economic period so that we wouldn't have fire department layoffs.

I couldn't agree with you more. Fire departments now are not just about fire; they are about a much broader range of first response. So we want to make sure they are supported in that capacity.

Mr. KING. I see my time has run out. I am sure somebody will mention SCAAP to you before the hearing is over. Thank you.

Secretary NAPOLITANO. Thank you.

Chairman THOMPSON. The Chair will now recognize other Members for questions they may wish to ask the Secretary. Again, I urge Members to be mindful of the 5-minute rule and the Secretary's limited time with the committee today.

In accordance with our committee rules, I will recognize Members who were present at the start of the hearing based on seniority on the committee, alternating between Majority and Minority. Those Members coming in later will be recognized in the order of their arrival.

The Chair now recognizes the gentleman from Oregon for 5 minutes, Mr. DeFazio.

Mr. DEFAZIO. Thank you, Mr. Chairman. Madam Secretary, three questions hopefully we can dispose of quickly. I asked the former—I think you would, unlike the former administration, recognize that the Constitution provides for three branches of Government. Do you agree with that?

Secretary NAPOLITANO. I can agree with that.

Mr. DEFAZIO. That is good. Thank you. That was controversial with the previous administration. We are one of the three. There was a plan for continuity of Government, and one would assume that continuity of Government would include all three branches. Would you agree with that?

Secretary NAPOLITANO. I would agree with that. Yes.

Mr. DEFAZIO. Excellent. We are off to a good start here. I am a Member of this committee, and the Chairman and I have requested to have access to that plan, to understand what was the proposed role for our branch of Government and what provisions were to be made in terms of continuity of Government after either a catastrophic attack or other problems. To the best of my knowledge, the Executive order is still in place and is still classified, and we were denied access.

Could you provide us access to that so we might better understand the proposal? You look puzzled.

Secretary NAPOLITANO. I am puzzled. But I will look into this and report back to you, yes.

Mr. DEFAZIO. Thank you. It started a whole little cottage business on the Internet about what might or might not be in it because of the fact that even the Chairman and I were denied access to it and other Members of Congress.

Secretary NAPOLITANO. It surprises me that the Legislative branch has not developed its own continuity of operations.

Mr. DEFAZIO. There is certainly concern there, and Brian Baird, one of my colleagues from Washington State, has proposals on how we might reconstitute ourselves in the case of a devastating attack and loss of membership, and thus far it has not gone anywhere. But I would just be curious how we fit into the overall plan of the Executive branch.

Second, the last time you were here I asked about the issue of collective bargaining rights. You were going to consult on that. Have we made progress on that issue for TSA employees?

Secretary NAPOLITANO. Yes. We are still looking at that, as well as in addition to collective bargaining rights, how do we create within TSA a real career path for employees so that we improve retention, take advantage of experience, allowing kind of frontline employees to move up into the Department, and how we increase and improve training, and so forth, for those employees? So, yes, we are looking at all those issues. We do not yet have a nominee to head TSA. Frankly, I think some of these resolutions are awaiting the new head of TSA.

Mr. DEFAZIO. Hopefully that will happen soon. But I would agree with you, as when we then created the TSA over on the Aviation Committee where I then served, our idea was to move away from the lowest-cost, minimum-wage, high-turnover, dead-end jobs. We actually had testimony one year from the screener of the year who said that at his airport, St. Louis, which had more than 100 per-

cent turnover in terms of screening employees before the Federal Government took over, that it was considered a big move up to go to McDonald's from screening. We tried to fix that by creating the TSA, and I applaud your idea about a career path and enhanced training. That is excellent.

Finally, there is a leaked document which talks about the Secure Freight Initiative, and it acknowledges, which I think has been publicly acknowledged, the fact that we are not—you don't anticipate being able to meet the 100 percent scanning of in-bound maritime cargo by the 2012 deadline, and it sets out three paths to deal with that.

Do you have thoughts on what path is going to be chosen by the Department in terms of either meeting or not meeting that deadline for 100 percent screening maritime cargo?

Secretary NAPOLITANO. We are still looking at that. I think I said even in my confirmation hearing and in my first hearing before this committee that I thought the 2012 deadline for SFI was going to be very difficult to reach, to negotiate all the international agreements that are part of that, and we wanted to really focus on what is the most effective way to prevent dangerous cargo from entering the United States, what kind of a multi-layered risk-based approach. So that is where we are heading now within the context of SFI.

But with respect to the memo that somehow became a public document, we are still evaluating alternatives and have some meetings within the Department to discuss them.

Mr. DEFAZIO. My personal preference would be strategy three. I am concerned that this is the most likely method of delivery of a weapons of mass destruction to the United States. The current layered or risk-based program we have pointed to in a number of hearings before your tenure is rather loophole-ridden, and I would not put great faith in that we are properly identifying and/or providing additional scrutiny to cargo with that system that requires it.

So thank you, Madam Secretary. Thank you, Mr. Chairman.

Secretary NAPOLITANO. Thank you, sir.

Chairman THOMPSON. I now recognize the gentleman from Indiana, Mr. Souder, for 5 minutes.

Mr. SOUDER. Thank you. Madam Secretary, I have questions relating to the border. But first, I want to touch briefly, because we haven't had a chance to talk about the so-called FEMA trailers, that Elkhart, Indiana is where many of these came from in my district and in Joe Donnelly's, and that we have had multiple hearings here and over in Government Reform. I want to make sure that you are aware of a few facts related to what has come out.

One is that formaldehyde in the room of the Government Reform hearing was higher than it was in the trailers; that the housing in Louisiana on average was higher than the FEMA trailers; that the California standards, you can make a safe—if the industry is moving to this, you can make a safe trailer.

FEMA is the only agency right now that is being unreasonable. In reality, a tent has more formaldehyde in it. There is no housing that you can put people in, and we need to have a reasonable standard that—by the way, since Katrina, there are people living

in the same trailers in Florida, in places all over America. They have had zero complaints anywhere in America since Katrina.

We have to have real science here, not emotion, or we are not going to be able to handle people. I hope that you can approach this.

Chairman Frank understands a lot of this as he sat through some of this, too. We can work out a reasonable thing where we can actually build affordable things that are safe if we stick with science and not emotion.

Secretary NAPOLITANO. I couldn't agree with you more.

Mr. SOUDER. Now, on the border, one is a concern on terrorism on the border. If we are going to work out anything in this country on immigration, we have to have the confidence of the American people that whether it is the DREAM Act or whether it is immigration reform of some type, that the border is secure, or other people just pour in if we make changes.

Furthermore, if we are going to fight terrorism, we have to know who people are. So two basic questions.

One is, you stated that you wanted to eliminate or repeal the REAL ID Act, which was one of the key 9/11 Commissions. Do you still stand with that? Do you see that moving ahead? How is that working? If I can do the second, and then you can try and work these together.

On the border, you stated that you are putting resources in, but there is basically no increase at all in SBINet technology in that side. The increase was for maintenance at the existing. There doesn't appear to be any money for additional fencing. The fundamental question is, do you intend to extend operational control past the 815 miles? You have plus-ups for outbound, which is really important on narcotics and guns. You are plussing up I think the total is 44 new border agents, Border Patrol, but those are focused at the ports of entry.

The question is, for operational control of the border, do you have anything in your budget? Why is there not more for SBINet, fencing, and other things in between the ports of entry? Whether it be hard fencing or electronic fencing, it doesn't appear that you are looking past 815 miles.

Secretary NAPOLITANO. Thank you, Congressman. Let me address the questions in order. In the terms of REAL ID, as I think the committee recognizes, Governors across the country, both parties, all thought REAL ID was an unfunded mandate from the Congress. I actually signed a bill in Arizona opting Arizona out of REAL ID because there was no money associated with it and the way that the regs were coming down, it was going to be a very big burden. That was almost the strongest bipartisan vote amongst the Nation's Governors that I saw in my time as Governor.

So when I came here, I said, look, we need to get to what the 9/11 Commission was getting at, which was a more secure driver's license. All right? So we have been working a team of Governors at the NGA level on a bipartisan fashion to craft a substitute for REAL ID. There is a proposal now, I believe either it has been or will be introduced in the Senate, I think it will have bipartisan sponsorship, that the Governors will accept and will be able to implement.

So it is not just a matter of repealing REAL ID, which nobody was going to do; it is a matter of giving the Governors of the country a bill that they can actually implement given the way motor vehicle departments work and the like. So that is where we are with that.

With respect to SBInet, we have just a week or 2 ago approved the latest iteration of it. As you know, when it was getting up and started it took a while. It was a lot more complicated than people, I think, can see. But that first operational part will go down. It is about 28 miles or so in Southern Arizona, in the Tucson sector. The next sector is on the way. The reason the budget is the way it is, is because there are unspent moneys. But there is a spend plan for SBInet. It is an integral part of our plans going forward, because I believe that a border has to be secured, you have to have operational control over it. It requires manpower and technology, particularly technology between the ports of entry.

With respect to fencing, you are correct, we did not ask for fencing per se in large miles across the border, but I can anticipate there will be projects along the border that will incorporate some fencing as part of the tactical infrastructure.

Mr. SOUDER. So do you see extending past 815 miles?

Secretary NAPOLITANO. On a project basis, yes. But I would not say we intend to build a fence from San Diego to Brownsville.

Mr. SOUDER. I meant, electronic or other? Are you saying you get to 850 this year? I mean, we are talking about a 3,000-mile border.

Secretary NAPOLITANO. There is going to be a combination of manpower, technology, and infrastructure, and our goal obviously is to have a system border-wide, but not just to have a physical fence border-wide.

Chairman THOMPSON. The gentleman from Texas for 5 minutes, Mr. Cuellar.

Mr. CUELLAR. Thank you, Mr. Chairman.

Madam Secretary, it is a pleasure seeing you again. One of the most important powers that we as Members of the legislature have is legislative oversight. There is always a tension between the Executive branch and the legislative body in this area. Most of the Secretaries that we have had through the Governors, attorney generals, judges, and that type of experience, I can understand that there is always a tension. But when we do ask for information, there might be an issue as to when we get it, but we do expect to get that information.

One of the things that we asked, and, Mr. Chairman, you recall the former Secretary, we asked him to give us a best estimate as to how many Customs Border Protection folks they would need on the ports of entry and the infrastructure. I think we waited about 14 months and we never got it.

Recently, we made a request to your office also, to your Department, and we are hoping we can try to get that information. The reason we want that is because we want to see how we can help you. It is not a gotcha type of situation, but we are trying to say, how many people do you need? You know, men and women in blue. So we can try to fund that as much as possible.

We need the infrastructure needs both in north and southbound so we can reduce the wait time and move traffic, and especially

since 80 percent of all the trade coming in through the United States is through land ports, I think we need to do a lot more in that area.

So do you have a general idea of when we could get that information from you? This is something that both the Chairman and I requested of the former Secretary and we could not get that information.

Secretary NAPOLITANO. I don't know where the actual request is, but our goal has been to be as communicative and as cooperative as we humanly can with the committee. So we will—I will find that request and see what we can do and how quickly we can do it.

Mr. CUELLAR. The request is very simple. What proper staffing do you need? What would be the number of personnel you need to staff properly your ports of entry, the men and women in blue? One. Then, what are your infrastructure needs, you need for north and southbound? Very simple on that.

Mr. Chairman, you recall we kept asking the other Secretary, and we couldn't get that information. It was not to try to catch somebody. We are trying to say, what are your needs so we can try to work to get you the proper funding on that?

The other thing is, I am very interested in performance measures, the efficiencies. I understand that you are doing some of that. That part is important, because if you have contractors, we would like to see the performance measures because a lot of times what agencies do is they have certain performance measures for the agencies but when they contract out those performance measures drop out. So we would like to see the performance measures, even on the contractors as you reduce them, and the efficiencies on some of the things that are done.

For example, why is it that, as an example, in Laredo when property is seized and they are going through the administrative process, they used to store that property in a Laredo warehouse. It doesn't matter where in Laredo. But now, under the contract that they have everything is shipped all the way to California. It is good for the California folks to have that, but the efficiency is, why do we—why do people have to pay all those transportation costs to send something all the way up to California instead of keeping it in a local place, whether it is in Brownsville or somewhere else?

I would like to get an answer if that contract is still in place or if you all plan on making some changes on the efficiencies on something like that. Efficiencies, like can we use more civilians to do support services instead of having Customs and Border Protection? I would rather have them out there on the lines trying to move traffic faster, instead of behind some computer or typewriter to do some of that support services. We did that in Texas with the DPS, and we got more people out, what we call more boots out in the field instead of having them do the support services, and we hired more of those civilians. So I would like to see if we can follow up on that.

Finally, the last thing is on the FEMA grants, what efforts are you all doing to streamline the process? I know there is some question as to the cuts, but the streamlined process, paperwork reduction, how fast can we get it out in the areas? What do you do? How do you handle those small rural areas? Like the New Yorks or the

Houstons or the Laredos can handle the paperwork, but the small rural voluntary areas, they have a hard time trying to fill those out. But the streamlining and simplifications of that would go a long way on those FEMA grants.

Secretary NAPOLITANO. Thank you, Congressman. Yes, we are—

Chairman THOMPSON. Excuse me a minute, Madam Secretary.

I am trying to listen to the Secretary. If the Members could be a little quieter, we could hear.

Go ahead.

Secretary NAPOLITANO. With respect to streamlining FEMA, you are talking about public assistance grants, individual assistance grants in the wake of a natural disaster. Yes. We have been working with communities, and even in my short tenure as Secretary have been able to work with relatively small communities to help them with that process. We are always looking for ways to make it simpler and to streamline it. You are absolutely correct.

Chairman THOMPSON. Madam Secretary, there were some other questions that the gentleman from Texas raised, and I am sure he will want to get them responded to. If the gentleman is still of the mind to get all the questions answered.

Mr. CUELLAR. I would love to get—I think you are responding to the last one that we had on the efficiency issues.

Secretary NAPOLITANO. With respect to efficiency measures for contractors, yes, as I indicated to the Chairman, I think the Department now is at a stage where we really need to thoroughly review contractors versus full-time employees moving forward as a Department. Obviously, part of that is what is the best and most effective way to spend the security dollars that we do get? So those performance measures are going to have to be, and are, going to have to be an integral part of that evaluation.

Then with respect to the first question, I think I already indicated that I am going to go back and see the request and see when we can get you a response.

Mr. CUELLAR. Could you give that response to that two parts of the questions?

Secretary NAPOLITANO. How many CBP officers and—

Mr. CUELLAR. Mr. Chairman, with all due respect, if you could address it to him and copy to me.

Secretary NAPOLITANO. I would be happy to do that.

Chairman THOMPSON. We will now recognize the gentleman from Texas, Mr. McCaul, for 5 minutes.

Mr. MCCAUL. I thank the Chairman.

Madam Secretary, welcome again. I want to commend you for your focus on the Southwest border, the resources you are putting down there. I was in El Paso 2 weeks ago, and saw the BEST teams in action, which we are doing a pretty good job I think screening incoming traffic now. I think one of the flaws has been tracking out-going cargo, currency, weapons going into Mexico. It is really the Mexican responsibility, and they have not stepped up to the plate. But I think these BEST teams are working effectively with the dogs. I would like to see more infrastructure, quite frankly, and resources put into that, because right now they are oper-

ating more on gut instinct, I think, anything else. The dogs are effective.

Perhaps a Meridá Initiative could provide some funding to Mexico so they could properly screen incoming traffic. But that is just, those are my thoughts.

I wanted to hit one issue specifically with you, and that is the State Criminal Alien Assistance Program. This provides assistance to the States for incarceration of criminal aliens. It has, in my view, been a very successful program. I know when you testified last February before the Senate Finance Committee, you stated that the Federal Government must at a minimum live up to its financial obligations to compensate for the cost of these failures borne by the States, and you referred to this program as an underfunded program and that the Federal Government needs to pay its bills.

This President's budget eliminates the SCAAP program, and I just wanted to get your view. You seemed very supportive of it as a Governor. What is your view on the President now eliminating this support program?

Secretary NAPOLITANO. Representative, yes, in fact when I was Governor I think I sent the attorney general of the United States an invoice for an unpaid SCAAP bill. States were getting I think about 10 cents to the dollar. This is a program that reimburses States for the cost of incarceration of illegals.

As you know, that is part of the Department of Justice budget. At the Department of Homeland Security level, I think what I am trying to do is to reduce the number of illegals that come into those border States. That is the way to reduce the costs on the States, not just incarceration, but a whole host of other related issues. So with that, I am sure the administration would be happy at the DOJ level to discuss SCAAP and how it was not budgeted with you. But I think at this point in my role, my emphasis has to be on reducing the number of illegals, period.

Mr. MCCAUL. I agree with that part. I do think elimination of this important program, though, is a mistake. I think you are going to see in the appropriations process or through maybe amendments on the floor this program being restored, as it was last Congress.

Also, the Stonegarden program is very important to me in terms of the resources provided to State and locals, border sheriffs. The National Association of Border Sheriffs came out with a figure of about \$500 million was the number that they believe they needed to properly secure the border. I think they play an important part. As you said, the State and locals are the eyes and ears. Sixty million dollars are in the budget, which is a good start. Congressman Cuellar and I introduced a bill to fully fund this, in our view, at the \$500 million level, and I hope you will give that some consideration.

Secretary NAPOLITANO. Yes, Congressman. We have started a bi-weekly conference call with border sheriffs and police chiefs, so we hear directly from them, particularly as we are in this effort. We want to sustain this effort at the southwest border.

Mr. MCCAUL. I commend you on your choice of Mr. Bersin for the Border Czar. He briefed us personally. He is a former U.S. Attorney like yourself. He gets it. I have talked to him about this par-

ticular program and the \$500 million. I think he is very—he seemed at least to be very supportive of the idea of doing that.

Last, if you could just give us an update on Guantanamo. I went down there with other Members, and the top 16 al Qaeda leaders are there. There is grave concern from our constituents about these people coming into the United States at some point. I know you are on the task force. If you could give the committee an update on that, I would appreciate it.

Secretary NAPOLITANO. Yes, Congressman.

The Department of Homeland Security is on the task force, as chaired by the Attorney General. It is looking inmate by inmate at Gitmo in terms of what disposition should be made. If any are ultimately decided to come to the United States, that they are paroled in under ICE, for example, my No. 1 concern and No. 1 function I think is to make sure that it is in such a fashion that Americans can be confident that they will not be endangered by that. So we are looking at what kind of restrictions would need to be associated with any sort of movement.

Mr. MCCAUL. Thank you. I see my time has expired.

Chairman THOMPSON. I would now recognize the gentlelady from—we will give the gentleman from California—we will get to you next. The gentlelady from Arizona, Ms. Kirkpatrick.

Mrs. KIRKPATRICK. Thank you, Mr. Chairman.

Madam Secretary, as you know very well, we in Arizona are very concerned about smuggling across the border along with the potential for the type of violence we have witnessed in Mexico. I have been calling for Congress to authorize \$100 million to prevent the southbound trafficking of cash and guns, and last month I introduced a bill along with Chairman Thompson which could do just that. Therefore, I am really glad to see your budget proposal calls for almost exactly the funding I requested to improve CBP and ICE southbound interdiction operations.

When do you expect to have all of the additional CBP officers, Border Patrol agents, ICE agents, and license plate readers fully in place to prevent southbound trafficking? Do you have a time line for that?

Secretary NAPOLITANO. Representative, yes, virtually all of those resources have moved already down to the southwest border as part of our effort to assist the Government of Mexico in halting the flow of—the fuel for the cartels into the country. In addition, this refers back to Representative McCaul's point, we are working with the Government of Mexico and the Minister of Interior, Gomez Mont, to set up a system whereby they actually do some southbound inspections themselves. We have some exchange in terms of rotation and all the like so the cartels don't know who is working which area at any given time. That planning is underway as well.

Mrs. KIRKPATRICK. Thank you, Madam Secretary. As you also note, we have just started the wildfire season in the West, and we have seen the devastating effects of a wildfire in California. I just got word this morning that there is a wildfire near Highway 60 in my district. So I am very happy to see the funding for the SAFER grants.

My question is: With the new funding, are you looking to have a cap on this grant increased? If so, do you have any thoughts as to what would be an appropriate level?

Secretary NAPOLITANO. I would have to get back to you on that, Representative. I don't know the answer.

Mrs. KIRKPATRICK. Thank you. Thank you, Madam Secretary. I yield back my time.

Chairman THOMPSON. Thank you. Let me apologize to the gentleman from California. Staff had omitted your name on the list for Members present. So we now recognize the gentlemen from California for 5 minutes, Mr. Lungren.

Mr. LUNGREN. I appreciate it, Mr. Chairman. I have lost 10 pounds. I know it is more difficult to see me now, so I appreciate that.

Madam Secretary, first of all let me reiterate what the gentleman from Texas said. Allen Berson is an excellent choice. I worked with him when he was in San Diego. He works with both sides of the aisle and he has a very good understanding of the border. Thank you for making that selection.

Second, thank you very much for your commitment in this budget and in the meetings that I have had with representatives of your office and the White House on cyber security. That is an unmet need in this country. You are recognizing that in part by the budget that you have presented, and I appreciate that.

One of the areas I hope to talk with you at some other time, both you and the Department of Defense and others, is EMP, electromagnetic pulse, whether we are taking that seriously; whether that is just the old Cold War concern; or whether, in view of the fact that we have rogue nations now that have lifting power with new missiles so you don't have to have an accurate missile to have the impact of EMP, what that means for our protection of our infrastructure. Are we even preparing for that, and is that part of your concern?

I would reiterate my concern about the SCAAP program. When I was attorney general, I worked hard for it. When you were attorney general, you worked hard for it. When you were Governor, you worked hard for it. I doubt the facts have changed. I doubt your opinion has changed. I understand you are part of a team now, but hopefully you can voice the concerns the rest of us have.

We are building airports where nobody flies. We are building bridges to nowhere. I mean, stuff that you can't give a justification for the Federal Government, but you know and I know the primary responsibility for immigration and for border control is the Federal Government. When they don't do the job—and those of us in the States have a considerable number of illegal aliens who committed felonies—it is a legitimate request for the States to have the Federal Government assist in that. Yet we zero that out in the President's budget.

So I am not going to put you on the spot, because I know where you have been and no facts have changed. So I doubt you have changed your opinion. Maybe they will listen to you a little bit more on that.

Let me focus on Gitmo, though. As an attorney who has clerked on the Ninth Circuit, been a U.S. attorney, attorney general, you

understand that when we bring people to the United States to put on American property, American soil, that connection gives rise to constitutional protections they might not otherwise have anywhere else. So if we close Guantanamo, we bring them here, all of the sudden they have an assortment of rights, which may mean, according to Federal judges, they are released, they are released into our communities.

Now, you have said today you are concerned about that and you want to make sure that we protect Americans. We have members of the Cabinet who have said in other positions, Secretary Salazar and Secretary Sebelius, that they don't want folks in their States. I don't know what your position is about whether Arizona ought to be willing to take them, but a whole lot of people aren't running to take these folks.

What I would like to know with some particularity is what do you mean when you say it is your concern that we protect the American people? Because if you have people who are terrorists and holding them overseas, you don't necessarily have the basis upon which to bring them to trial, because the purpose of detaining terrorists on the battlefield is to stop them from carrying out their function. You may not be able to prove a completed crime. But yet if we bring them to American soil, they may have the right to be released under our Federal laws and our Constitution. So I am in a quandary to find out what you mean by how we would protect the American people if we bring people who are suspected terrorists, because of decisions by Federal courts, because they have been brought to the United States, that they are allowed out in the community, how do we protect—what does that mean?

Secretary NAPOLITANO. Thank you, Representative. First of all, I think the President has been very clear; we need to close Gitmo, which itself has become a recruiting tool for terrorists. How we do that has been the subject of the review chaired by the attorney general that the Department of Homeland Security sits on.

My statement was well, what is Homeland Security's function there? Our function there is to provide information and assistance as to what sorts of protections would be needed on the homeland side if an inmate were ultimately released to the homeland. Those decisions have not yet been made. They are reviewing each case independently. Obviously there are other places and other facilities and other ways to deal with some of the—

Mr. LUNGREN. I understand. What I would like to know, can you give me some idea what those other ways or other ideas are, because frankly we are left now with talking with our constituents saying the administration has taken the position—and if I were in court I could debate with you whether Gitmo has been a positive or a negative. But the fact of the matter is the President has made a decision. We have been telling now the American people we are going to close Guantanamo. I don't see any money in the budget to do that but that is another thing. That is going to force people here in the United States—Federal judges may very well release them, as you have suggested. That could happen.

But what are the options? What kinds of things are you looking at in your Department to assist us in protecting the American people so we can tell our constituents what we are going to do?

Secretary NAPOLITANO. Representative, I think right now we are treading into an area that I don't believe I am able to talk about in a public setting. This is a process that is underway at the highest levels within the White House and other departments. But as decisions are made, the President is committed to transparency, and there will be explanations about what is happening and why.

Chairman THOMPSON. Thank you. The gentleman from New Jersey, Mr. Pascrell, is recognized for 5 minutes.

Mr. PASCRELL. Madam Secretary, I appreciate fully the difficult job you have of creating a budget that meets the needs of this Nation and all the various areas which you are in charge of during a tough economic period in our history. I understand that. Believe me, I do.

I have concluded, though, that looking at what you proposed to us and the Nation, the last administration made the mistake of not understanding that real homeland security starts from the ground up, on our local streets, in our intelligence apparatus, and not here in Washington. I sincerely hope this administration doesn't make the same mistake.

I have to say I am greatly dismayed, to say the least, to see the dramatic cuts to a couple of grant programs that are vital to our local and State first responders who we keep on patting on the back, and yet this budget I believe does not reflect what our rhetoric has been. Under this budget proposal, the successful FIRE grant program is cut by 70 percent from last year. We simply can't hire thousands of new firefighters to departments, knowing what the regulations are under the SAFER bill—which I was cosponsor of as well—because they are not going to have the equipment, the training. We did not pass the FIRE Act after 9/11. We passed the FIRE Act before 9/11.

We do, as the gentleman from New York stated very specifically, have \$3 billion in requests every year. The former administration tried to zero this program out. It has been a successful program in red districts, pink districts, blue districts, you name it, all across America. We had those needs about equipment and training and the wellness of our firefighters, be they career or voluntary, long before 9/11. They were a neglected part of the public safety equation. They have always been neglected. In fact, there was a debate as to whether we have any responsibility at all with regard. But towns and municipalities were not meeting their obligations, they couldn't afford to.

So here is a program. Listen to the ingredients. It is competitive. It deals with needs. It is peer-supervised. Wow, that is something very unique. There is oversight. It is fair. The money goes directly to the local communities, the States can't cream it off, take it off the top. That is different, isn't it? It doesn't go through the State. It is results-oriented.

So firefighters and police officers who are dear to my heart, they are the first to respond at a national catastrophe or a man-made disaster, they are the first that will be there.

The budget also only provides \$50 million for the Interoperable Emergency Communications grant program. That is an 85 percent decrease in funds. Now, when you are saying by the way, that the money is in the recovery plan, let me inform you, Madam Sec-

retary, that there are \$210 million in that recovery plan that all went to construction of firehouses. It had nothing to do with basically the FIRE Act. Nothing to do with equipment, nothing to do with training, nothing to do with apparatus.

I voted for the Recovery Act. I hope I know what is in there. Mr. Reichert and I worked very hard as Chairman and Ranking Member of the subcommittee in the 109th Congress to create the great grant program, because the lack of interoperable equipment was one of the clearest failures of 9/11 and still is. Still is.

So the last time you were before this committee, Madam Secretary, there was no bigger supporter of local and State grant programs than you. I want to stress I understand, and I would like you to respond to both of these questions, if I may, Mr. Chairman, through the Chair and through the Ranking Member. I would like you to respond to that.

Secretary NAPOLITANO. I was talking with staff just a minute ago, so I apologize, but I am confused on your statement about the interoperability, \$50 million. It is my understanding that is level-funded in the fiscal year 2010 budget.

Mr. PASCRELL. There is a decrease in the IECGP part of the Homeland Security budget.

Secretary NAPOLITANO. No, sir.

Mr. PASCRELL. Then we are looking at the budget incorrectly. I will gladly go back and stand corrected.

Secretary NAPOLITANO. It says I have, going back to fiscal year 2008, \$50 million. Fiscal year 2009, \$50 million. Fiscal year 2010 request, \$50 million.

Mr. PASCRELL. We will talk about that privately. Would you go—we will talk about that. I have different numbers than you have.

Secretary NAPOLITANO. As I explained earlier on the FIRE grant, I couldn't agree more about FIRE and the importance of first responders in the whole context of homeland security. The FIRE grants historically have been heavily funded, as you noted, the money for FIRE.

Mr. PASCRELL. I didn't hear what you just said.

Secretary NAPOLITANO. Have been heavily funded historically.

Mr. PASCRELL. They haven't been heavily funded. If we have \$3 billion of requests every year, and we have between \$500 and \$700 million, they are not heavily funded as far as I am concerned.

Secretary NAPOLITANO. What I am trying to suggest, sir, is that in the past, there has been an appropriation there. Part of that appropriation if we want to look an fiscal year 2010 as a continuation, was assumed in the Stimulus Act. As you correctly note, the Stimulus Act was for construction of fire stations. I do not know whether local fire departments, then, are moving some of their capital budget there and moving their money around, but they are getting additional moneys there. Our information was, in meeting with first responders, was in this time of limited economic resources, they were concerned about personnel and they wanted more money for the personnel side of the budgets, and that is what the fiscal year 2010 request was. We look forward to working with you on this.

Chairman THOMPSON. Time has expired, and I am sure the gentleman will have other questions that the Secretary can answer. I will now recognize the gentleman from Pennsylvania, Mr. Dent.

Mr. DENT. Thank you, Mr. Chairman. I had a few questions, Madam Secretary, with respect to chemical plant security. But I did want to follow up on a couple of things that had been said. First, Ranking Member King mentioned in his opening remarks about the right-wing extremism report, and I would be remiss if I didn't take this opportunity to express my disappointment in the now infamous report which indicated returning veterans might be more susceptible to radicalization. To your credit, you have openly admitted that the report did not go through as robust a review process as you had hoped. Could you tell us where the wheels came off the wagon, so to speak, and what you are doing to keep this from happening again?

Secretary NAPOLITANO. Yes. The wheels came off the wagon, first of all, because the vetting process that existed within the Department was followed or resolved. Second, the report was distributed and it was not authorized to be distributed. Third, it was distributed more broadly, even if there had been an authorization, than it should have been. The report—that particular section was meant to say not that veterans are more susceptible to become radicalized, but they are certainly targets of recruitment. That is well-known and there are many publications that say that.

Nonetheless, the way it was written or perceived was offensive, and I apologize for that. I apologize again. Internally what we have done now is to put a process in place to make sure that products of the Department are properly vetted and supervised before they can be authorized to be distributed at all.

Let me say, Representative, my view is that where our Department needs to focus is not on the kind of intel and analysis that circulates around Washington, DC, but things that are useful for State and local law enforcement on the ground. Too much, I think, of what we produce is kind of Washington, DC-speak as opposed to something that really works for State and local. So one of the things I hope to accomplish as Secretary is to kind of review, rethink that whole intel support that we are supposed to be providing for security.

Mr. DENT. Thank you. Also to follow up on Mr. Lungren's question regarding the particularities of the Gitmo closing and relocation of prisoners, you indicated that you cannot talk about such specifics in a public setting. Would you be willing to hold a classified briefing for Members of this committee on the details of Gitmo?

Secretary NAPOLITANO. Sir, we will work with your staff on that and on the timing of that. I simply do not know. It may be the White House itself would like to do the briefing, but we would follow up.

Mr. DENT. Many Members would like to be briefed on that. Thank you. I also just wanted to mention too—I wanted to first at the outset commend the Department for a job well done with its current regulations with respect to chemical plant security. The regulations, as you know, the industry doesn't love them, the environmentalists don't like them either, which means you are probably

onto something here. So the Department's authorization for regulating chemical facilities expired in October of this year.

The Department has asked in its budget submission to Congress for a 1-year extension of this regulatory authority. The committee is currently engaged in negotiations on possible chemical security legislation that would address this extension. But the legislation would do more than extend the current regulation. Some in Congress are considering including provisions that would require the Department to assess chemical facility processes at tens of thousands of chemical plants and identify what inherently safer technologies or processes might be appropriate in each situation.

What are your thoughts on Congress requiring the Department to determine which processes and chemicals facilities should utilize?

Secretary NAPOLITANO. We would be happy to work with you on that. In part, we are sort of doing that now as we implement the CFATs rules and regs. So there may be a very useful overlap now.

Mr. DENT. Because there are some concerns of secondary effects of some requirements that might come out of the Committee on Commerce overall. Then we get into this issue of inherently safer technologies and processes. These are engineering practices. I noticed in the President's budget request, it included an additional \$19 million for the Office of Infrastructure Protection to increase chemical facility security. Has the Department examined how much it would cost to bring unnecessary expertise to review thousands of these IST assessments and make determinations as to their feasibility? I think this is very expensive and it requires a great deal of expertise. I am just concerned the Department would not have that level of expertise when you have \$19 million in the budget. Can you address that, by chance?

Secretary NAPOLITANO. Yes, sir. We do have kind of a spend plan associated with what it will take to implement the CFATs regulations and the budget is reflective of that. We would be happy to provide you with more detail.

Mr. DENT. If they could, too, is any of the \$19 million designed to bring any IST specialists on to your staff?

Secretary NAPOLITANO. We will follow up with you on that, absolutely.

Mr. DENT. I see my time has expired.

Chairman THOMPSON. Thank you very much.

Madam Secretary, to cure Mr. Pascrell's issue, there is \$400 million authorized in that account, which only \$50 million has been requested each year. So that was the discrepancy in the numbers that he had reference to.

We now will hear from the gentleman from Missouri, Mr. Cleaver, for 5 minutes.

Mr. CLEAVER. Thank you, Mr. Chairman.

Madam Secretary, thank you for being here. I am not sure whether or not this hearing is being televised on C-Span or not. But in the event it is, I think it is extremely important for me and, frankly, for all of us to hear you respond to something based on a question that—or a statement made earlier.

I represent Kansas City, Missouri. Kansas City is 19 miles from Fort Leavenworth, which is in another State, the city limit is

right—just 19 miles away. I don't want anyone to believe, unless you say differently, that even if those prisoners were found to be illegally imprisoned, that they will be taken down to Main Street in Kansas City, Missouri, or any other city, and released. Is it not true that a person who was illegally in this country and arrested, whether they were found guilty or not, would be deported? Am I correct?

Secretary NAPOLITANO. Sir, let me just say, this is a hearing on the fiscal year 2010 budget request. I just don't think I can speak to the Gitmo issues in a public setting like this.

Mr. CLEAVER. I understand. I don't want you to speak to it, and I don't want to come to a secret meeting. I fear that we will be making statements in a public statement that causes people in the public to believe these people may be turned loose on our streets. What I know, a nonlawyer, that is not true. I just had the need to say that I don't want to talk about any other details. I am concerned about sending out bad information. I am 100 percent correct, as a nonlawyer, that I am correct.

Secretary NAPOLITANO. I would just prefer not to comment at this time.

Mr. CLEAVER. Thank you. I editorialized. My concern is about the E-Verify program, which I am assuming is under ICE, budgeted under ICE, is it?

Secretary NAPOLITANO. I believe so, yes. There is \$112 million requested for E-Verify.

Mr. CLEAVER. Early on, I guess in 1997 when the program first started, there were questions about its accuracy and so forth. It is my understanding that most, if not all, of those problems have been corrected.

Secretary NAPOLITANO. Yes, sir. Let me just say as Governor of Arizona I signed probably the Nation's toughest employer sanctions law, which basically gave an incentive to employers to use E-Verify. We used it extensively through State government and it gets better and better all the time. It is a very easy system to use.

Mr. CLEAVER. Is it possible for someone on your staff who can run—at least me—there may be other Members who would like to become familiar with it so that we can better answer questions back in our district.

Secretary NAPOLITANO. Absolutely. We would be happy to give you a demonstration.

Mr. CLEAVER. I would appreciate that, Mr. Chairman. I appreciate your presence. I will yield back the balance of my time.

Chairman THOMPSON. Thank you very much. For the committee, we will take one other Member, Mr. Bilirakis, for 5 minutes. We will recess. We have three votes. Reconvene shortly after the third vote. The Secretary is scheduled to be with us until 12:30, so we will go until 12:30.

Mr. Bilirakis.

Mr. BILIRAKIS. Thank you, Mr. Chairman. I appreciate it very much. Welcome, Secretary. I believe we should do everything in our power to ensure that employers are not hiring illegal aliens, especially when it comes to Homeland Security contracts and, again, on E-Verify. I received a letter from the assistant secretary of Legislative Affairs on April 17 regarding the use of stimulus funds by the

Department, which says DHS gives preference to prospective contractors based on the extent to which they use E-Verify.

I have several questions, a couple of questions anyhow on this. Does this mean that the Department refrains from awarding contracts to employers that do not use E-Verify, or just prioritizes contracts for those that do? Do you believe that the use of E-Verify should be mandatory for Government contractors and subcontractors doing business with DHS?

Secretary NAPOLITANO. Representative, I believe E-Verify needs to be an integral part of our immigration law enforcement moving forward. The system needs to be easy to use. It needs to be efficient for prospective employers and employees, because we don't want people unfairly denied work because of E-Verify. But I believe that we will be increasing E-Verify's capacity, capability. I believe that the White House is now considering the rule about all contractors for the Federal Government. With respect to Department of Homeland Security, I do not know of contracts that do not provide for the use of E-Verify.

Mr. BILIRAKIS. Why is there a delay by the administration? Can you answer that question?

Secretary NAPOLITANO. I think the concern was whether the capacity of the E-Verify system was big enough to handle a universal rule on all contractors, or whether actually that requirement would delay stimulus money getting out into the economy and jobs being created.

Mr. BILIRAKIS. Can you estimate as to when the program will be implemented?

Secretary NAPOLITANO. I believe the next deadline is in June; we will get back to you on that. But in the White House they are looking at the capacity of all agencies to implement.

Mr. BILIRAKIS. Okay. Thank you very much.

Chairman THOMPSON. Will the gentleman yield back? Thank you. Well, the next person is Mr. Green, if you promise not to take but 2 minutes. The gentleman from Texas.

Mr. GREEN. Thank you, Mr. Chairman. Thank you, Madam Secretary, for appearing. I want to congratulate you and I want to say to you that I will also pray for you. I trust that things will go well. You have a great history. You are a real patriot, and the country is blessed to have you and we look forward to working with you.

I will go to page 19 of what I believe has been distributed as the proposed budget. On that page, under Transportation Threat Assessment and Credentialing, there is an indication that we have \$216 million for this. That is a 37 percent increase, and the indication is that 53—excuse me, I will shut this down. We have \$53.3 million, which is the increase that we will have for this area. I want to just read the last sentence, which is what I agree with.

“Given the past problems associated with the TWIC program, it is highly recommended that TSA use these funds to improve the efficiency and timeliness of the program.” I just want you to know I agree completely with that sentence because a TWIC card has been the subject of some discussion at the committee level.

With that, I will yield back the balance of my time. Thank you.  
Secretary NAPOLITANO. Thank you.

Chairman THOMPSON. Thank you. The committee stands in recess for three votes and we will reconvene shortly.

[Recess.]

Chairman THOMPSON. We would like to reconvene the hearing on the DHS budget. We will now recognize the gentlelady from California, Ms. Harman, for 5 minutes.

Ms. HARMAN. Thank you, Mr. Chairman. Thank you, Madam Secretary, for really excellent and helpful testimony this morning, substantive answers to questions, and for your visit last month to the Los Angeles area where several of us went with you to see LAX, the top terror airport target in the country, and the ports of that Los Angeles and Long Beach which is where 50 percent of our vulnerable container traffic moves, and then the JRIC, the Joint Regional Intelligence Center, which is the Los Angeles fusion center and gets pretty high marks as these things are reviewed.

I know you took a lot of the information to heart and I see a lot of it reflected in your budget. I want to ask you about three areas, but I want to make one comment on Gitmo which has come up in several questions. I know you are not going to respond. This is just a comment by me.

In today's news, it says that the six Miami men charged with conspiring with al Qaeda have—five of those men have been convicted in a U.S. Federal court.

I just want to observe that we have a pretty good record in this country in recent years of convicting people charged with the crime of terrorism, and some are U.S. nationals and some are foreign nationals. I have every confidence that we are able to do this well in U.S. Federal courts and in U.S. military courts. That is just a statement.

Moving along to three areas that I want to ask you about: One, the intelligence and analysis budget is mostly classified. It is not here. What is unclassified is in the budget we are looking at; and I support, of course, the activities in the unclassified budget. But I would like to tell you again, Madam Secretary, how opposed I am to any money spent on the so-called National Applications Office, which is an office that would deploy military satellites over the United States for certain homeland security purposes. I think existing law is adequate. I don't think we need a new office at the Homeland Department. I absolutely believe that the authorities designed by your predecessor were inadequate. I know you are reviewing this, but I thought you should hear one more time how strongly I feel about it.

Secretary NAPOLITANO. Representative, on that, we are reviewing NAO and we also are doing a privacy review related to NAO just for your information.

Ms. HARMAN. Good. Well, I appreciate that. I think money would be better spent on priorities you have already identified.

Let me just mention two other issues. One, in this budget, there are—there is no request of funds for the exit component of the US-VISIT program for fiscal year 2010. You may be planning to use a \$30 million carryover account to complete two pilot projects, but when we were in LAX together—let me put both my questions out. When we were in LAX together, we noticed that the ingress portion of US-VISIT is fairly robust and we are working on it, but the

egress portion is zero. This is the largest destination airport, I believe, international destination airport in the country. So there is lots of opportunity for us to learn better where the people we have processed into the country are going, and whether they are overstaying visas and doing other things we might object to. So I want to ask you about funding the exit portion of US-VISIT.

Second, you provide funds to send DHS representatives to every fusion center in the United States. There are 70 such centers. I think that is a great initiative. But we could not find any reference to privacy and civil liberties training, which is a component, I know we all agree, needs to be a central part of what personnel and fusion centers, whether they are DHS personnel or local personnel, do.

The last thing which I do want to put on the table is small boats. They are a potential vulnerability at our major ports and our smaller ports. Again, we don't see a specific initiative here, when at least it has occurred to me over some years, and to your predecessor, Michael Chertoff, that small boats and general aviation were very logical ways that bad things could be brought into our country.

Secretary, answer these questions briefly. My time—I still have 18 seconds.

Secretary NAPOLITANO. I will be brief. On exit, yes. I am looking at the exit issue more holistically. We have got to have a way to know not only who came in but who has left, and to match those things up. So we are working on that.

Small boats, there is active work being done Department-wide in the Federal Government on that. With respect to deployment to the fusion centers, yes, I have asked the people—we have brought—we have actual money in the civil rights and civil liberties part of the office. It is reflected in the request for the Administrative Office of the Secretary. A part of that is designed to allow us to do more training.

Ms. HARMAN. Thank you very much, Madam Secretary. Smart women solving problems is exactly what we need, I think. Do you agree?

Chairman THOMPSON. The gentlelady's time has expired, but I agree. We will now recognize the gentleman from Georgia for 5 minutes, Mr. Broun.

Mr. BROUN. Thank you, Mr. Chairman. Madam Secretary, thank you for coming today. I know that we are all concerned about the safety and security of this Nation. Madam Secretary, in your opening statement you talked about the threat of terrorism, securing our borders, and effective law enforcement. I couldn't agree with you more. There are too many issues that I would like to bring up now, but we don't have time. But I would like to address a few.

First, I would like to associate myself with Mr. Lungren's comments about the danger of releasing terrorists on American soil. Please don't do that. The threat is very real, and I am looking forward to hearing an actual plan for what the President intends to do with the terrorists that are being detained in Guantanamo.

Second, I would like to talk about oversight. Congress, and this committee in particular, has responsibility to oversee your Department. We would like to be as helpful and effective as possible.

However, Members of this committee have waited far too long for the inspector general, where millions, even billions of dollars are at stake, and that is completely unacceptable. I would like to ask you if the increasing funding requested for the IG is going to be sufficient and if Members on this committee can expect more timely responses to their request?

Secretary NAPOLITANO. Representative, I believe firmly in the rule of an inspector general, particularly with a Department like ours that is still being built—it is like a plane that we are building while we are flying it. That is why we requested additional funds there. We have a lot of oversight in our committee—in our Department. In fact, one of the recommendations of the 9/11 Commission was for Congress to reorganize itself to streamline the oversight so that we were not consistently responding to myriad requests.

I want to be with this committee, which I believe is our central authorizing committee in the House of Representatives, as open and responsive and as timely as we can humanly be. We have asked for additional resources to assist us with that.

Mr. BROUN. I hope that is so. There have been multiple requests made that have not been timely, and please see, if you can, see that they are. While I recognize the importance of staffing increases on the southwest border, I think it is important that our efforts on the border do not in any way detract from ICE's interior enforcement mission in other regions, such as mine in Georgia.

Unfortunately, it appears that in the fiscal year 2010 budget, it fails to request any additional ICE investigators in other areas. That, combined with new guidelines to focus all work-site enforcement on the employers, will significantly weaken ICE's ability to conduct enforcement operations. In my home State, the ICE personnel are overwhelmed by the different investigative missions and definitely need more staff.

What is the rationale for requesting no additional ICE investigative resources outside the southwestern border?

Secretary NAPOLITANO. First of all, I am a strong ICE enforcement person. I think that is one of the reasons I was brought into this Department. I have been doing immigration prosecutions and supervising that sort of work for a number of years. So I don't want to leave any impression of a false dichotomy that if you do the border, you can't do the interior. You have to do it all, because you can't have a system where the border is kind of like a gauntlet and if you get through it, you are free.

We want interior enforcement as a system backing up all of the work that we are doing at the border. One area that you should look at is that one of the areas we have plussed-up on ICE, because I believe also in an effective and efficient law enforcement, and all enforcement of immigration doesn't require an investigative agent per se.

For example, on the work-site side, we are adding I-9 auditors. These are people that will actually go in and audit the immigration forms employers are required to have. They are lower paid, quite frankly, than agents. Their work, however, will help us direct which employers deserve or merit further attention by the higher-paid employees. So even as we look at work-site enforcement, we

are saying, okay, how do we staff it appropriately to get the best yield for the dollars that you are supplying?

Mr. BROUN. Thank you, Madam Secretary. I have one final comment before my time runs out. During your testimony, you talked about securing the border, and I think it is absolutely critical for national security to do that. The message I am getting out of the administration is that is not going to be done. We see no funds to further the fencing and things like that, and I just hope that you as Secretary will be a very strong advocate for securing both borders and not to giving amnesty to the criminals here in this country already. Thank you, Madam Secretary.

Secretary NAPOLITANO. Sir, may I make a point about the fence, however. Just to be very clear, we are completing the fence that has already been appropriated. We are adding technology; the virtual fence now, the first big section is underway. We have now approved the technology, some of the glitches that occurred before have been corrected. So that will be underway. This budget does not prevent us from doing some more fencing as a part of a tactical infrastructure with technology and boots on the ground in other parts of the border. But I have never believed, and have testified before, that simply a fence from Texas or from Brownsville over to San Diego will by itself be effective. We have to have a system.

Mr. BROUN. I agree with that, Madam Secretary. In fact I visited P-28 last year with this committee, and was impressed with the possibility of doing that. I understand some of the problems that are involved there, and I just hope that we push forward and get this done so that we secure our border. I think it is absolutely critical for national security.

Thank you, Madam Secretary. My time has expired. Thank you.

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

Mr. CARNEY. Thank you, Mr. Chairman. Madam Secretary, thank you for showing up today. I have a couple of questions, but first I did want to kind of follow on the discussion you had with Mr. Dent about the extremist report. I would be remiss, also as a veteran, to say that I took offense at that personally. The one in three households in my district did as well. I really want to understand the process here on how that got out. You told Mr. Dent that you did not authorize that, the release of that.

Secretary NAPOLITANO. It was not authorized for release; that is correct.

Mr. CARNEY. What happened?

Secretary NAPOLITANO. Sir, it was a product that was being circulated in I&A. We know—first of all, let me be very clear. It is not the only report out there that says veterans are targeted for recruitment. It was an assessment, not an acquisition. We have and are working with veteran groups—

Mr. CARNEY. It didn't say that.

Secretary NAPOLITANO. That is right. That is why it shouldn't have gone out. We apologized for it. The report is no longer available and we have put in place processes to make sure that does not recur.

Mr. CARNEY. That didn't answer how it got out in the first place.

Secretary NAPOLITANO. It went out because an employee sent it without authorization.

Mr. CARNEY. Is that employee still an employee?

Secretary NAPOLITANO. Appropriate personnel action is being taken.

Mr. CARNEY. Thank you. How many members of the Department of Homeland Security are actually veterans, do you know?

Secretary NAPOLITANO. You have the Coast Guard which are active; it is over 25 percent, including the Department Secretary.

Mr. CARNEY. Good. I wonder what their take on it was as well. I will change the topic here in a second. I just have to calm down a little bit. But it was—it really hit home hard to me and to our district and to a number of others, frankly. This is not a good start.

When I go to town hall meetings and I hear people calling for your resignation, it is really a problem. We have got to address this; we really do.

I know you apologized to the American Legion. That is a great first step. But there are a lot of other veteran groups out there. I don't know if you have reached out to them as well.

Secretary NAPOLITANO. We have.

Mr. CARNEY. Okay. Good. It is just kind of a pall hanging over things.

Secretary NAPOLITANO. Representative, one of the things that we have talked with particularly the American Legion about is how we provide at the Department of Homeland Security opportunities for veterans who are returning for work, because they are a great employment source for us. They are well-trained, they want to serve their country, they have already demonstrated that by their military service. So sometimes, to use the cliché, you have to make lemonade out of a lemon. Now we are working with making sure that DHS is helping them with job fairs and opportunities of that sort so that we continue our linkage with the veterans community.

Mr. CARNEY. Thank you. I had a question on UAVs and the border. What is the status of that program? Where are we?

Secretary NAPOLITANO. There are UAVs being used on the border.

Mr. CARNEY. How many?

Secretary NAPOLITANO. I can't give you a number at any given time, but we are using them as part of our process of securing and having operational control there.

Mr. CARNEY. If you could get a more detailed account from your staff, that would be great. Are you manned up enough? Do you have enough pilots? Do you have enough analysts on the ground to do the job?

Secretary NAPOLITANO. We believe we do. We believe the budget request is adequate to fill those needs.

Mr. CARNEY. Okay. No further questions.

Ms. JACKSON LEE. Would the gentleman yield for a minute? Let me apologize to the Chairman and to the—and I am just going to raise questions that I hope we will have a conversation. I am only asking to yield because I am in mark-up, and I will conclude quickly.

I thank you very much. Madam Secretary, I just want to get back with you on some issues dealing with TSA in terms of their expanded duties at airports.

Chairman THOMPSON. Ms. Jackson Lee, it is a problem for you to come in and get in front of a lot of the other Members who have been here for 3 hours. So I am going to—

Mr. CARNEY. I will yield back to the Chair.

Ms. JACKSON LEE. I will just say that I will ask the questions on the record. I didn't mean to be a problem. I am just in mark-up. So thank you very much.

Chairman THOMPSON. The gentleman from Louisiana for 5 minutes, Mr. Cao.

Mr. CAO. Thank you very much, Mr. Chairman. First of all, Madam Secretary, I would like to thank you for the trip that we made together down to New Orleans. I thought it was quite productive. I would like to commend you on the changes that you made with respect to the local TRO office. They have been much more efficient and much more cooperative in bringing PW projects forward.

My main concern now is with the appeal process. As you know, prior to Katrina, Charity Hospital was the main provider for indigent care. After Katrina, much of that care was taken upon by local hospitals, and they incurred hundreds of millions of dollars in debt. Touro Hospital, for instance, was threatened with foreclosure but for its purchase by the State Childrens Hospital. FEMA has denied the State of Louisiana's first appeal in regards to Charity Hospital. I believe the denial has dramatically delayed the recovery of the health-care system down there in the Second District and basically threatened the system with bankruptcy.

The appeal process has continually—does not take into account the plight of the suffering poor down there in the district and the struggles of institutions down there in the Second District post-Katrina.

My question to you is, if you can tell us, what your team has done in Region VI that is different from what the Bush administration did in regards to PW appeals?

Secretary NAPOLITANO. Representative, we have done a lot to streamline and resolve the appeal process with respect to the issues in your district. As you know, there is also now arbitration language that Senator Landrieu got enacted. We are working with the White House on finalizing the actual process by which we will be able to arbitrate claims.

My hope is that for the things we are unable to resolve—and we really are trying to resolve as many as we can now—we want to move the Katrina recovery forward as expeditiously as possible, but we have a responsibility as well. These are taxpayer dollars. We are not just given an unending pocket here to make sure they go to qualified projects that need to be compensated, and there are some legitimate differences of opinion. Those ultimately, I believe, will end up in arbitration. We want to facilitate that arbitration so that decisions are made and people know finally what to do. So we are working all hands on deck on that.

Mr. CAO. You must also understand the frustration of our constituents down there in the district. It has been 4 years.

Secretary NAPOLITANO. I have been in office about 100 days. That 4 years was not my watch.

Mr. CAO. I fully understand that, and just want to again reflect the Chairman's position on efficiency. What would be the timeline to have this arbitration panel instituted to address these issues?

Secretary NAPOLITANO. We are working to have it done as soon as possible.

Mr. CAO. What is that—would that imply weeks, months?

Secretary NAPOLITANO. Sir, as soon as possible, but within the foreseeable future. I don't want to give you a deadline because everybody has to review, okay, and there are lots of checks that have to be made. But it is moving expeditiously through the process.

Mr. CAO. Okay. With respect to the appeal process itself, I know that the decisions are made by the FEMA officer—or FEMA agencies, and oftentimes some of those people who denied the original applications might be deciding the appeal process. Is there a system for a more efficient and objective determination in the appeal process?

Secretary NAPOLITANO. Well, the appeal process is set—the technical appeal process is set by regulation. It has worked well in many areas and in many instances. But I think Katrina is so unusual in scope and the like that the arbitration add-on and augmentation is going to be very helpful not only to resolve things quickly, but to give people a sense that they really had their shot.

Mr. CAO. Thank you very much. I yield the remainder of my time, Mr. Chairman.

Chairman THOMPSON. Thank you very much. We now recognize the gentlelady from Nevada, Ms. Titus, for 5 minutes.

Ms. TITUS. Thank you, Mr. Chairman. Thank you, Madam Secretary, for being here. I would like to tell you as a former State legislator I was very glad to see in this budget and hear your comments about the REAL ID program, because it was estimated in Nevada it would have cost us about \$66 million to try to implement it, and we did see it as an unfunded mandate. So I appreciate the direction that is going. I wanted to ask you, though, about another program. That is the Model Ports of Entry program. McCarran Airport is one of about 20 airports that is part of this program.

I have been talking to officials at McCarran, and they are concerned that some of the operations there are dramatically understaffed. In just 1 week alone, CBP actions resulted in the losses of about \$120,000 just for one airline because they had to delay and cancel some flights. So I just wonder, I am sure this is the case probably for other airports and some of our airlines are kind of threatening not to fly to Las Vegas because it is such a problem, and we certainly can't lose more tourists coming with the state of the economy. I just wondered if there is some oversight of this, if you are looking at it, if we can have some input about how we are involved in the decisions that are made in that program so we won't have that kind of problem in the future.

Secretary NAPOLITANO. Absolutely. If you have information that you know of at McCarran, if you would give it to us. But we are, yes, looking at that. The last thing we want to do is deter legitimate commercial and tourism traffic out of an effort out of a pilot. So, yes.

Ms. TITUS. If I could get that information to somebody and we could work on that?

Secretary NAPOLITANO. Exactly, yes.

Chairman THOMPSON. Since we only have a few minutes, if we can limit to 2 minutes, we might can at least have a question or two from the rest of our Members.

Mr. Olson from Texas.

Mr. OLSON. Thank you, Mr. Chairman. I will do my best to limit to 2 minutes.

Madam Secretary, thank you for coming today, and what has become a theme between you and I and the two times you have testified here. I would like to talk about FEMA and recovery efforts from Ike. Ike is no longer headline news, but the recovery continues and in many places it is just beginning, the third most destructive hurricane to make landfall in the United States, and many of the communities affected by it desperately need help. Specifically if the reimbursement deadlines for debris removal and the emergency protective measures were extended 6 months, it would provide much-needed relief, particularly on the Bolivar Peninsula area.

But, unfortunately, FEMA recently made the decision to deny extension requests for Ike recovery efforts, saying only that they reviewed the information and decided against it. I must point out again that communities affected by Katrina, which was an equally devastating hurricane, received numerous deadline extensions for both categories. However, with respect to debris removal, Texas received only one deadline extension. With respect to emergency protective measures, we didn't receive an extension at all.

Please don't observe that this is some sort of complaint about Katrina, because that was a very devastating hurricane in that region, the most devastating one since Andrew in our history. Well, Galveston 1900 was the most devastating one. But the point is that Texas did not receive an extension at all. All we are asking for is fair and equal treatment.

Could you give me an insight as to why these deadlines were not extended, and what we could do on a Federal level to ensure that southeast Texas gets the resources that they need so that they can return to a normal life?

Secretary NAPOLITANO. Representative, there are a number of reasons why. Part of it is the amount that had already I think been distributed to Texas for that hurricane. In other words, it went to the State for distribution out to the communities.

I would be happy to supply you with a briefing on exactly what has gone out already and why those particular extensions were not granted.

Mr. OLSON. I would greatly appreciate it. I thank the Secretary and yield back my time.

Chairman THOMPSON. Thank you very much. The gentlelady from California.

Ms. RICHARDSON. Thank you, Mr. Chairman.

Madam Secretary, I would like to play a little good cop here and use 30 of my seconds. I want to commend you for the work that you did with the H1N1 virus, and also make sure that although all Members may not have had the ability to have you in their district,

I have. We can all sit here and throw rocks and write in the sand, but I don't think anyone, neither any of our constituents can ever say that they haven't ever done something that they would have liked to have done something differently. We need to judge you on the work that you are doing, and the work that you are doing is excellent. I want to be on the record in saying that, and that is what we need to move forward.

You have been from California, from Los Angeles to Long Beach to San Diego all over the place, and that is how I am judging and that is how my constituents are evaluating your work. So keep it up. It has been a pleasure having you as our Secretary for the short time that you have been there.

Secretary NAPOLITANO. Thank you.

Ms. RICHARDSON. The second thing I want to say is to bring to your attention that on April 29 we had a TWIC hearing and it didn't go very well. I don't know if you heard that. Some of the concerns were the lack of—the delay of the TWIC card readers. Just the insistence on looking at new technology and old delivery fashions and people coming in instead of looking in the future. Your representatives spoke about, oh, we are looking at this new technology because it can be hot and it is outside and raining. I proceeded to share with her that we can go to any airport, and you see the folks going in through the back, coming in through the terminal, swiping the card which is outside, rain, winter, sleet, et cetera.

So on behalf of the Chairman and our subcommittee, I would just urge you to do a double back on what happened in that hearing and look at the questions that we brought forward, and your addressing it would be very helpful.

Finally, since this is a budget hearing that we are having here, I will just read my two questions in for the record. One is that currently we have ships—and I discussed this with you. We have ships that the average ship is 5,600 to 6,000 TEUs. The larger ships are 10,000, and the even larger ones now are 14,500. That means that a ship is actually larger than the Empire State Building.

Currently, in our very large ports we are not prepared with the appropriate fireboats to put out a major disaster that could occur. So, if not in this year's budget, in future budgets I would like to have a further discussion and consideration of maybe us looking at the top 10 to start or a project of the top five. But it is a disaster waiting to happen. Those cruise ships, dirty bombs, et cetera, it could be disastrous for us all.

Finally, my second question was in the budget you have an increase for K-9s; however, it is, according to my folks, primarily focused on ferries. I have a tremendous amount of passenger rail, metro rail, again susceptible to all sorts of terror, and I would like to see it expanded to include more K-9s for rail as well.

Secretary NAPOLITANO. We will work with you on that. Thank you very much.

Chairman THOMPSON. I would now recognize the gentleman from New Mexico, Mr. Luján, for 2 minutes.

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

Madam Secretary, it is great to see you again. I appreciate how accessible you have been to each of us as Members of Congress, but also to the committee on continuing to provide information to us.

Madam Secretary, I would like to begin by first just emphasizing the fact of the importance of our firefighters and first responders as Mr. Pascrell did. No reason for me to get into those details, but to just make sure that we are reinforcing the thought that we do need to provide them the support and resources they need. We usually don't appreciate them until we need them, as we do many of our men and women who serve our country in different capacities, and we need to continue to thank them every day.

Madam Secretary, as I have done in the past visiting with you specifically about the national laboratories and our ability to engage with them, to utilize the technological capabilities that we have to be able to strengthen the tools and resources that you will need and all the personnel that you are responsible with providing them the tools and resources they need to do their jobs effectively. Recently, Madam Secretary, I was able to visit with you about taking advantage and moving forward with utilizing the National Infrastructure Simulation and Analysis Center, NISAC, out of New Mexico, and I appreciate the fact that we are taking advantage of their capabilities.

In the area of cybersecurity, though, because of some of the modeling capabilities that NISAC can present I would encourage you to explore opportunities within the Department to see how we could take advantage of the capabilities in that regards, specifically with cyber attacks, that we could probably help provide some additional information and protection with. I am encouraged by the fact of what we have seen in the budget in these specific instances.

I would just like to close, Mr. Chairman, Madam Secretary, with making sure that we are looking to see how some of the small businesses who have done a great job of developing technologies, moving forward with providing some of the support that we need to keep our ports safe, to keep roads safer, whether they are looking at cargo, whatever mechanism that they are utilizing to assist us in that way, that we are encouraging and we are making sure that they are providing an opportunity to be able to compete with some of those that may be larger and have more resources to keep them out of playing in this field and providing their expertise. So making sure, Mr. Chairman, that we are really looking to see how we could support both women and minority small businesses with the technological capabilities that they have been able to bring forward and help provide us with support with.

Thank you very much, Mr. Chairman.

Chairman THOMPSON. Thank you.

I now yield to the gentlelady from New York, Ms. Clarke.

Ms. CLARKE. Thank you very much, Mr. Chairman.

It is good to see you again, Madam Secretary.

Secretary NAPOLITANO. Yes.

Ms. CLARKE. Earlier this session, the House unanimously passed H.R. 559, which is what we call the Fast Redress Act of 2009. This legislation will require the Department of Homeland Security to develop a comprehensive cleared list of all lawful citizens who are mistakenly labeled as terrorists and placed on the do-not-fly list or

the watchlist. The President's budget acknowledges that this is a huge problem, and has requested \$1.3 million and one full-time employee for the management of the DHS TRIP, Travel Redress Inquiry Program.

How will the additional funding and staffing allocation improve the overall effectiveness of the program? How many employees are currently dedicated to the program? Additionally, does the President's budget discuss the centralization of the DHS TRIP processing system? Can you please explain what this centralization entails, and how will it work with secure flight in the future?

Secretary NAPOLITANO. The answer is yes. But I think, given the time constraints, what I would like to do is arrange for a briefing for you and we will work with you on the bill that is moving over to the Senate on this issue.

The goal, obviously, is to remove people from the lists who don't need to be there so that we can focus on those who do.

Ms. CLARKE. Mr. Chairman, just in closing, it has really become a very serious problem out there for many Americans who are traveling of Muslim descent, Asian, South Asian, Middle Eastern, Caribbean, Irish American, children. I mean, it is cutting across the board, and it is really, I think, a point where we should be modernizing the system so that we are not misidentifying so many people. They feel very threatened by the process and very stigmatized by it.

Secretary NAPOLITANO. Yes. I think there, Representative, one of the things, there are different lists, as you know, and different processes by which one's name gets on a list. But where we are focused now not only is on who gets on it, but how quickly we can resolve removing someone who is mistakenly on a list.

Chairman THOMPSON. Thank you very much.

Madam Secretary, two items. One is Mr. Cao, who has had to leave, FEMA did change its appeal process last year because there were so many things happening in Louisiana. So there is an independent body that addresses that, and I think you will see some legislation really making that law going forward.

The last question for me is there has been a lot of questions around FEMA asked today. The issue for this committee is whether or not it is your opinion or the administration's opinion that FEMA should stay in DHS or should be taken out. What is your position? What is the administration's position? Do you care to comment?

Secretary NAPOLITANO. Yes. Thank you, Mr. Chairman. As you know, the Senate just confirmed the new administrator for FEMA last night, Craig Fugate, so we now have an administrator who has an extensive background in emergency management in Florida. But it is my position, it is the position of the administration that FEMA should remain within the Department of Homeland Security.

Chairman THOMPSON. Thank you very much. Madam Secretary, thank you for being generous with your time. The hearing is adjourned.

[Whereupon, at 12:40 p.m., the committee was adjourned.]

## APPENDIX

QUESTIONS FROM CHAIRMAN BENNIE G. THOMPSON OF MISSISSIPPI FOR JANET NAPOLITANO, SECRETARY, DEPARTMENT OF DEFENSE

*Question 1.* We have spoken in the past about the need for DHS to do a better job of contracting with small and minority businesses. They often have the talent and capabilities to make significant contributions to the operations of the Department but are shut out. As I look at your \$55 billion budget request for fiscal year 2010, I can't help but think about the stimulative impact that DHS could have if it went the extra mile and sought out small and minority businesses for contracting opportunities. After all, small business is the engine of our economy. It is critical that DHS's acquisitions provide greater access to these companies. Access merely means an open door—not a hand-out. What processes will you put in place to ensure greater access for small and minority businesses?

Answer. DHS has a robust small business program as demonstrated by “green” scores from SBA's annual scorecard for the past 2 years (Attachment 1).

We currently have numerous initiatives underway that will increase small business participation and build upon our achievements:

- DHS PACTS (Program Management, Administrative, Clerical, and Technical Services) is a multiple-award indefinite-delivery indefinite-quantity (IDIQ) contract vehicle set aside exclusively for service-disabled, veteran-owned small businesses. The estimated value of all contracts is \$1.5 billion over 5 years.
- Coast Guard Multiple-Award Construction Contracts. IDIQ contracts for construction work will be awarded this fiscal year. Ten regions in the USA will each have contracts awarded under one of the socio-economic programs (8(a), HUBZone and Service-disabled veteran-owned). The 8(a) contracts are for small minority-owned businesses, the HUBZone contracts are for small businesses located in economically distressed areas, and the service-disabled veteran contracts are for small businesses owned by service-disabled veterans. The estimated value of all contracts is \$3.5 billion over 5 years.
- EAGLE II. Currently in the planning phase, this suite of IDIQ contracts for information technology services will include opportunities for all of the Federal small business contracting categories. The estimated value of all contracts is \$10–15 billion over 5 years.
- Outreach. DHS currently hosts monthly vendor outreach sessions in the Washington, DC, area as well as annual regional sessions. In addition, members of the Office of Small and Disadvantaged Business Utilization (OSDBU) have a vigorous outreach schedule each year, visiting most areas of the USA. OSDBU members present seminars on how to conduct business with DHS, meet individually with vendors, provide business counseling.
- Forecast of Contract Opportunities. In addition to an annual publication we now have the information on-line in real time. Opportunities are listed for the current fiscal year as well as on-going contracts are included for planning purposes.
- Training. We will continue to educate program managers and contract specialists in the small business programs by conducting customized small business specialists to disseminate information, working with SBA to provide training on the latest trends affecting small business contracting, and work with the Office of the Chief Procurement Officer to issue Acquisition Alerts, as needed, on small business topics for the acquisition workforce.
- Small Business Review. Contracting Officers, Small Business Specialists and the program or requesting offices in each component work together to review each open market procurement anticipated to exceed \$100,000 for small business contracting possibilities, considering the use of the 8(a) program, HUBZone small business set-asides, service-disabled veteran-owned small business set-asides, and small business set-asides. In addition, Contracting Officers, Small Business Specialists and the program or requesting office review contracts as

they come up for re-competition if market conditions have changed, contracts that were not originally set aside for small businesses may be re-evaluated, and the use of multiple-award contracts where some or all of the work can be reserved for small business participation may also be considered. Attached is a copy of the DHS Small Business review form 700-22 (Attachment 2) that Contracting Officers, Small Business Specialists and the program or requesting office use in evaluating each contracting opportunity and becomes part of the individual contract file.

**ATTACHMENT 1.—FISCAL YEAR 2009 YEAR TO DATE (YTD) FEDERAL SMALL BUSINESS PRIME CONTRACTING COMPARISON FOR THE TOP FIVE DEPARTMENTS BASED ON TOTAL PROCUREMENT DOLLARS**

(SOURCE: FPDS-NG SMALL BUSINESS GOALING REPORT AS OF 06/02/2009)

**TOP 5 DEPARTMENTS**

Rank	Department Name	Fiscal Year 2009 Year-to-Date Total Procurement Dollars <sup>1</sup>
1	Department of Defense (DOD)	\$119,707,187,369.96
2	Department of Energy (DOE)	24,318,550,974.08
3	National Aeronautics and Space Administration (NASA)	9,625,833,052.09
4	Department of Homeland Security (DHS)	7,704,864,530.54
5	Health and Human Services (HHS)	7,465,747,156.85

<sup>1</sup>Note: These five departments account for about 86% of total prime Federal procurement dollars of fiscal year 2009 year-to-date based on SBA's small business reporting procedures and the FPDS-NG small business goaling report (about \$169 billion out of about \$197 billion).

**HISTORY**

- In a comparison of the Top Five departments for fiscal year 2009 year-to-date based on total procurement dollars, DHS is ranked first in every small business category.
- DHS is the newest Federal department. Here is a summary of the Top Five indicating the year in which operations started:

Department Name	Year Operations Started
Department of Defense (DOD)	1947
Department of Energy (DOE)	1977
National Aeronautics and Space Administration (NASA)	1958
Department of Homeland Security (DHS)	2003
Health and Human Services (HHS)	1980

**FISCAL YEAR 2009 YTD SMALL BUSINESS PRIME CONTRACTING ACCOMPLISHMENTS**

- Explanation: Calculated by Percentage of Total Procurement Dollars for small businesses of all types: (SB) Small Business, 8(a), (SDB) Small Disadvantaged Business, (HUBZone) Historically Underutilized Business Zone Small Business, (SDVOSB) Service-Disabled Veteran-Owned Small Business, (VOSB) Veteran-Owned Small Business, and (WOSB) Women-Owned Small Business.
- Government-wide goal for this category = 23%; DHS goal = 31.9%.

Rank	Department Name	Results by Percentage (%)
1	Department of Homeland Security (DHS)	33.2758
2	Department of Defense (DOD)	18.1882
3	Health and Human Services (HHS)	13.9285
4	National Aeronautics and Space Administration (NASA)	12.0999
5	Department of Energy (DOE)	3.3293

## FISCAL YEAR 2009 YTD 8(a) PRIME CONTRACTING ACCOMPLISHMENTS

- Government-wide goal for this category = N/A; SBA has determined that 8(a) results are part of the overall SDB category since all 8(a) firms are SDBs by definition; however, to maintain our commitment to the 8(a) program, DHS set a 4% goal in this category; further, the 8(a) category appears as a data field in the FPDS-NG small business goaling report.

Rank	Department Name	Results by Percentage (%)
1	Department of Homeland Security (DHS)	6.8616
2	Health and Human Services (HHS)	2.9293
3	National Aeronautics and Space Administration (NASA)	2.7563
4	Department of Defense (DOD)	2.6215
5	Department of Energy (DOE)	0.4542

## FISCAL YEAR 2009 YEAR-TO-DATE SMALL DISADVANTAGED BUSINESS PRIME CONTRACTING ACCOMPLISHMENTS

- Government-wide goal for this category = 5%; DHS goal = 8% [4% for 8(a) and 4% for SDB prime contracts outside of the 8(a) program for an overall SDB goal of 8%]

Rank	Department Name	Results by Percentage (%)
1	Department of Homeland Security (DHS)	14.7954
2	National Aeronautics and Space Administration (NASA)	6.3301
3	Health and Human Services (HHS)	5.8048
4	Department of Defense (DOD)	5.1107
5	Department of Energy (DOE)	0.9048

## FISCAL YEAR 2009 YEAR-TO-DATE HUBZONE SMALL BUSINESS PRIME CONTRACTING ACCOMPLISHMENTS

- Government-wide goal for this category = 3%; DHS goal = 3%.

Rank	Department Name	Results by Percentage (%)
1	Department of Homeland Security (DHS)	2.9141
2	Department of Defense (DOD)	1.7213
3	Health and Human Services (HHS)	0.9858
4	National Aeronautics and Space Administration (NASA)	0.6371
5	Department of Energy (DOE)	0.0700

## FISCAL YEAR 2009 YEAR-TO-DATE SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS PRIME CONTRACTING ACCOMPLISHMENTS

- Government-wide goal for this category = 3%; DHS goal = 3%.

Rank	Department Name	Results by Percentage (%)
1	Department of Homeland Security (DHS)	1.7900
2	National Aeronautics and Space Administration (NASA)	1.4207
3	Department of Defense (DOD)	0.9407
4	Health and Human Services (HHS)	0.6985
5	Department of Energy (DOE)	0.4200

FISCAL YEAR 2009 YEAR-TO-DATE VETERAN-OWNED SMALL BUSINESS PRIME  
CONTRACTING ACCOMPLISHMENTS

- Government-wide goal for this category = N/A; although there is no Government-wide goal for VOSB participation (only SDVOSB), in accordance with FAR 4.602, Federal agencies are required to collect this data; also, the VOSB category appears as a data field in the FPDS-NG small business goaling report.

Rank	Department Name	Results by Percentage (%)
1	Department of Homeland Security (DHS)	5.1123
2	National Aeronautics and Space Administration (NASA)	2.9364
3	Department of Defense (DOD)	2.3929
4	Health and Human Services (HHS)	1.9600
5	Department of Energy (DOE)	0.6085

FISCAL YEAR 2009 YEAR-TO-DATE WOMEN-OWNED SMALL BUSINESS PRIME CONTRACTING  
ACCOMPLISHMENTS

- Government-wide goal for this category = 5%; DHS goal = 5%.

Rank	Department Name	Results by Percentage (%)
1	Department of Homeland Security (DHS)	7.7553
2	Health and Human Services (HHS)	3.5318
3	Department of Defense (DOD)	2.7115
4	National Aeronautics and Space Administration (NASA)	1.9283
5	Department of Energy (DOE)	0.4663

ATTACHMENT 2.—DEPARTMENT OF HOMELAND SECURITY

OVERALL GRADE			
GREEN .....	<ul style="list-style-type: none"> <li>• DHS achieved 35.34% exceeding its small business goal of 30%.</li> <li>• Although DHS did not meet its SDVOSB goal, it did make progress in amount of dollars.</li> <li>• DHS exceeded its WOSB, and HUBZone goals.</li> <li>• DHS achieved 13.38% exceeding its SDB goal of 8%.</li> </ul>		
SMALL BUSINESS GRADE			
FISCAL YEAR 2006/ FISCAL YEAR 2007 % GOAL	FISCAL YEAR 2006 SMALL BUSINESS ACHIEVEMENTS	FISCAL YEAR 2007 SMALL BUSINESS ACHIEVEMENTS	MADE PROGRESS?
30% .....	31.60% (\$4,410,173,942) ...	35.34% (\$3,832,162,724) ...	N/A
GREEN .....			
SOCIO-ECONOMIC GRADES			
FISCAL YEAR 2006/ FISCAL YEAR 2007 % GOAL	FISCAL YEAR 2006 SMALL BUSINESS ACHIEVEMENTS	FISCAL YEAR 2007 SMALL BUSINESS ACHIEVEMENTS	MADE PROGRESS?
8% .....	10.73% (\$1,497,052,836) ...	13.38% (\$1,453,850,575) ...	N/A
WOSB	FISCAL YEAR 2006 SMALL BUSINESS ACHIEVEMENTS	FISCAL YEAR 2007 SMALL BUSINESS ACHIEVEMENTS	MADE PROGRESS?
5% .....	5.31% (\$933,492,261) .....	7.98% (\$845,334,056) .....	N/A
GREEN .....			

ATTACHMENT 2.—DEPARTMENT OF HOMELAND SECURITY—Continued

HUBZONE	FISCAL YEAR 2006/ FISCAL YEAR 2007 % GOAL	FISCAL YEAR 2006 SMALL BUSINESS ACHIEVEMENTS	FISCAL YEAR 2007 SMALL BUSINESS ACHIEVEMENTS	MADE PROGRESS?
GREEN	3%	3.30% (\$460,271,935)	3.10% (\$317,177,978)	N/A
SDVOSB	FISCAL YEAR 2006/ FISCAL YEAR 2007 % GOAL	FISCAL YEAR 2006 SMALL BUSINESS ACHIEVEMENTS	FISCAL YEAR 2007 SMALL BUSINESS ACHIEVEMENTS	MADE PROGRESS?
RED	3%	1.53% (\$214,054,627)	1.36% (\$151,512,452)	YES

CRITERIA

GREEN THE AGENCY MUST MEET 100% OF ITS SMALL BUSINESS GOAL, 3 SOCIO-ECONOMIC GOALS AND MAKE PROGRESS IN THE REMAINING GOALS.  
 YELLOW THE AGENCY MUST MEET 90-99% OF ITS SMALL BUSINESS GOAL, 1 SOCIO-ECONOMIC GOALS AND MAKE PROGRESS IN REMAINING GOALS.  
 RED DOES NOT MEET THE ABOVE (YELLOW) STANDARDS.

PROGRESS DEFINED: SRA USED 1 OF 2 INDICATORS IN DETERMINING WHETHER AN AGENCY MADE PROGRESS ON THEIR SOCIO-ECONOMIC GOALS: (1) A PERCENTAGE INCREASE OVER FISCAL YEAR 2006 GOAL ACHIEVEMENT OR (2) FISCAL YEAR 2007 GOAL ACHIEVEMENT DOLLARS IS GREATER THAN THE ACHIEVEMENT AVERAGE FOR THE PAST 3 YEARS (FISCAL YEAR 2005-FISCAL YEAR 2007).

ATTACHMENT 3

DHS Initiative	CURRENT STATUS (As of July 25, 2007)	PROGRESS (As of July 25, 2007)	COMMENTS
<p>SMALL BUSINESS PROMOTION. Agency Lead: Kevin Boshears, Director, DHS OSDBU.</p>	<p>Green .....</p> <p><u>X</u> Meets the small business goal, at least 3 socio-economic goals, and shows improvement in the remaining 1 goal.</p> <p><u>X</u> Meets all Yellow standards:</p> <ol style="list-style-type: none"> <li><u>X</u> Meets the small business goals, at least 2 additional socio-economic goals, and improves in at least one of the unmet goals. Credit can also be given for meeting 4 goals, regardless of which ones they are.</li> <li><u>X</u> Has implemented a strategy to increase the number of competitively awarded contracts to small businesses.</li> <li><u>X</u> Has demonstrated top-level Agency commitment to small business contracting.</li> <li><u>X</u> Has a comprehensive small business program that includes written policies and procedures focused on improving the competitive environment and increasing small business participation in the procurement process.</li> </ol>	<p>Green .....</p> <p>Actions taken this quarter:</p> <ol style="list-style-type: none"> <li>The agency has met its small business goal, 2 additional socio-economic goals, and improved in at least one of its unmet goals.</li> <li>The agency has implemented an aggressive strategy to increase the number of competitively awarded contracts to small businesses.</li> <li>The agency shows top-level agency commitment to small business contracting through internal scorecards, set-aside strategies, goal performance, and top executive meetings on a monthly basis.</li> <li>The agency has a comprehensive and active small business plan that is documented and regularly updated.</li> <li>The agency has built-in goal achievement requirements in their executive management's performance to ensure increased accountability.</li> </ol>	<ul style="list-style-type: none"> <li>DHS did not meet its SDVO goal; however exceeded in all others with progress.</li> </ul>

ATTACHMENT 3—Continued

		<p>5. <u>X</u> Has small business goal achievement as a rating element for acquisition personnel.</p> <p>6. <u>X</u> Works cooperatively with SBA on outreach and targeting initiatives.</p> <p>7. <u>X</u> Meets deadlines for all required strategic plans and annual reports due to SBA.</p> <p>8. <u>X</u> Has a process to ensure small business data is accurately reported in FPDS-NG.</p> <p>9. <u>X</u> Enforces small business subcontracting plans and meets subcontracting goals.</p>		<p>6. The agency's OSDBU coordinates with SBA in 8(a) orientation and match-making events to further outreach and marketing initiatives.</p> <p>7. The agency submitted all plans and reports by the required deadlines.</p> <p>8. The agency regularly verifies its small business data in FPDS-NG for accuracy. The agency also uses internal/external reports as a tool to rectify discrepancies found in the FPDS-NG system.</p> <p>9. The agency does have a system in place to enforce small business subcontracting plans and goal expectations.</p>	
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*Question 2.* In September 2006, the Department of Homeland Security awarded a contract to Boeing to create a “virtual fence” along the southwest border using cameras, sensors, and other technology. This committee has conducted careful oversight of this program, known as SBInet, as well as its two predecessor programs. I can say with little hesitation that, to date, we have been disappointed. The Department is currently moving forward with its next SBInet deployment, and the administration has requested additional funds for fiscal year 2010 for the program. As Governor of Arizona, you witnessed the deployment of Project 28 in your backyard. Now, as Secretary, what have you learned that will help the Department get the “virtual fence” right this time around?

*Answer.* Project 28 (P-28) was a “proof-of-concept” technology demonstration that provided insights into the operational and technical challenges the SBInet team would face in designing, developing, and deploying the larger SBInet system. P-28 provided valuable operational, technical, and acquisition lessons relative to implementing an integrated sensor system for surveillance of the border. P-28 now provides an operational capability to Border Patrol agents in the Tucson Sector, and since September 2007, the system has assisted agents in the apprehension of more than 5,000 illegal border crossers and the seizure of over 12,000 lbs of marijuana.

Many of the lessons learned from P-28 have been factored into the planning and design of the SBInet Block 1 system that will be deployed in Tucson (TUS-1) and AJO Stations (AJO-1) this year. These include:

- The SBInet system design now includes an integrated set of software and hardware to allow streamlined data integration and processing to reduce system latency.
- The Common Operating Picture software was upgraded to better detect incoming activities, provide multiple displays, and support unattended ground sensors.
- The radar and camera suite were upgraded to new models with improved capabilities.
- The system will now use microwave backhaul to communicate video and data, instead of satellites, which will increase bandwidth and reduce system latency.

Further, a comprehensive test program has been established for SBInet in order to ensure that it is deployed both functionally and efficiently. Most recently, SBI conducted Systems Qualification Testing (SQT) for SBInet Block 1 in December 2008. The SQT identified and corrected system errors and allowed the program to complete successful testing and proceed with the timely deployment of the TUS-1 and AJO-1 projects. Furthermore, the system will undergo operational testing in early fiscal year 2010 to ensure it meets Border Patrol’s operational needs. The results of the operational test will be used to advise decisions about the pace and extent of further deployments.

*Question 3.* Given the troubling accounts by the media, GAO, and DHS’s own Inspector General of the lack of compliance with detention standards at ICE-contracted facilities, which includes inadequate medical care—that resulted in multiple deaths, please tell us why the President’s budget request seems to explore the expansion of detention facility privatization?

*Answer.* Over the last few fiscal years, ICE is currently assessing its Nation-wide detention needs to determine whether ICE’s continued ownership of seven Service Processing Facilities (SPCs) is in the best interests of the Federal Government. DHS will keep the committee updated on the results of this review.

*Question 4.* As we all know, the Department of Homeland Security is accountable for an extremely broad portfolio of mission areas. As we have seen, circumstances can shift the emphasis and priorities within mission areas. A budget is fundamentally an expression of an agency’s priorities. With regard to the fiscal year 2010 budget, what would you say are the major priorities reflected in your budget request? Specifically, is there a common thread that runs through each component, department, and program request?

*Answer.* The Department of Homeland Security’s budget will strengthen current efforts that are vital to the Nation’s security, bolster DHS’ ability to respond to emerging and evolving threats, and allow DHS to embrace new responsibilities in order to secure the Nation. This budget puts forward critical investments in the protection of the American people.

DHS undertakes the mission of securing the United States against all threats through five main action areas, each of which is strengthened by this budget:

- **Guarding Against Terrorism**—As the founding purpose of the Department and its highest priority, the budget expands DHS efforts to battle terrorism, including detecting explosives in public spaces and transportation networks, helping protect critical infrastructure and cyber networks from attack, detecting agents

of biological warfare and building information-sharing partnerships with State and local law enforcement to mitigate threats.

- **Securing Our Borders**—DHS prevents and investigates illegal movements across our borders, including the smuggling of people, drugs, cash, and weapons. The budget seeks to facilitate legal travel and trade while improving border security; these efforts include adding manpower and technology to the southwest border, as well as requests funds for smart security on the northern border.
- **Smart and Tough Enforcement of Immigration Laws and Improving Immigration Services**—DHS welcomes legal immigrants, protects against dangerous people entering the country and pursues tough, effective enforcement against those who violate the Nation’s immigration laws. The budget contains funding to strengthen our employment eligibility verification systems, target and crack down on criminal aliens, and expedite the application process for new legal immigrants.
- **Preparing for, Responding to, and Recovering from Disasters From All Hazards**—The Department must aid local and State first responders in all stages of a natural disaster, preparing for the worst, responding to a disaster that has occurred, and recovering in the long run. This budget contains funding to strengthen DHS assistance for local first responders and the communities and families affected by disasters.
- **Unifying and Maturing DHS**—As a young Department, components must further evolve in order to operate as effectively as possible as one agency with a single, unified security mission. The budget contains funding to initiate consolidation of mission support activities that will remain off-site from the St. Elizabeth’s campus, reducing the many small and widely-scattered leased locations and supporting the goal to build “One DHS.”

In addition to these priorities, DHS is employing several cross-cutting initiatives to strengthen activities in each of these mission areas. First, DHS will increase cooperation with State and local law enforcement agencies, international allies, the private sector, and other Federal departments. Second, the Department will bolster and expand its science and technology portfolio. Third, DHS will continue to aim for greater efficiency in its operations.

*Question 5.* With respect to financial management, you have inherited an agency that has some substantial legacy challenges. In the fiscal year 2010 budget request, you ask for \$11 million to fund a new financial management program for DHS.

Do you believe \$11 million to be adequate considering the large amount of processes that must be merged for the program to be successful?

What steps are the Department taking to incorporate GAO past recommendations into the development of the program?

Answer. The \$11 million requested in the fiscal year 2010 budget request is in addition to \$29 million in carry-over funds for a total of \$40 million. The Department believes this is sufficient for the initial activities of the Transformation and Systems Consolidation (TASC) effort. TASC will be awarded as an Indefinite Delivery Indefinite Quantity (IDIQ) contract. Although the system solution is yet to be determined, \$450 million is the contract ceiling estimate for the total value of the work to be performed over the 10-year contract life, assuming all option years are exercised. This estimate is consistent with other financial system benchmarks within the Federal Government. The actual cost of the work will be determined by the solution selected through the competitive acquisition process.

The Department continues to work diligently with the Government Accountability Office (GAO) to ensure issues are addressed in a timely manner. CFO personnel carefully reviewed all pertinent documentation and strategic approaches with this oversight body, and remains committed to ensuring the Department is following best practices in pursuit of financial management consolidation. As it is implemented within DHS, TASC will yield significant cost benefits; eliminating redundant hosting/interface requirements as well as reliance on proprietary vendor solutions currently used and reducing operations and maintenance costs. TASC will help the Department to increase the transparency of its financial data and accountability.

*Question 6.* Madam Secretary, the President has only requested a \$1.2 million dollar increase for the Privacy Office. Given the FOIA backlog, amount of training done by the office, and the number of reports the office produces, the budget provide additional funding? Please explain why you are only seeking a \$1.2 million dollar increase to base and two new employees for this critical office?

Answer. With an increase of \$1.2 million in fiscal year 2010, the Privacy Office’s budget will total \$7.9 million—close to a 50% increase since 2008. By fiscal year 2010, the Privacy Office anticipates hiring seven additional full-time, Federal em-

ployees, bringing the total complement for the privacy and FOIA functions to 36 FTE.

This budget and workforce level will permit the Privacy Office to complete its statutory responsibilities. The Department has already shown remarkable progress in reducing the FOIA backlog. Looking ahead, the Privacy Office's FOIA staff is adequately staffed to provide the guidance necessary to assist the components to further reduce and ultimately clear the FOIA backlog.

Further, the Privacy Office continues to meet all its statutory obligations to provide training. The works closely with other Federal partners to provide training to a variety of stakeholders including I&A analysts as well as for State and local fusion center representatives as required under the 9/11 Commission Act.

*Question 7.* For fiscal year 2009, the Department received an additional \$17 million in funding to cover a 53% increase in personnel for the Analysis and Operations (from 380 to 583 FTEs). This year, the Department is seeking another \$17 million but the funds will only cover a 19% increase in personnel (from 583 to 699).

Please explain why, if the number of FTEs sought is decreasing, the amount of increase to the base you are seeking remains the same as the amount received last year.

The fiscal year 2009 enacted budget authorized 583 FTEs; of these authorized FTEs how many has the Department been able to hire and fill?

Answer. This answer contains classified information, and will be provided to the committee via secure channels.

*Question 8.* During a hearing before this committee in February, you stated that your initial view was that the 2012 deadline for 100 percent maritime cargo scanning was not going to work. What steps are you taking toward meeting the 100 percent goal, whether it happens in 2012 or beyond?

Answer. DHS has gained important insight from the initial scanning pilots in foreign locations under the Secure Freight Initiative (SFI). We remain confident that the scan data produced by the scanning systems can enhance the security of containers as they transit through the global supply chain to the United States. However, DHS has encountered complex logistical, diplomatic, fiscal, and technical challenges that will render 100% scanning difficult to achieve by 2012.

With over 700 ports shipping to the United States and more than 11 million containers arriving each year, DHS must have a realistic strategy that facilitates legal trade. This is not only one of DHS's key missions, but a critical component of the 100% scanning mandate. As such, DHS will focus future deployments of scanning systems to targeted locations where the additional data provided by the scanning will be most beneficial.

As we work to deploy additional scanning systems in a manner that will complement our current risk-based and layered approach to security, DHS will continue to engage with Congress and work in close concert with foreign and industry partners. These partnerships were critical to the success of the initial Secure Freight Initiative pilots, and these lines of communication need to remain open as we explore opportunities to deploy scanning systems to strategic locations that could most benefit from the additional data.

*Question 9.* DHS currently has initiatives to combat all crimes, both domestic and international under their purview through the ICE Office of Investigations. Based on the 2010 Presidential budget request, due to the increase in Customs and Border Protection resources will additional resources for domestic and international investigations be necessary?

Answer. Yes. Additional resources for ICE's Office of Investigations (OI) and Office of International Affairs are contained in the President's 2010 budget request, which asks for \$48.743 million (\$34.877 million for 208 personnel and \$13.887 million for non-personnel resources) to support the Southwest Border Initiative for ICE domestic investigations. In addition, the President's budget request also contains a \$4.925 million enhancement for international investigations along the southwest border, including 12 new ICE positions in Mexico. These additional resources will allow ICE to increase its ability to conduct criminal investigations along the southwest border, including those investigations resulting from collaboration with Customs and Border Protection personnel.

*Question 10.* I note with great interest that the budget proposal specifically blocks funding to jurisdictions participating in the 287(g) program who do not comply with the memorandum of understanding established with ICE. This is a positive development. What other plans do you have to enhance ICE supervision of participating 287(g) communities and ensure program compliance?

Answer. DHS is in the final stages of revising its Memorandum of Agreement (MOA) template. The revised MOA sets forth clear operational and administrative standards to ensure each 287(g) partner operates consistently with U.S. Immigra-

tion and Customs Enforcement's (ICE) goals and priorities. The revisions include precise statements regarding the nature and extent of ICE supervision as well as Standard Operating Procedures (SOP) tailored to fit the unique needs of each State or local law enforcement agency.

To further ensure the 287(g) program meets ICE operational standards and priorities, ICE has implemented a regular inspection process conducted by the ICE Office of Professional Responsibility. The inspection assesses the State or local law enforcement agency's compliance with the terms of its MOA. Any deficiencies identified during the inspection will be immediately addressed by ICE and the local LEA.

Finally, ICE's revised MOA requires additional data collection by its 287(g) partners. The DHS ENFORCE system has been modified to require program participants to populate mandatory ENFORCE data fields concerning the type of criminal activity in which the alien has engaged. ICE will use this data to assist in evaluating whether our 287(g) partnerships function consistently with ICE's detention and arrest priorities.

*Question 11.* This committee has been critical of the spending imbalance between aviation security and surface transportation security at TSA. The President's budget appears to provide an additional \$50 million towards "Surface Transportation Security Inspectors and Canines," to, among other things, hire 169 new FTEs. However, this funding is also supposed to cover the creation of new "VIPR" teams, which include several non-surface components. Therefore, it appears that only a fraction of that the requested resources may actually go toward surface inspectors and canines. Please explain.

Similarly, in light of the delays in issuing regulations and grant application processing time, and the relative shortage of expertise in surface transportation modes generally, why were there no funding or FTE increases requested for "Surface Transportation Security Operations and Staffing"?

Answer. The \$50 million requested in the Transportation Security Administration's (TSA) fiscal year 2010 President's budget will fund 15 additional Visible Intermodal Prevention and Response (VIPR) teams dedicated solely to surface operations. Although these teams will consist of any one or combination of TSA personnel, including Transportation Security Officers, Behavior Detection Officers, Explosives Security Specialists, Bomb Appraisal Officers, Transportation Security Inspectors, and Federal Air Marshals, all of their missions will be conducted in the surface domain. Experience has shown multi-functional VIPR teams with a combination of specialties provide flexible deterrent and analytic capabilities and response options for the most effective security enhancement for surface operations. These teams differ from TSA's current 10 VIPR teams in that the fiscal year 2010 requested teams will be solely dedicated to the surface mode while the existing 10 teams perform VIPR missions across all modes of transportation. The additional teams do not include TSA Canine assets at this time.

The Transit Security Grant Program (TSGP) is administered by the Department of Homeland Security (DHS) through a partnership between the Federal Emergency Management Agency (FEMA) and the Transportation Security Administration (TSA). Within this partnership, and consistent with the Aviation and Transportation Security Act (Public Law 107-71), TSA provides transit system subject matter expertise and determines the primary security architecture for the TSGP. TSA's subject matter experts set program and funding priorities, craft selection criteria, and review the security components of grant applications. TSA has adequate staff for these functions. The TSA plan for the \$50 million VIPR enhancement will include additional Transportation Security Inspectors—Surface, Behavior Detection Officers, and Bomb Appraisal Officers that will be dedicated to conducting VIPR operations in the Surface domain.

*Question 12.* The last time you appeared before this committee, you were asked about whether you supported moving Transportation Security Officers out of their current pay-for-performance system into the standard General Schedule system and whether you were on board with giving them collective bargaining rights. At the time, you said you were conferring with your general counsel to see whether such action could be done administratively. Can you share your current thinking on this critical subject?

Answer. This determination is still under review by the Department of Homeland Security.

*Question 13.* The Biometric at Sea Program has clearly been a success. Since its inception, migrant flow from the Dominican Republic has dropped 75 percent. The President's budget includes additional funding for the program. Are you also looking to expand this program to areas outside of where it is currently in use?

Answer. In the President's budget, the Department of Homeland Security (DHS) requested \$1.2 million to establish a permanent Biometrics-at-Sea system. This in-

vestment will enable the U.S. Coast Guard to identify dangerous individuals by collecting fingerprints and searching them against DHS's biometrics system IDENT, managed by US-VISIT. Through these biometric matches, DHS is able to effectively integrate cross-component operational and intelligence activities. In accordance with the Department's comprehensive strategy to secure the Nation's borders, US-VISIT will continue to support the U.S. Coast Guard to help advance the broader objective of developing effective mobile solutions for biometric collection and analysis. In addition, the budget request includes the DHS Science and Technology (S&T) Directorate's research and development of 10-print Mobile Biometrics technology to enable capture of slap fingerprints in a compact handheld device.

*Question 14a.* This committee has worked hard to ensure a strong authorization for the Emergency Management Performance Grant Program, which help communities undertake all-hazards preparedness and planning. According to the National Emergency Management Association, there is currently an annual shortfall of \$487 million to this program.

What is the rationale behind continuing the program at last year's level of funding?

Answer. The Emergency Management Performance Grant Program (EMPG) is an important part of the Federal Emergency Management Agency's (FEMA) overall grant portfolio. There are several FEMA grant programs, including the Homeland Security Grant Program, that provide funding for personnel and planning for catastrophic events. As such, we believe that continuing to fund EMPG at \$315 million provide a baseline capability across the Nation.

*Question 14b.* Additionally, please explain why the budget chooses to utilize a risk-based formula to provide funds for the Emergency Operations Center (EOC) Grant program?

Answer. The Department did not ask for the EOC grant in the fiscal year 2010 budget and the EOC grants for this year did not employ a risk-based formula.

*Question 15.* The President's budget request indicates that fewer resources will be needed for implementation for the CFATS program. Please describe the decrease in "Infrastructure Security Compliance Activity." Does the budget for CFATS presume that the program will continue following its statutory sunset in October 2009?

Answer. The Department continues to increase the number of chemical security inspectors. There are currently 51 chemical inspectors onboard, with 35 additional selections in process. The projected total of personnel on-board for the Infrastructure Security Compliance Project by the end of fiscal year 2009 is 178 positions. In fiscal year 2010, the budget shifts programmatic base funding to personnel base funding in order to further increase the number of Government Full-Time Equivalents (FTEs) to 246. This realignment lowers the amount of program funding in the "Infrastructure Security Compliance Activity" request, but raises the level of funding for salaries and expenses for the CFATS program. The fiscal year 2010 FTE level will provide for 139 chemical facility inspectors and 20 additional cross-trained chemical/ammonium nitrate inspectors. The Department continues to work on accelerating and improving its hiring and security clearance processes to bring qualified personnel onboard.

Included in the President's budget request was a request for a 1-year extension for the CFATS program to allow the Department to continue to work with Congress on a permanent reauthorization of the program.

*Question 16a.* The committee is interested in how the Office of Risk Management and Analysis (RMA) is being integrated into DHS programs. Does the Department plan to introduce some sort of management directive that provides RMA with the ability to compel other components to follow its products and initiatives?

Answer. On January 18, 2007, Department of Homeland Security (DHS) Secretary Michael Chertoff directed organizational changes as a result of the Post-Katrina Emergency Management Reform Act passed as part of the Homeland Security Appropriations Act of Fiscal Year 2007. On April 1, 2007, as part of these changes, Secretary Chertoff established the National Protection and Programs Directorate (NPPD) and, within it, the Office of Risk Management and Analysis (RMA). Secretary Chertoff delegated to the Under Secretary for National Protection and Programs the authority to "lead the Department's efforts to establish a common framework to address the overall management and analysis of homeland security risk [and] . . . develop systematic, rigorous risk analysis methodologies and provide core analytic and computational capabilities to be used by all Department Components to assess and quantify risk in order to enhance overall protection, prevention,

and mitigation of homeland security risks.”<sup>1</sup> RMA exercises this delegated authority on behalf of the Under Secretary.

We are currently evaluating the utility of a Department directive on integrated risk management that clarifies the processes, roles, and responsibilities for achieving integrated risk management in DHS.

*Question 16b.* If not, how will its organizational challenges be overcome?

Answer. The Under Secretary for NPPD, pursuant to delegated authority from the Secretary, created a Department-wide Risk Steering Committee (RSC) in April 2007 to serve as the Department’s risk management governance structure, leveraging risk management capabilities across DHS. The RSC, which RMA administers, is a three-tier construct. Tier I consists of all of the heads of DHS components; Tier II comprises sub-directorate/component principals (e.g., assistant secretaries in components with an Under Secretary; senior officials; and deputy directors); and Tier III consists of senior policy and analysis staff. Leveraging the RSC, RMA works collaboratively across DHS to build an integrated risk management program that ensures that risk information and analysis are provided to decision-makers in order to inform a full range of decisions. These decisions include the allocation of resources, provision of preparedness assistance, prioritization of capability development, operational decisions, regulatory actions undertaken, and research and development investment.

*Question 16c.* Does RMA actually conduct risk analysis, or is it more of a clearing-house to share best practices? Why hasn’t RMA developed a strategic plan?

Answer. RMA is responsible for developing and executing quantitative all-hazards risk assessments. RMA, with its RSC partners, is developing tools and processes to produce analysis to support specific decision-making processes. Examples include:

- *The Risk Assessment Process for Informed Decision-making (RAPID).*—RAPID is a quantitative, all-hazards risk assessment currently in development to serve as a risk management tool for informing the Department’s planning, programming, budgeting, and execution process. This includes products to inform the Integrated Planning Guidance, Program Review Board, and Resource Allocation Decision. When fully developed, RAPID will support strategic policy and budgetary decisions by assessing risk, evaluating the risk-reduction effects of DHS programs, and evaluating alternative resource allocation strategies. In 2009, RMA is working on two RAPID products. The first is a detailed bioterrorism and chemical terrorism risk analysis to inform the Department’s Integrated Planning Guidance by: (1) Providing an analysis of DHS chemical/biological security programs; (2) evaluating the degree to which DHS chemical/biological programs are contributing to risk reduction; (3) identifying gaps; and (4) recommending strategies for better allocation of resources to manage risk. The second is an all-hazards assessment of risk beyond chemical and bioterrorism that will evaluate the risks of Weapons of Mass Destruction and conventional terrorism, natural hazards, and border/immigration scenarios alongside one another; this is expected to be complete in early 2010.
- *Homeland Security National Risk Assessment.*—The Department has initiated the Quadrennial Homeland Security Review, which will set prioritized goals and objectives for homeland security. It will also set a course for maturing and unifying DHS and the entire national homeland security enterprise; it will define a process and methodology for consistently assessing risk at a national level, and it will employ the results of such an assessment to drive strategic prioritization and resource decisions. There are numerous assessments, both completed and ongoing, that help to define risk in the context of various homeland security threats and challenges to improve decision-making. Going forward, creating a process and methodology to assess risks to the homeland and risk management alternatives in an integrated manner across hazards will enable us to use risk analysis more effectively to inform national strategic guidance and subordinate strategies and plans. Development and implementation of a process and methodology to assess national risk is a fundamental and critical element of an overall risk management process, with the ultimate goal of improving the ability of decision makers to make rational judgments about trade-offs between courses of action to manage homeland security risk.
- *Strategic Hazard Identification and Evaluation for Leadership Decisions (SHIELD) program.*—This initiative, developed by RMA and the Federal Emergency Management Agency’s Office of National Capital Region Coordination, served as one of the first regionally focused risk analyses developed for and accepted by regional leadership. The risks and risk management strategic invest-

<sup>1</sup>Delegation 17001, “Delegation to the Under Secretary for National Protection and Programs,” April 10, 2007.

ment themes identified through SHIELD supported regional guidance on grant submissions, assisted in the refinement of proposed investment themes, and will be referenced in producing Urban Areas Security Initiative grant applications by National Capital Region partners. RMA hopes to leverage SHIELD to develop a model that can be used in other regions of the country.

To provide strategic guidance, RMA has completed the interim DHS Integrated Risk Management Framework, which provides a foundation for institutionalizing integrated risk management in the Department by outlining a vision, objectives, principles, and a process for integrated risk management within DHS. It also identifies how the Department will achieve integrated risk management by developing and maturing policy, governance, processes, training, and accountability methods. Members of the Department's Risk Steering Committee developed the framework, and all DHS components, directorates, and offices endorsed it.

*Question 17.* Chairman Thompson, Ranking Member King, and other Members of this committee recently introduced H.R. 2195, the "Critical Electric Infrastructure Protection Act." One of the provisions would require you to work with other national security and intelligence agencies to conduct research and determine if the security of Federally-owned IT infrastructure has been compromised. This would seem to be an absolute necessity in order to truly secure the .gov domain. Do you agree that such an investigation is required and could the Cybersecurity and Communications Division conduct such an investigation?

Answer. The Office of Cybersecurity and Communication's (CS&C's) National Cyber Security Division (NCSD) concurs with Chairman Thompson, Ranking Member King, and other Members of the committee that cross-coordination with other national security and intelligence agencies is vital for conducting research and investigations of cyber events. We currently work very closely with other national security and intelligence agencies regarding potential compromises of the Federally-owned IT infrastructure, and we believe that CS&C should play a key role in improving our inter-agency cooperation even further.

Within the NCSD, the Control Systems Security Program (CSSP) has established relationships with the private sector and other organizations and agencies involved in protecting critical electric infrastructure; it regularly coordinates on activities and issues affecting the security of control systems. CSSP leads this coordination and analysis through its Industrial Control Systems Cyber Emergency Response Team (ICS-CERT) and Industrial Control Systems Joint Working Group (ICSJWG).

ICS-CERT, in coordination with the United States Computer Emergency Readiness Team (US-CERT) and the Intelligence Community, responds to and analyzes control systems incidents through forensic investigations focused on the characterization and analysis of malware and vulnerabilities affecting the critical infrastructure (including electric infrastructure). ICS-CERT shares and coordinates vulnerability information and threat analysis with critical infrastructure owners/operators, intelligence agencies, and other stakeholders through actionable information products and alerts. In addition, CSSP is devoted to developing real-time mitigation strategies through products and tools to proactively protect Federally-owned information technology infrastructure.

Critical infrastructure is predominantly owned by the private sector, and DHS recognizes the need for a strong Government-industry partnership to protect critical electric infrastructure against cybersecurity threats. To accomplish this, CSSP has established the ICSJWG to provide a vehicle for the relevant Federal and private-sector stakeholders to communicate and partner across all critical infrastructure and key resources (CIKR). The ICSJWG uses a structured approach supported by the National Infrastructure Protection Plan framework and the Critical Infrastructure Partnership Advisory Council. The ICSJWG facilitates coordination of the control systems stakeholder community and reduces redundancies in activities aimed at securing CIKR, including the critical electric infrastructure.

*Question 18.* I understand that DHS will begin to pilot two different biometric collection methods at airports later this month for the US-VISIT program, one involving TSA at the checkpoint and the other using CBP officers at the gate. I am aware that the program has roughly \$30 million in carry-over monies to use for the pilots, but I am concerned it may need additional funds.

If the pilots indicate that the CBP or TSA collection methods are optimal, will you have the funding necessary to implement biometric exit in fiscal year 2009 or fiscal year 2010?

Answer. Approximately \$28 million remains available from prior-year dollars to fund the current biometric air exit project.

Congress included a provision in the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009 (fiscal year 2009 DHS Appropriations Act), which restricts the Department of Homeland Security (DHS) from obligating US-

VISIT funds provided under the Act for implementing a final air exit capability under the April 24, 2008 Notice of Proposed Rulemaking until additional tests have been completed, with reports on the tests provided to the appropriations committees and a review of the report by the Government Accountability Office (GAO).

DHS is conducting two pilots—one by CBP at the boarding gate at the Detroit Metropolitan Wayne County Airport, and one by TSA at a security checkpoint at the Hartsfield-Jackson Atlanta International Airport—for a 35-day period which began on May 28, 2009. DHS will evaluate the exit pilot programs, including the methods and processes for collecting the required information, after the pilots are completed.

If the evaluation and analysis of the comprehensive biometric air exit pilots recommend selection of an option other than the Department's proposal in the notice of proposed rulemaking—which was for air carriers to collect passenger biometrics—US-VISIT will need to develop revised cost estimates to determine if additional funds are required above the carryover funding to support initial implementation in fiscal year 2010.

*Question 19a.* Last year's DHS appropriations bill required the Department to complete two biometric exit pilots at airports: (1) Where the airlines collect and transmit biometric exit data, and (2) where CBP collects such information at departure gates. It is my understanding that the Department has yet to partner with any airline but that it is still moving forward with the CBP pilot as well as an additional pilot performed by TSA personnel.

What progress has DHS made in addressing the air carriers' concerns?

Answer. Department of Homeland Security (DHS) officials reached out to the airline industry on numerous occasions to discuss their concerns and to identify potential partners for biometric air exit pilot efforts. Despite ongoing DHS discussions with the Air Transport Association and its member carriers, no airline volunteered to participate in the biometric exit pilot required by the fiscal year 2009 DHS Appropriations Act. Carriers were given flexibility as to the location within airports and seaports that could be used to collect biometrics through the Notice of Proposed Rulemaking.

*Question 19b.* If DHS is unable to complete the air carrier pilot, what will be the Department's next steps?

Answer. DHS is currently conducting two pilots: (1) CBP collecting biometrics at a boarding gate at the Detroit Metropolitan Wayne County Airport in Detroit, Michigan, (2) Transportation Security Administration (TSA) collecting biometrics at a security checkpoint at the Hartsfield-Jackson Atlanta International Airport. Both pilots began on May 28, 2009, and will conclude on July 2.

US-VISIT has been working closely with these airports and with CBP and TSA to ensure that the pilots run. Based upon analysis of the results of the pilots and assessment of the comments to the Notice of Proposed Rulemaking that was published in the *Federal Register* on April 24, 2008, DHS will publish a Final Rule on the implementation of new biometric exit procedures for non-U.S. citizens departing the United States via airports and seaports.

*Question 20.* The President's fiscal year 2010 budget request calls for an 8.5% cut in the University Programs portfolio. The committee is concerned with this because of our strong support of University programs in general, and more specifically the great value that should be placed in basic scientific research, which University Programs usually conduct. What is the reason for the decrease?

Answer. The President's fiscal year 2010 budget request for University Programs is \$4.3 million less than the fiscal year 2009 enacted level. Within this amount, \$2 million supports a homeland security project at the Naval Post Graduate School (NPS). The fiscal year 2010 request moves this \$2 million from University Programs to Transition, which will continue the field testing objectives that are the central focus of the NPS project. In addition, as the DHS Centers of Excellence (COEs) have matured, S&T Divisions and DHS Components have started to independently fund the COEs as a valuable homeland security resource to meet S&T Division and DHS Components' requirements. We anticipate that S&T base funding plus funding from DHS Components will ensure the viability of the COEs.

*Question 21a.* One reason for the delay in next generation detection equipment has been the requirement that the enhancements in detection capabilities be certified by the DHS Secretary. When do you expect to be able to certify the new detection equipment? Is the current thinking that certification would be for use in primary inspection, secondary inspection, or both?

Answer. Final decisions on the certification of Advanced Spectroscopic Portal Program (ASP) systems for primary and secondary inspections, as well as the relative order of these decisions, will be made by the Secretary, and based on test data and

other analyses conducted by DNDO, CBP, and other partners. Final decisions on certifications are expected in the fall time frame.

*Question 21b.* Is there a “drop-dead” date for Secretarial Certification for ASP? That is to say, the date for certification has been pushed back several times. Is there a point at which you must cut your losses and re-evaluate the program?

Answer. The fundamental technology that ASP brings promises to deliver a significant improvement over previous capabilities in the detection and identification of radiological/nuclear threats. The delays in certification of ASP have been related to issues of operational ease and reliability—problems that have taken time to resolve but are not expected to seriously threaten the viability or potential contribution of ASPs. Given the soundness of the underlying technology, and the progress we have made in addressing operational issues to date, a termination strategy is not being considered at this time. ASP remains the most immediate solution to the detection and identification requirements called for at ports of entry.

*Question 22.* The committee is very concerned with Source Security and DNDO’s role in the trilateral effort to secure radioactive sources. It is our understanding that OMB requested that source security funding go through just the Department of Energy instead of through multiple sources.

Please describe the current status of the trilateral effort, DNDO’s role, and the role of the other agencies involved.

Please describe the funding levels for these efforts at DNDO and at your other two agency partners.

Answer. DNDO’s source security work involves performing gap analysis and promoting mitigation strategies for securing radiological material at its source within the United States. In fiscal year 2009, DNDO budget allocated \$1 million for irradiator hardening; in fiscal year 2010, this effort will be conducted by the Department of Energy (DOE)/National Nuclear Security Administration (NNSA). Inter-agency collaboration for source security activities will continue amongst DOE, DHS, and the Nuclear Regulatory Commission (NRC), but DNDO will no longer fund source security upgrades.

The NRC is the regulatory body of the United States Government for licensing of all radioactive medical and industrial sources in the United States. Part of its responsibilities under this authority as codified in Title 10 of the Code of Federal Regulations (CFR) is security of radioactive materials. In addition to all of the regulatory controls on radioactive materials as stated in 10C, the NRC has implemented many additional security requirements on the licensees of radioactive source. NRC has also raised the security culture among the licensees in the United States in partnership with the Agreement States.

DOE has established a domestic source security program that, in cooperation with the U.S. licensees and the NRC, is targeted at implementing security measures above what is required by the NRC and 10CFR. DOE is providing funding to licensees to implement increased security measures at licensee facilities in the United States.

QUESTIONS FROM HONORABLE SHEILA JACKSON LEE OF TEXAS FOR JANET NAPOLITANO, SECRETARY, DEPARTMENT OF DEFENSE

*Question 1.* How much money is allocated in the budget for border security measures in the southwest border?

Answer. For fiscal year 2010, DHS has requested a \$96.1 million increase for southwest border security measures. \$26.1 million is requested to provide CBP with an enhanced capability to combat southbound firearms and currency smugglers through additional personnel at and between the ports of entry along the southern border, as well as continuing to expand and maintain the Licensed Plate Reader (LPR) program. \$70 million is requested to enable ICE to increase enforcement staffing, improve cooperative efforts with the Mexican government, and enhance intelligence capacity and information sharing along the border.

*Question 2.* Is there a way to identify the savings in the budget as a result of 287(g) enforcement? What is the savings?

Answer. ICE does not have the data or a methodology to identify a budget savings as a result of 287(g) enforcement. The 287(g) Delegation of Authority Program serves as a force multiplier. Operating this delegation program requires ICE funding. ICE’s program costs include: Information technology infrastructure (i.e. T1 lines, computer equipment, etc.); responding to State and local law enforcement agencies (LEAs); training; supervision of participating State or local LEAs; legal support; LEA enrollment and oversight; and general program management.

While ICE cannot quantify any direct cost savings to the Department, the 287(g) partner agencies bear the personnel costs for 287(g) officers performing immigration

enforcement work. To the extent that the 287(g) officers are performing work that would otherwise be done by ICE officers, there may be some indirect personnel costs savings as a result of the 287(g) enforcement.

*Question 3.* Has DHS received any monies from the Stimulus Act? How much money?

Answer. Yes. DHS received \$2.755 billion in direct funding through the American Recovery and Reinvestment Act. Additionally, DHS programs and activities are also being supported with an additional \$750 million through the General Services Administration. Provided below is a breakdown of specific funding provisions:

*Total Funds*

- DHS: \$2.755 billion.
- GSA: \$750 million in support of DHS programs.

*St. Elizabeths/Headquarters Consolidation*

- \$650 million (\$200 million to DHS; \$450 million to GSA).

*U.S. Customs and Border Protection*

- \$720 million for land ports of entry construction (\$300 million GSA; \$420 million CBP).
- \$100 million for Non-Intrusive Inspection (NII) technology, not limited to sea ports.
- \$100 million for border technology on the southwest border.
- \$60 million for tactical communications equipment and radios.

*Immigration and Customs Enforcement*

- \$20 million for ICE automation modernization and tactical communications.

*Transportation Security Administration*

- \$1 billion for Explosives Detection Systems and checkpoint screening equipment.

*U.S. Coast Guard*

- \$142 million for Alteration of Bridges program.
- \$98 million for construction, which may include the following:
  - Shore facilities and aids to navigation facilities,
  - Vessel repair/acquisition (includes High Endurance Cutter, National Security Cutter).

*Federal Emergency Management Agency*

- \$100 million for Emergency Food and Shelter Program.
- \$150 million for transit and rail security grants.
- \$150 million for port security grants.
- \$210 million for Assistance to Firefighter (AFG) grants.

*DHS Office of Inspector General*

- \$5 million to conduct bill-related oversight and audits.

*Question 4.* Is DHS appropriately staffed to meet current demands with respect to homeland security and immigration?

Answer. The President's budget for the Department of Homeland Security seeks the appropriate mix of staff, infrastructure, and technology to accomplish its missions.

*Question 5.* Can you explain why the disaster relief for Hurricanes Katrina and Rita have tapered off—this year's request is just \$1.5 billion, down 65 percent from this year's appropriation?

Answer. Disaster relief obligations for Hurricanes Katrina and Rita have tapered off as we have provided on-going disaster recovery assistance for over 3 years. However, FEMA's request for Disaster Relief Funding (DRF) in the fiscal year 2010 budget request actually increases from fiscal year 2009. Congress provided \$1.4 billion in fiscal year 2009 for the DRF. FEMA's fiscal year 2010 DRF request is for \$2 billion.

QUESTION FROM HONORABLE HENRY CUELLAR OF TEXAS FOR JANET NAPOLITANO,  
SECRETARY, DEPARTMENT OF DEFENSE

*Question 1a.* Madam Secretary, as stated at the hearing I have not received an answer for a request I submitted to your office for an estimate as to how many Customs and Border Protection folk they would need on the POEs and the infrastructure. Therefore, please answer the following questions:

What proper staffing do you need of CBP personnel at land POEs?

Answer. CBP's greatest staffing needs at land POEs are on the southwest border and in support of expanding efforts to target the highest risk travelers and cargo. For fiscal year 2010, CBP has requested 65 CBP officers to conduct outbound inspections on the southern border and 20 CBP officers to conduct expanded targeting operations at the National Targeting Center (NTC). The focus on the southern border is especially warranted at this time due to the surge in violence along the U.S.-Mexican border. Sixty-five CBP officers will conduct targeted "pulse and surge" outbound operations to seize the southbound currency and firearms that supplement the drug cartels' illegal activities and contribute to the border violence. The twenty CBP officers requested for the NTC are necessary to conduct expanded passenger and cargo targeting operations at the NTC without scaling back current NTC anti-terrorism operations in support of the field. The targeting efforts at the NTC support the ports of entry by assisting the officers at the ports of entry in identifying the high and unknown risk passengers and cargo.

*Question 1b.* What are your infrastructure needs at POEs, north and southbound?

Answer. Beginning in 2003, U.S. Customs and Border Protection (CBP) undertook the first round of Strategic Resource Assessments (SRA), thorough assessments of the infrastructural and operational conditions of all 163 POEs. Based on these assessments, CBP identified the infrastructure needs of each POE and prioritized the POE modernization projects based on criticality of need. Through the SRAs, CBP has identified an approximately \$6.5 billion need over the next 10 years for its inbound POE infrastructure requirements. In addition to that, CBP estimates a \$48 million need for short-term outbound infrastructure improvements and \$2 billion need for long-term outbound infrastructure improvements.

QUESTION FROM HONORABLE ANN KIRKPATRICK OF ARIZONA FOR JANET NAPOLITANO, SECRETARY, DEPARTMENT OF DEFENSE

*Question.* We in California have just started the wildfire season and it can have devastating effects on our communities. At the hearing I stated I was happy to see the funding for the SAFER grants increased.

With the new funding, are you looking to have a cap on this grant increased?

If so, do you have any thoughts as to what would be an appropriate level?

Answer. I am aware that Congress is considering changes to the authorized funding-per-firefighter cap, as well as other requirements of the governing statute. These changes provide the Secretary with the ability to provide waivers of these requirements. Should these changes be enacted and signed into law, we would seek input on the parameters that would be implemented in the granting of exceptions to the statutory requirements.

QUESTIONS FROM HONORABLE MIKE ROGERS OF ALABAMA FOR JANET NAPOLITANO, SECRETARY, DEPARTMENT OF DEFENSE

*Question 1a.* U.S. Customs and Border Protection (CBP) has the important mission of keeping terrorists and weapons out of the United States, while also facilitating trade and travel. The 2010 budget requests 85 new CBP Officer positions, which does not appear to be a sufficient increase based on trade facilitation and border security needs in these times.

What is the Department's reason for requesting this number of new positions?

Answer. The focus on the southern border is especially warranted at this time due to the surge in violence along the U.S.-Mexican border. Sixty-five CBP officers will conduct targeted "pulse and surge" outbound operations to seize the southbound currency and firearms that are strengthening the drug cartels and contributing to the border violence. Twenty CBP officers are crucial for the National Targeting Center (NTC) to conduct expanded passenger and targeting operations, while enabling the NTC to maintain its anti-terrorism operations in support of the field.

*Question 1b.* What level of growth of the CBP Officer workforce do you foresee in the next few years?

Answer. Based on its past experience, CBP anticipates its workforce will continue to grow over the next few years based on a variety of factors including new congressional mandates, additional training requirements, special events, economic growth, and threat level.

*Question 2.* Explosives detection dogs play no small part in securing our skies, and they can and should do the same for our surface transportation systems.

Why do neither the fiscal year 2010 budget request nor the 5-year outlook account for increased TSA canine teams for surface transportation security, other than 15 new VIPR teams?

Answer. The Transportation Security Administration's (TSA) current staffing levels are sufficient to support compliance with currently funded congressional man-

dates, namely the Iraq War Supplement of 2007 and the Budget Amendment of 2008. When the fiscal year 2010 budget request was prepared, the TSA Canine Training Branch was operating at full capacity and could not accommodate any additional teams for fiscal year 2010. As DHS considers the transportation security planning priorities, we are reviewing options to ensure the proper mitigation of risks across the surface transportation domain.

QUESTIONS FROM HONORABLE CHARLES W. DENT OF PENNSYLVANIA FOR JANET NAPOLITANO, SECRETARY, DEPARTMENT OF DEFENSE

*Question 1.* How much funding will the Office of Infrastructure Protection be budgeted in fiscal year 2010 for enforcement of the Chemical Facility Anti-Terrorism Standards regulations? How much are they currently funded for?

Answer. The fiscal year 2010 budget request is for \$103.4 million to support both continued Chemical Facility Anti-Terrorism Standards (CFATS) implementation and the development of the Ammonium Nitrate (AN) regulatory program required under Section 563 of the fiscal year 2008 DHS Appropriations Act. This breaks down to \$86.4 million for the CFATS program and \$17 million for the AN program. In fiscal year 2009, the funding level was \$78 million, with \$73 million for CFATS and \$5 million for AN. The increased funding request over the fiscal year 2009 enacted funding level supports the hiring, training, equipping, and housing of additional inspectors to support the CFATS program, continued deployment and maintenance of CFATS compliance tools for covered facilities, and the completion and publication of AN regulations, including development of the required registration and verification processes and systems, and establishment of inspection and audit procedures.

*Question 2.* In the President's fiscal year 2010 budget request, he asks that current CFATS regulation authority be extended for 1 year. Why? Does the President believe the current authorities to regulate chemical facility security are sufficient?

Answer. The fiscal year 2010 request extends the Chemical Facility Anti-Terrorism Standards authority for an additional year in order to work with the Congress on permanent authorization legislation, as the current authority is set to expire on October 4, 2009. DHS will work closely with Congress on considering any improvements to the existing authority that may be appropriate.

*Question 3.* The Congress is considering requiring the Department to review Inherently Safer Technology (IST) analyses completed by all CFATS-regulated facilities. How many IST experts does the Department currently have on staff and how many new IST experts are requested in the fiscal year 2010 budget request?

If IST reviews were required of all CFATS-regulated facilities on October 1, 2009, would this budget provide the Department sufficient funding levels to review and approve all of the plans?

Answer. The increased funding request over the fiscal year 2009 enacted funding level supports the hiring, training, equipping, and housing of additional inspectors to support site inspections for compliance with the Chemical Facility Anti-Terrorism Standards (CFATS) program, as well as other activities relating to CFATS compliance by covered facilities. The Department has begun to review data collected under the CFATS regulations to get a better sense of the scope of the types of IST changes voluntarily being made by industry to adopt safer technologies but does not, at this time, have an estimate on the level of expertise and associated costs that may be required if IST were incorporated into the regulatory program. As the current regulatory structure does not require use of IST by facilities, the fiscal year 2010 budget does not include specific funding for IST purposes.

*Question 4.* How much funding does the Department plan on allocating to the Transportation Security Lab? Of this, how much will be for original research and development and how much will be utilized for product testing and certification? Does the Department currently have fee-collecting authority from vendors that submit their products for certification?

Answer. The fiscal year 2010 President's budget request for the Transportation Security Laboratory (TSL) includes \$8.35 million for operations (rent, buildings maintenance, utilities, security, environment, and safety), \$4 million for Independent Test and Evaluation (IT&E), \$3.9 million for core research and development (R&D)—totaling \$16.25 million. The budget request also includes approximately \$10 million for salaries and expenses for the Federal employees at TSL and \$5 million to begin adding storage space, including explosive storage bunkers, which will eliminate the need to rent space off-site.

In addition, TSL manages research and development (R&D) funded by S&T Divisions, primarily the Explosives Division, which develops the technical capabilities to detect, interdict, and lessen the impacts of non-nuclear explosives used in terrorist

attacks against mass transit, civil aviation, and critical infrastructure. TSL anticipates that it will manage \$15.4 million in fiscal year 2010.

The Department does not currently have authority to retain fees collected from vendors who submit their products to TSL for testing and/or certification. Any such fees collected would need to be deposited with the Treasury Department as miscellaneous receipts or S&T risks augmenting its appropriations in violation of the Miscellaneous Receipts Act. The S&T Directorate is in the process of investigating the costs and benefits of charging companies for certification of their products at TSL. The results will help to determine whether charging companies for certification of their products would enable TSL to enhance its certification services and provide resources for the capital improvement needs of the laboratory housing TSL's Independent Test and Evaluation (IT&E) Program. S&T would, of course, need statutory authority to retain any such fees collected rather than otherwise depositing such fees as miscellaneous receipts at the Treasury Department.

In July 2008, the S&T Directorate hired an expert team with Department of Defense (DOD) financial experience to look at what business practices and resources would be necessary for TSL to execute a work-for-others program. Based on the information collected thus far, S&T believes moving to a fee-for-service business model holds potential for increasing the implementation of high-quality transportation security technologies. Over the next 3 years, the S&T Directorate will explore conducting a pilot to determine whether such a fee-for-service business model would provide a source of funding for sustaining and upgrading TSL's infrastructure. During fiscal year 2010, the S&T Directorate will explore the best approach to implement a pilot at TSL, and the S&T Directorate anticipates running the pilot from October 2010 to September 2013. As a first step, the S&T Directorate plans to establish a baseline charging structure at TSL and build a customer projection model. In addition to enabling some cost recovery, charging fees for service would encourage customers to make sure products are at an appropriate level of development prior to bringing them to TSL for IT&E. This would help eliminate inefficiencies by cutting down on time and resources spent on products that are not yet technologically mature enough for IT&E.

*Question 5.* How much funding is allocated to the purchase of additional whole-body imaging systems in the fiscal year 2010 budget request? How does this compare with current funding levels?

Answer. The fiscal year 2010 budget reflects approximately \$12 million for the purchase of Whole-Body Imagers (WBIs). Approximately \$60 million, including \$32 million appropriated in the American Recovery and Reinvestment Act of 2009, will be used to purchase WBIs in fiscal year 2009.

*Question 6.* How much of the fiscal year 2010 budget request will be used to conduct operations addressing pipeline security?

Answer. Within the Surface Transportation Security Operations and Staffing fiscal year 2010 budget request, \$2.4 million will be used to conduct operations addressing pipeline security. Activities that will be supported with the fiscal year 2010 funding include Pipeline Corporate Security Reviews, the 9/11 Act Pipeline Critical Facility Inspections, an annual international pipeline security forum, and the development of pipeline security awareness training videos for targeted audiences.

QUESTIONS FROM HONORABLE PAUL C. BROUN OF GEORGIA FOR JANET NAPOLITANO,  
SECRETARY, DEPARTMENT OF DEFENSE

*Question 1.* In March, significant action was announced by the administration regarding additional resources and personnel for the southwest border to counter border violence. At the time, you said that this would be funded through reprogramming from "less urgent activities." Can you give us a breakdown of what "less urgent activities" were the source of funding for the southwest border?

Answer. On May 11, DHS submitted a reprogramming request for \$21.45 million to address the growing concerns of violence along the southwest border. The request includes reprogramming \$2.8 million from Customs and Border Protections (CBP) fiscal year 2008 Salaries and Expense lapsed balances and \$16.1 million of CBP's no-year funds generated from the deobligation of prior year funds originally appropriated for legacy Customs activities. Current CBP activities will not be impacted because the source of CBP funding is largely associated with prior year unobligated balances, created by management efficiencies. Sources of funding to support the ICE southwest border activities include \$2.55 million of ICE lapsed balances as well as delaying various non-southwest border activities. This involves delaying retrofit of vehicles, facilities projects, permanent change of duty station requests and curtailment activities at ICE overseas locations. In addition, this will result in delaying other deployments, suspending other smaller-scale enforcement operations (such as

delaying hiring of non-essential personnel that are not directly related to SW border enforcement efforts), and re-directing \$750,000 from ProNet, a counter proliferation information sharing program. All of these activities have been determined to be a lower priority than the southwest border initiative.

*Question 2.* I was pleased to see the \$87 million increase in the President's fiscal year 2010 budget request for the National Cyber Security Division at the Department of Homeland Security. Is this an indication of a greater operational role for homeland security in protecting our Government's cyber networks and data from an increasing amount of attacks, and do the increases in funding for cybersecurity reflect changes that will be made as a result of the President's Cybersecurity Review? What large changes do you expect to the Department's cybersecurity mission as a result of the President's review?

Answer. The President's fiscal year 2010 budget request for the National Cyber Security Division is \$400.654 million, an increase of \$87.154 million from the \$313.5 million enacted in fiscal year 2009. The increased funding request supports current authorities, including NCSD's roles and responsibilities for implementing the Comprehensive National Cybersecurity Initiative.

The President's *Cyberspace Policy Review: Assuring a Trusted and Resilient Information and Communication Infrastructure*, released May 29, 2009, assesses the current state of U.S. policies and structures for cybersecurity. It is anticipated that U.S. cybersecurity decisions will focus on five key areas, outlined in the review, which will build on existing programs and activities. Within those key areas, the President's *Cyberspace Policy Review* sets forth a series of near- and mid-term actions. Many of these actions align with current NCSD activities, such as supply chain risk management; cyber workforce development; cybersecurity-related information sharing with Federal, State, local, and private-sector partners; the promotion of cybersecurity through national public awareness and education efforts; and the continued coordination with the Science and Technology (S&T) Directorate to develop technologies to address current and future technology gaps. The fiscal year 2010 funding for NCSD will support these and other NCSD cybersecurity activities as outlined in the budget request.

Specifically, with regard to the 60-day review, DHS's current roles and responsibilities are consistent with the review. The 60-day review outlines a range of actions that NCSD will pursue in five key areas:

- Developing a new comprehensive strategy to secure America's information and communications infrastructure;
- Ensuring an organized and unified response to future cyber incidents;
- Strengthening public-private and international partnerships;
- Investing in cutting-edge research and development in coordination with S&T; and,
- Beginning a national campaign to promote cybersecurity awareness and digital literacy as well as to build a digital workforce for the 21st century.

*Question 3.* The President's fiscal year 2010 budget requests \$19 million to enforce chemical security regulations. Can you give us an update on the implementation of the chemical security regulations?

Answer. The fiscal year 2010 budget request is \$103.4 million to support both continued Chemical Facility Anti-Terrorism Standards (CFATS) implementation and the development of the Ammonium Nitrate (AN) regulatory program required under Section 563 of the fiscal year 2008 DHS Appropriations Act. This represents a \$19 million overall increase, which breaks down to \$86.4 million for the CFATS program and \$17 million for the AN program. The fiscal year 2009 enacted funding level was \$78 million, which amounted to \$73 million for CFATS and \$5 million for AN.<sup>2</sup>

In 2007, the Department of Homeland Security (DHS) published the Chemical Facility Anti-Terrorism Standards (CFATS) interim final rule and also Appendix A to CFATS, defining approximately 300 "Chemicals of Interest" and associated threshold quantities. Pursuant to CFATS, facilities possessing at least threshold amounts of Appendix A chemicals were required to complete a Top-Screen assessment within 60 days of the release of Appendix A (i.e., by January 22, 2008) or, if the facility acquires an Appendix A chemical subsequent to the release of Appendix A, within 60 days of the facility's acquisition of that chemical. Facilities preliminarily designated high-risk based on the Top-Screen submission are required to complete a Security Vulnerability Assessment (SVA) and, if that high-risk status is confirmed by the SVA, are then required to develop a Site Security Plan (SSP) and implement measures meeting CFATS-defined risk-based performance standards (RBPS).

<sup>2</sup>The fiscal year 2009 to fiscal year 2010 funding also included adjustments-to-base for pay inflation and annualization of new positions received in fiscal year 2009 of \$6.4 million.

To assist facilities in performing these obligations, the Department developed an on-line suite of tools known as the Chemical Security Assessment Tool (CSAT). CSAT includes, among other applications, the Top-Screen, SVA, and SSP tools; an RBPS Guidance Document that facilities may consider when developing their SSPs; and a Help Desk to answer questions regarding CFATS. Additionally, upon request, the Department performs technical consultations and technical assistance visits for facilities having questions regarding the compliance process. To date, more than 36,400 chemical facilities have submitted Top-Screens, and more than 7,000 facilities were preliminarily designated high-risk and required to submit an SVA. CFATS currently covers approximately 6,400 facilities, including facilities both preliminarily and finally designated as high-risk.

In May, following review of their SVAs, the Department began to issue final determination letters to the highest-risk (Tier 1) facilities, which confirm their high-risk status and begin their time frame (120 days) for submitting an SSP. Following preliminary approval of the SSPs, the Department expects to begin performing inspections in the first quarter of fiscal year 2010, starting with the designated Tier 1 facilities.

*Question 4.* The Department is the subject of a lawsuit and an Inspector General investigation over its handling of the site selection process for the National Bio- and Agrodefense Facility, or NBAF. The NBAF is meant to replace the research facility on Plum Island, New York. Why does the President's fiscal year 2010 budget request indicate that the Department is already taking action to sell Plum Island when these investigations into serious mishandling are just getting underway?

Answer. Due to the aging infrastructure at the Plum Island Animal Disease Center (PIADC) and the need to find a cure for FMD and other foreign animal diseases, DHS does not want to delay construction of this high containment laboratory, which will provide the country with biosafety level 3 and 4 facilities for large animal research. As for the merits of DHS's site selection process, the selection of the Manhattan, Kansas site concluded a rigorous 3-year, multi-agency planning process to identify the preferred site upon which to construct and operate the NBAF. The process involved a qualitative analysis of the strengths and weaknesses of each site alternative and included information from the risk assessment, environmental assessment, and security assessment on proposed NBAF operations. A Steering Committee, comprised of Federal Employees from DHS and USDA, was convened to lead the evaluation process and unanimously recommended the site in Manhattan, Kansas as its preferred site alternative. DHS leadership concurred with the Federal employee Steering Committee's recommendation. As directed by Congress in the fiscal year 2009 Department of Homeland Security Appropriations Act, the Department is working with the General Services Administration (GSA) to sell Plum Island and use the funds from the sale of Plum Island to fund the NBAF construction project.

*Question 5.* The Office of Civil Rights and Civil Liberties at DHS objected to some of the language contained in the report, "Rightwing Extremism: Current Economic and Political Climate Fueling Resurgence in Radicalization and Recruitment" and that this disagreement was not resolved prior to its release. Could you elaborate on what specific objections that office had to the report? Who in I&A authorized the report's dissemination? How involved was the FBI in the report and why did the FBI not agree to sign off on the final product?

Answer. This risk assessment was intended to provide situational awareness of criminal and violent extremist groups. Work on this assessment began last year and was drafted by analysts in the Office of Intelligence and Analysis. As I previously mentioned, it was a poorly written report and was released despite nonoccurrence by the Office of Civil Rights and Civil Liberties (CRCL). There was a breakdown in the process, which the Department has since addressed. The assessment has been removed from all DHS intelligence-related Web sites and is not being distributed by the agency. The documents that were used to draft the report have been provided to the Senate Homeland Security Committee as well as the Senate Select Committee on Intelligence. These documents include finished intelligence products from other intelligence agencies, original research, and references to information obtained by organizations that study violent domestic groups. I encourage you to review those documents.

Regarding the role of the Federal Bureau of Investigation (FBI), FBI analysts coordinated on some analytic judgments with I&A analysts who were drafting the risk assessment, however, it was not a joint product and DHS is solely responsible for its content.