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109TH CONGRESS, 2d Session | HOUSE OF REPRESENTATIVES | REPORT 109–476

DEPARTMENT OF HOMELAND SECURITY APPROPRIATIONS BILL, 2007

MAY 22, 2006.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. ROGERS of Kentucky, from the Committee on Appropriations, submitted the following

R E P O R T

together with

ADDITIONAL VIEWS

[To accompany H.R. 5441]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the Department of Homeland Security for the fiscal year ending September 30, 2007.

INDEX TO BILL AND REPORT

	Page number Bill	Report
TITLE I—DEPARTMENTAL MANAGEMENT AND OPERATIONS		
Office of the Secretary and Executive Management	2	6
Office of Screening Coordination and Operations	.....	12
Office of the Under Secretary for Management	3	13
Office of the Chief Financial Officer	4	16
Office of the Chief Information Officer	4	17
Analysis and Operations	5	19
Office of the Federal Coordinator for Gulf Coast Rebuilding	5	20
Office of Inspector General	5	21
TITLE II—SECURITY, ENFORCEMENT, AND INVESTIGATIONS		
United States Visitor and Immigrant Status Indicator Technology	6	23
Customs and Border Protection	7	24
Salaries and Expenses	7	24
Automation Modernization	11	32
CBP Air and Marine Interdiction, Operations, Maintenance and Procurement	12	33
Construction	13	34
Immigration and Customs Enforcement	14	35

27–660

	Page number Bill	Report
Salaries and Expenses	14	35
Federal Protective Service	15	43
Automation Modernization	.....	44
Construction	15	45
Transportation Security Administration	15	45
Aviation Security	15	45
Surface Transportation Security	18	53
Transportation Threat Assessment and Credentialing	18	53
Transportation Security Support	18	55
Federal Air Marshals	19	56
United States Coast Guard	19	58
Operating Expenses	19	58
Environmental Compliance and Restoration	20	61
Reserve Training	20	61
Acquisition, Construction, and Improvements	20	62
Alteration of Bridges	23	67
Research, Development, Test and Evaluation	24	67
Retired Pay	24	68
United States Secret Service	25	69
Protection, Administration, and Training	25	69
Investigations and Field Operations	26	71
Special Event Fund	27	73
Acquisition, Construction, Improvements, and Related Expenses	27	73
TITLE III—PREPAREDNESS AND RECOVERY		
Preparedness	28	73
Under Secretary for Preparedness	28	73
Office of Grants and Training	28	77
State and Local Programs	28	77
Firefighter Assistance Grants	31	86
Emergency Management Performance Grants	32	87
Radiological Emergency Preparedness Program	32	87
United States Fire Administration and Training	33	88
Infrastructure Protection and Information Security	33	88
Federal Emergency Management Agency	34	92
Administrative and Regional Operations	34	92
Readiness, Mitigation, Response and Recovery	34	93
Public Health Programs	35	98
Disaster Relief	35	99
Disaster Assistance Direct Loan Program Account	35	99
Flood Map Modernization Fund	36	100
National Flood Insurance Fund	36	100
National Flood Mitigation Fund	37	102
National Predisaster Mitigation Fund	38	102
Emergency Food and Shelter	38	103
TITLE IV—RESEARCH AND DEVELOPMENT, TRAINING, AND SERVICES		
United States Citizenship and Immigration Services	39	103
Federal Law Enforcement Training Center	39	107
Salaries and Expenses	39	107
Acquisition, Construction, Improvements, and Related Expenses	40	107
Science and Technology	41	108
Management and Administration	41	109
Research, Development, Acquisition, and Operations	41	109
Domestic Nuclear Detection Office	42	118
TITLE V—GENERAL PROVISIONS		
This Act	61	120
Compliance with House Rules	.....	124

	Page number Bill	Page number Report
Tables	.....	137
Summary of the Total Bill	.....	.....

The accompanying bill contains recommendations for new budget (obligational) authority for fiscal year 2007 for the Department of Homeland Security (DHS). The following table summarizes these recommendations and reflects comparisons with the budget, as amended, and with amounts appropriated to date for fiscal year 2006:

[In thousands of dollars]

Title	New budget (obligational) authority fiscal year 2006 enacted to date	Budget estimates of (obligational) authority, fiscal year 2007	Recommended in the bill	Bill compared with . . .	
				New budget authority fiscal year 2006	Budget estimate, fiscal year 2007
Departmental Management and Operations	$945,599	$1,073,599	$1,061,466	+$115,867	−$12,133
Security, Enforcement, and Investigations	22,164,851	22,670,507	23,705,970	+1,541,119	+1,035,463
Preparedness	6,627,249	6,385,259	6,525,473	−101,776	+140,214
Research and Development, Training, Assessments, and Services	1,880,459	1,964,605	1,871,014	−9,445	−93,591
Grand total*	31,602,103	32,077,970	33,143,147	+1,541,044	+1,065,177

*Grand total include mandatory appropriations. Grand total for fiscal year 2006 does not include rescission of emergency funds (P.L. 109–148).

SUMMARY OF MAJOR RECOMMENDATIONS IN THE BILL

The Committee recommends $32,080,000,000 in discretionary resources for the Department of Homeland Security, $1,065,353,000 above the amount proposed by the President and $1,822,300,000 above fiscal year 2006 revised enacted levels.

BUDGETARY GIMMICKS

For the second year in a row, the President has submitted a budget request for DHS that assumes the Committee will almost double the amount of aviation security fees it collects from airline passengers. This proposed fee increase funds critical areas within the Department, permitting the Secretary and President to say that the budget request for fiscal year 2007 contains an increase of $2.1 billion or six percent from the current year. But the truth is, excluding new user fees in order to make a fair comparison, the President's request is a one percent increase from the current fiscal year. As the Committee noted last year, it lacks jurisdiction to enact such a fee proposal. The Committee views this repeated attempt to artificially inflate DHS' budget as counterproductive and has reduced funding throughout the Department to make up for the gap in essential program funding created by this gimmick.

PRIORITIES IN THE BILL

The Department of Homeland Security was established in March 2003 to prevent terrorist attacks in the United States, reduce

America's vulnerabilities to terrorism, and minimize damage and recovery from attacks should they occur. While DHS has undoubtedly improved the security of our nation, the Department has been slow to effectively integrate the missions of its disparate legacy agencies with new homeland security functions and to develop comprehensive strategies and architectures to accomplish its goals. Of particular concern is the Department's ability to balance the allocation of resources for the new counterterrorism mission with that of its legacy missions. Over the past three years, the Congress has strived to help DHS achieve this balance.

This year, the Committee has focused more directly on the following critical issues: border security and immigration enforcement; ports, container, and cargo security; lessons learned from Hurricane Katrina; and supporting key legacy missions that may not relate directly to thwarting terrorism but nonetheless play an important role in ensuring our homeland is secure. Funding for these issues is linked to the Department's ability to provide sound strategies to accomplish specific objectives. The Congress will continue to direct the Department to allocate resources based upon rational methodologies for achieving results. Each of these priorities is discussed more fully below.

BORDER SECURITY AND IMMIGRATION ENFORCEMENT

The Committee believes that border security and immigration enforcement are core DHS missions, and provides significant resources as well as extensive planning and performance requirements for these missions in fiscal year 2007. While the Committee supports the goals of the Department's recently announced Secure Border Initiative (SBI), it is apparent that this proposal was not fully incorporated into the fiscal year 2007 budget request. The Committee is concerned, absent a strategic management plan that links funding to results, the SBI will fail to realize the Department's desired outcomes. The Committee is committed to preventing such a failure and views fiscal year 2007 as a turning point in the improvement of our nation's border security systems. The Committee takes a broad view of the SBI, to include the abilities to interdict threats before they reach our border, to support local law enforcement when they encounter illegal aliens in the interior, and to ensure that employers comply with the law when hiring immigrant labor. The Committee views these elements just as essential to effective, comprehensive border security as the performance of the SBI's physical security systems and provides oversight directing DHS in that regard.

PORTS, CONTAINER, AND CARGO SECURITY

The Committee is very concerned about DHS' progress towards securing our nation's ports and inbound commerce. While the Department is to be commended for establishing many noteworthy security programs to address this issue, sustained, measurable improvement of our nation's port and commerce security as a whole remains unclear. To address this concern, the Committee provides extensive resources across the Department, and includes stringent performance requirements for the improvement of DHS' port, container, and cargo security programs.

LESSONS LEARNED FROM HURRICANE KATRINA

The Gulf Coast hurricanes of 2005 and the corresponding government failures in preparation and response to those events have resulted in a nationwide reevaluation of our emergency preparedness and response capabilities. The Committee believes that DHS needs to capitalize on the lessons learned from the 2005 hurricanes and make significant changes to better prepare for future events. To that end, the Committee, throughout this report, references the findings and recommendations found in the House Bipartisan Committee on Katrina, the White House's "The Federal Response to Hurricane Katrina–Lessons Learned", and investigative reports from the Government Accountability Office and the Office of Inspector General to help guide the Department in its corrective actions. Congressional oversight will continue to ensure DHS is taking proactive measures to prevent future breakdowns, particularly in FEMA and the Preparedness Directorate.

LEGACY MISSIONS

Concern has been expressed since DHS was formed that, as the Department maintains principal focus on protecting our homeland from terrorists, it may degrade legacy DHS missions. The Committee continues to believe that the Department should not skew its priorities and funding requests to terrorism related missions, while leaving other critical missions to scramble for the remaining funds. The Committee is further concerned that DHS leadership, while addressing pressing homeland security priorities such as Hurricane Katrina or immigration and border security, fails to recognize critical needs of other DHS components. The Committee has expressed this concern in the past, particularly about the Coast Guard's aging fleet and growing gaps in key mission hours, such as those for search and rescue operations. This year, the Committee notes gaps in funding for drug interdiction, human smuggling, cyber crimes, child pornography, Secret Service investigations, and funding for our first responders. Additional funding for these vital legacy missions has been provided. The Department is cautioned to remember that DHS was formed by integrating 22 disparate organizations, all of which have a critical role to play in fighting the war on terror and protecting our homeland. The Committee directs the Department to ensure that all agencies receive attention from leadership, not just those that are newsworthy.

IMPROVING ACCOUNTABILITY AND OVERSIGHT

The Appropriations Committee must have a clear understanding of how homeland security funds are being spent and how risk analysis guides important funding decisions. The funding must be coupled with planned strategies to make measurable improvements along our borders; at our ports, airports, and land ports of entry; and for emergency preparedness. In several programs the Committee directs the Department to develop strategic plans with measurable outcome-oriented goals and directs that certain targets be met. Target levels or performance metrics shall include benchmarks for measuring achievement and shall be modified to reflect the completion of targets. In cases where the Department awards funds to States, localities, and nongovernmental organizations, the

Committee directs that outcomes assessments not rely exclusively on self-reported data but include objective methods to measure performance. Risk based funding must entail a continuous process that includes setting strategic goals and objectives, assessing and quantifying risks, selecting which measures to undertake, and then measuring the outcomes of those investments. This is in the national interest and that of DHS—not just our obligation as guardians of the taxpayers' dollar.

For many years, the Committee has advocated stronger accountability and oversight of DHS. To this end, the Committee has included bill and report language requiring the development of strategic plans and overarching architectures for a variety of programs. Throughout the Department, a total of $1.3 billion has been withheld from obligation in pertinent accounts until these plans are received. In those instances where the Committee has not received previously requested plans or sufficient responsiveness to inquiries made to the Department, specific reductions have been applied, totaling $228,690,000. The Committee cannot support requests for appropriations absent sufficient justifications for how these resources will be spent.

TITLE I—DEPARTMENTAL MANAGEMENT AND OPERATIONS

OFFICE OF THE SECRETARY AND EXECUTIVE MANAGEMENT

Appropriation, fiscal year 2006 [1]	$125,898,000
Budget request, fiscal year 2007	97,508,000
Recommended in the bill	95,884,000
Bill compared with:	
Appropriation, fiscal year 2006	−30,014,000
Budget request, fiscal year 2007	−1,624,000

[1] Includes $47,283,000 in supplemental appropriations from Public Law 109–148 for avian flu.

MISSION

The mission of the Office of the Secretary and Executive Management is to provide efficient services to the Department of Homeland Security and to support the Department in its achievement of its strategic goals: preventing terrorist attacks within the United States; reducing America's vulnerabilities to terrorism; and minimizing the damage and recovery from attacks that may occur.

RECOMMENDATION

The Committee recommends $95,884,000 for the Office of the Secretary and Executive Management, $1,624,000 below the President's request and $30,014,000 below the amounts provided in fiscal year 2006, after accounting for supplemental appropriations. To adequately oversee expenditures and personnel changes within each office, the Committee has provided separate funding recommendations as follows:

	Budget estimate	Recommended
Immediate Office of the Secretary	$3,148,000	$2,648,000
Immediate Office of the Deputy Secretary	1,648,000	1,248,000
Chief of Staff	5,779,000	5,642,000
Executive Secretary	5,001,000	5,001,000
Office of Policy	31,093,000	27,093,000
Secure Border Initiative Program Executive Office	– – –	5,000,000
Office of Public Affairs	6,808,000	6,000,000

	Budget estimate	Recommended
Office of Legislative and Intergovernmental Affairs	6,479,000	5,700,000
Office of General Counsel	14,065,000	14,065,000
Office of Civil Rights and Liberties	13,125,000	13,125,000
Citizenship and Immigration Services Ombudsman	5,927,000	5,927,000
Privacy Officer	4,435,000	4,435,000
Total	$97,508,000	$95,884,000

STAFFING ADJUSTMENTS

The President requested 35 new full-time equivalents (FTEs) under the Office of the Secretary and Executive Management, including 15 FTEs within the Office of Policy, 11 FTEs for the Office of General Counsel, 2 FTEs for the Office of Counternarcotics Enforcement, 2 FTEs for the Executive Secretary, and 5 FTEs for the Office of Civil Rights and Civil Liberties. The Committee has fully funded all of the new FTEs.

IMMEDIATE OFFICE OF THE SECRETARY

The Committee recommends $2,648,000 for the Immediate Office of the Secretary, $500,000 below the President's request and $279,000 above amounts provided in fiscal year 2006. The President's budget assumed an increase in aviation passenger fees in order to fund this program at the requested levels. This fee is not within the jurisdiction of the Committee on Appropriations and the Committee has adjusted its fiscal year 2007 recommendation for this account accordingly.

IMMEDIATE OFFICE OF THE DEPUTY SECRETARY

The Committee recommends $1,248,000 for the Immediate Office of the Deputy Secretary, $400,000 below the President's request and $127,000 above the amounts provided in fiscal year 2006. The President's budget assumed an increase in aviation passenger fees in order to fund this program at the requested levels. This fee is not within the jurisdiction of the Committee on Appropriations and the Committee has adjusted its fiscal year 2007 recommendation for this account accordingly.

CHIEF OF STAFF

The President requested to separate the budget for the Office of Counternarcotics Enforcement (CNE) from that of the Chief of Staff. The Committee denies this proposal. At this time, the CNE has not made a compelling case why this separation should occur and has been unable to fully justify their budget request. While the Committee recognizes the potential value of this office, it is disappointed with a lack of productivity. The Committee views this office as responsible for monitoring the resource needs of the traditional counternarcotics functions of DHS agencies as well as examining the nexus of drugs and terrorism. The Committee directs this office to report, in conjunction with the fiscal year 2008 budget request, on its annual productivity and performance. The Committee provides a total of $2,741,000 for the Office of Counternarcotics Enforcement within the total funding appropriated to the Chief of Staff.

OFFICE OF POLICY

The Committee recommends $27,093,000 for the Office of Policy, $4,000,000 below the President's request and $6,597,000 above amounts provided in fiscal year 2006. The Committee fully funds all 15 new FTEs requested, including new FTEs for work with the Committee on Foreign Investments in the United States (CFIUS). In addition, the Committee has transferred responsibilities for the Office of Screening Coordination and Operations to the Office of Policy. Last year, a separate appropriation for the Office of Screening Coordination and Operations was provided; however, eight months into the fiscal year, this office has not hired any staff or obligated any funding. As such, the Committee cannot continue to support this office as a stand alone appropriation and has merged activities into the Office of Policy. Finally, the Committee has included the funds and two FTEs requested within the Office of Policy for the Secure Border Initiative (SBI) in a separate appropriation for the SBI Program Executive Office. A separate discussion about this office follows.

SECURE BORDER INITIATIVE

Announced in November of 2005, the Secure Border Initiative (SBI) is intended to revitalize DHS' approach to border security and provide a broad, multi-year resource strategy towards achieving operational control of our nation's borders. To support this effort, the Committee provides $19,632,348,000 towards the border security and immigration programs across the Department. This includes an increase of $1,088,145,000 above the amounts provided in fiscal year 2006 for core SBI functions, including the SBI Program Executive Office and strategic elements of Customs and Border Protection (CBP), Immigration and Customs Enforcement (ICE), and U.S. Citizenship and Immigration Services.

The Committee is concerned that SBI was not fully incorporated into the fiscal year 2007 budget request and a funding request of over $1,300,000,000 for core SBI programs was presented prior to the submittal of a strategic plan. Since 1995, spending on border security has increased tenfold from $1.2 billion to over $12.7 billion, and the number of Border Patrol Agents has more than doubled from 5,000 to 12,319; yet during that same time period, the number of illegal immigrants in the U.S. has jumped from five million to over eleven million. The Committee is concerned that, absent a strategic management plan that links funding to results, this pattern will continue. In order to address this concern, the Committee includes a provision directing the Secretary to submit an SBI strategic plan to the House Committee on Appropriations and the House Committee on Homeland Security by November 1, 2006. This plan should clearly align resources to tasks for the entire timeframe of the SBI and toward the program's ultimate goal of achieving operational control of our borders over the next three years. The Committee also includes bill language under Customs and Border Protection withholding $25,000,000 from the SBInet program, project, and activity until the House and Senate Committees on Appropriations receive and approve a plan for expenditure that is certified by the Department's Investment Review Board and reviewed by the Government Accountability Office (GAO).

The Committee has consistently supported a comprehensive strategy that puts together the right mix of resources to address the most critical vulnerabilities along our borders and coastlines, while also taking into account the economic realities of immigrant labor. However, the Committee believes that a border strategy must not be limited to a focus on counterterrorism; operational control of our borders includes the prevention of all contraband—whether it's narcotics, humans, terrorists, money, or weapons of mass destruction—from entering our nation. While the Committee acknowledges the significant resources needed to meet the challenges of such a comprehensive approach to border and immigration security, the Secretary is directed, through the SBI strategic plan, to establish performance metrics to demonstrate how the SBI is a more efficient and effective approach than the failed initiatives of the past.

The Committee is also very concerned by the discrepancy between the projected resources of the SBI Program Executive Office (PEO) for fiscal year 2006 and the request for this office for fiscal year 2007. The Committee sees the SBI PEO as a relatively small investment towards the strategic planning for almost 50 percent of DHS' resources and therefore provides $5,000,000 for this function through a separate program, project, activity under the Office of the Secretary and Executive Management. The additional $1,000,000 above the President's request for this office is provided to fund enhancements to program planning and performance management. As part of the required strategic plan, the SBI PEO is directed to submit its staffing and resource requirements for meeting the goals and objectives of the SBI.

PORT, CONTAINER, AND CARGO SECURITY

The Committee is committed to building upon and improving the Department's port, container, and cargo security programs, such as CBP's Container Security Initiative (CSI) and Customs-Trade Partnership Against Terrorism (C–TPAT); the Coast Guard's port security patrols and facility inspections; Science and Technology's Cargo Security programs; and the Domestic Nuclear Detection Office (DNDO). The Committee believes the Department's port, container, and cargo security capabilities must evolve to combat new and emerging threats as well as to support the continuous growth of international trade. To address this concern, the Committee provides over $4,185,000,000 across DHS' component agencies, an increase of $447,800,000 above the amounts provided in fiscal year 2006, and includes stringent performance requirements for the improvement of the Department's port, container, and cargo security programs.

The Committee withholds $10,000,000 from the Office of the Secretary and Executive Management until the Secretary submits a port, container, and cargo security strategic plan that comprehensively addresses the role of all Departmental components in providing for controlled access to U.S. ports, the integrity of the supply chain, and the physical integrity of U.S. ports. As part of this plan, the Secretary shall ensure all inbound cargo is screened through CBP's Automated Targeting System and shall ensure the percentage of inbound cargo currently inspected by CBP is doubled. Furthermore, as part of this plan, the Secretary is directed to ensure,

by the end of fiscal year 2007, the CSI program maintains a one hundred percent manifest review rate; the C–TPAT program conducts validations of all new certified partners within the first year of participation and revalidations of all certified partners not less than once every three years following initial validation; and the percentage of inbound, containerized cargo screened for radiation as of January 1, 2006, is doubled. This plan must also address how the CSI program is coordinating its functions with the Department of Energy's Megaports program as well as how the CSI program is promoting the use of CBP-approved non-intrusive inspection equipment in all participating foreign ports. This plan must also include minimum standards, as established by CBP and the Science and Technology Directorate, for securing cargo containers from their point of origin to their arrival in the U.S. and explain how these standards align with C–TPAT protocols. These cargo container standards must consist of general guidelines to industry for securing cargo containers including the most immediate, practicable standard and the best available, technological standard under the precepts of the Container Security Device and Advanced Container Security Device programs. This strategic plan should also include a detailed evaluation of cargo inspection systems utilized at high-volume foreign ports, such as the port of Hong Kong, for their applicability to CBP's cargo screening and inspection operations. This strategic plan should also address the staffing and resource needs of Immigration and Customs Enforcement for investigations of internal conspiracies and smuggling organizations, and for enforcement to prevent criminals and terrorists from penetrating and crippling critical ports. Finally, this strategic plan must also address how the implementation of the Transportation Worker Identification Credential (TWIC) in the maritime environment, as well as the awarding of port security grants based upon risk and need, aligns with DHS' port, container, and cargo security programs. The Committee directs that this plan be submitted to the House Committee on Appropriations and the House Committee on Homeland Security.

OFFICE OF PUBLIC AFFAIRS

The Committee recommends $6,000,000 for the Office of Public Affairs, $808,000 below the President's request and $2,229,000 below the amounts provided in fiscal year 2006. Funding has been reduced due to a large number of vacancies within this office that are estimated to continue through the remainder of fiscal year 2006 and into fiscal year 2007.

OFFICE OF LEGISLATIVE AND INTERGOVERNMENTAL AFFAIRS

The Committee recommends $5,700,000 for the Office of Legislative and Intergovernmental Affairs, $779,000 below the President's request and $562,000 below the amounts provided in fiscal year 2006. Funding has been reduced due to a large number of vacancies within this office that are estimated to continue through the remainder of fiscal year 2006 and into fiscal year 2007.

OFFICE OF GENERAL COUNSEL

The Committee is very disappointed that the Office of General Counsel failed to cooperate with the House Appropriations Committee Surveys and Investigations staff during their audit of how funds provided in response to the Gulf Coast hurricanes were spent. The Office of the General Counsel delayed the Committee's investigations by two and half months, engaged in a costly effort to monitor and control the conduct of staff interviews which resulted in less than a frank exchange of information, and required legal presence at every interview regardless of their expertise on the issue. The Committee expects the Office of General Counsel to be more responsive in the future and provide the Committee with unfettered access to information and personnel in a timely basis. If this obfuscation continues, the Committee will be unable to fully support the budget request for this office.

TRAINING

The Committee is concerned that there are multiple funding sources supporting first responder training in both the Preparedness Directorate and the Federal Emergency Management Agency (FEMA). When the Department was formed, it was to meld the unique mission of each legacy agency and to develop comprehensive strategies and training programs. For training, it is still unclear whether these programs are interrelated or operate only within their individual agencies. The Committee directs the Secretary to provide a report, no later than January 16, 2007, providing an inventory of funds supporting training in the Preparedness Directorate and FEMA, including a description of each program, specific measures for success within each program, and how the programs work together to provide an integrated approach to training. The Committee further directs the Secretary to provide a much greater level of detail on the training programs for the Preparedness Directorate and FEMA as part of the fiscal year 2008 congressional budget justifications.

BUDGET JUSTIFICATIONS

In fiscal year 2008, the Committee directs that the Congressional budget justifications for the Office of the Secretary and Executive Management include the same level of detail as the table contained in the back of the Committee report. All funding and staffing changes for each individual office must be highlighted and explained. The Committee expects this level of detail to include separate discussions for personnel, compensation, and benefits; travel; training; and other services. The Committee urges the Department to make a better effort to fully explain all new FTEs requested. In many instances, the fiscal year 2007 submissions only provided a limited justification for new staff, including responsibilities, and associated costs.

WORKING CAPITAL FUND

Consistent with prior years, the Committee directs the Department to include a separate appropriation justification for the Working Capital Fund (WCF) in fiscal year 2008. This justification should include a description of each activity funded by the WCF,

the basis for the pricing, the number of full-time federal employees funded in each activity, a list of each Departmental organization that is allocating funds to the activity, and the funding the organization is providing in fiscal years 2007 and 2008. If a project contained in the WCF is a multi-year activity with a defined cost, scope and schedule, the estimated costs and schedule shall be clearly delineated.

The Committee expects that all cross-cutting initiatives funded by multiple DHS organizations be included in the WCF. The Committee does not support taxing Departmental organizations for cross-cutting initiatives outside of the WCF. As such, the justification should identify any cross-cutting initiatives or activities that benefit more than one organization that are not included in the WCF and explain the omission.

The Committee expects to be notified promptly of any additions, deletions, or changes that are made to the WCF during the fiscal year. Furthermore, the Department should not fund any activities within the WCF that the House or Senate Committees on Appropriations have disapproved either in report language or in their response to reprogramming requests.

For fiscal year 2008, the same level of detailed information on the WCF is to be provided in the budget justification document submitted for Departmental Operations and the corresponding information contained in the salaries and expenses accounts for each organization that is funding the WCF. The Department should work with the Committee to ensure that the budget justifications provide all necessary information at the appropriate level of detail.

2010 VANCOUVER OLYMPICS

The Committee understands that the 2010 Olympic and Paralympic Winter Games will be conducted in Vancouver, British Columbia. The Committee anticipates that these events will greatly increase the number of people and goods crossing the border between Washington State and Canada. The Committee directs the Department of Homeland Security to conduct a review, in conjunction with appropriate Washington State and Canadian entities, and to report to the Committee within six months of enactment of this Act on all relevant issues related to the Vancouver Olympic and Paralympic Games, including: expected increases in border flow, necessary enhancements to border security, estimated border crossing wait times, and any need for increased border personnel.

OFFICE OF SCREENING COORDINATION AND OPERATIONS

Appropriation, fiscal year 2006	$3,960,000
Budget request, fiscal year 2007	3,960,000
Recommended in the bill	– – –
Bill compared with:	
Appropriation, fiscal year 2006	–3,960,000
Budget request, fiscal year 2007	–3,960,000

MISSION

The Office of Screening Coordination and Operations aims to improve security screening by creating unified DHS standards and policies for traveler programs and assists in setting standards between the Western Hemisphere Travel Initiative and Strategic

Prosperity Partnership. Functions of this office include strategic planning for screening people; developing standards and coordinating policies; and overseeing DHS screening programs and credential acquisitions.

RECOMMENDATION

The Committee provides no separate appropriation for the Office of Screening Coordination and Operations. Instead, these activities are funded in the Office of Policy within the Offices of the Secretary and Executive Management. While the Committee was supportive of a separate appropriation for this work last year, the Department has failed to hire any staff or obligate any funding during the first eight months of the fiscal year and finds no justification for maintaining a separate account for these activities in fiscal year 2007.

OFFICE OF THE UNDER SECRETARY FOR MANAGEMENT

Appropriation, fiscal year 2006	$167,146,000
Budget request, fiscal year 2007	209,138,000
Recommended in the bill	159,489,000
Bill compared with:	
Appropriation, fiscal year 2006	−7,657,000
Budget request, fiscal year 2007	−49,649,000

MISSION

The Office of the Under Secretary for Management's primary mission is to deliver quality administrative support services such as human resources and personnel; facilities, property, equipment and other material resources management; and identification and tracking of performance measurements relating to the responsibility of the Department. This office is also in charge of implementing a mission support structure for the Department of Homeland Security to deliver administrative services while eliminating redundancies and reducing support costs.

RECOMMENDATION

The Committee recommends $159,489,000 for the Office of the Under Secretary for Management, $49,649,000 below the President's request and $7,657,000 below the amounts provided in fiscal year 2006. In order to adequately oversee expenditures for each office, the Committee has provided separate funding recommendations as detailed in the following table:

	Budget estimate	Recommended
Under Secretary for Management	$2,012,000	$2,012,000
Office of Security	58,514,000	51,914,000
Business Transformation Office	2,017,000	1,317,000
Office of the Chief Procurement Officer	16,895,000	16,895,000
Office of the Chief Human Capital Officer	81,276,000	38,927,000
Office of the Chief Administrative Officer	48,424,000	48,424,000
Total	209,138,000	159,489,000

STAFFING ADJUSTMENTS

The President requested 55 new full-time equivalents (FTEs) under the Office of the Under Secretary for Management, including

25 FTEs for the Office of Procurement, 15 FTEs for the Office of the Human Capital Officer to work on the new human resource management system; 11 FTEs for the Office of Security; 2 FTEs for the Immediate Office of the Under Secretary for Management; and 2 FTEs for the Business Transformation Office. The Committee has fully funded all new FTEs except for two FTEs requested for the Business Transformation Office and six FTEs related to the new human resource management system.

OFFICE OF SECURITY

The Committee recommends $51,914,000 for the Office of Security, $6,600,000 below the amounts proposed by the President and $1,149,000 above the amounts provided in fiscal year 2006. The President's budget assumed an increase in aviation passenger fees in order to fund this program at the requested levels. This fee is not within the jurisdiction of the Committee on Appropriations and the Committee has adjusted its fiscal year 2007 recommendation for this account accordingly. The recommended funding level will permit the Office of Security to annualize the FTEs it began to hire in fiscal year 2006.

STORAGE OF CLASSIFIED INFORMATION

While the Department is taking steps to comply with the requirement to protect classified information by using GSA-approved containers and vaults secured with locking mechanisms that meet the latest federal specifications for storage, its contractors may not be using these same high security locks and containers. The Committee is aware that some contractors may not be upgrading to newer protective measures because they can charge the costs of supplemental guard services needed to make up for the use of outdated equipment. While it may be more costly for contractors to upgrade their security equipment, in the long run DHS would save a significant amount of money by not paying for supplemental security costs. The Committee directs the Office of Security and Office of the Chief Procurement Officer to work jointly with DHS contractors to ensure that use of non-GSA approved containers is avoided.

BUSINESS TRANSFORMATION OFFICE

The Committee recommends $1,317,000 for the Business Transformation Office, $700,000 below the President's request and $544,000 below the amounts provided in fiscal year 2006. Funding has been reduced due to a large number of vacancies within this office that are estimated to continue through the remainder of fiscal year 2006 and into fiscal year 2007. In addition, the Committee has denied the two new FTEs requested for fiscal year 2007. The Committee believes that business transformation is a temporary function, necessary when the Department was first established to integrate the functions of 22 legacy agencies. However, this should not be a permanent office. For fiscal year 2008, the Department shall submit a more robust budget justification detailing why this office should continue to receive funding, if necessary, and the specific tasks it needs to complete before "transformation" of DHS is concluded.

OFFICE OF THE CHIEF PROCUREMENT OFFICER

The Department has had numerous procurement problems, primarily due to the large number of broad contracts awarded and the lack of appropriate contract oversight. The Committee supports the Department's efforts to hire more procurement staff both within this office (25 FTEs) as well as within a variety of DHS components, including the Customs and Border Protection, Coast Guard, Federal Emergency Management Agency, Immigration and Customs Enforcement, and the Transportation Security Administration. The Committee expects the Department to develop a procurement oversight plan, identifying necessary oversight resources and how improvements in the Department's performance of its procurement functions will be achieved. This plan shall be provided to the House Commitee on Appropriations and GAO no later than January 16, 2007. The Committee directs GAO to review this procurement oversight plan and brief the Committee no later than April 16, 2007 on their analysis.

OFFICE OF THE CHIEF HUMAN CAPITAL OFFICER

The Committee recommends $38,927,000 for the Office of the Chief Human Capital Officer, $42,349,000 below the President's request and $416,000 above the amounts provided in fiscal year 2006. Of this total, $9,227,000 is recommended for the salaries and expenses of the Office of the Chief Human Capital Officer and $29,700,000 for the new human resource system (MAX–HR). The Committee has denied funding for six new FTEs for the Labor Relations Board, which directly pertains to the pending litigation on MAX–HR. In addition, the Committee has held funding for MAX–HR at the fiscal year 2006 enacted level because the President's budget assumed an increase in aviation passenger fees in order to fund this program at the requested levels. This fee is not within the jurisdiction of the Committee on Appropriations and the Committee has adjusted its fiscal year 2007 recommendation for this account accordingly.

DHS HEADQUARTERS

The Committee is dismayed with the Department's haphazard approach to proposing and requesting funding for DHS headquarters and a proposed move of the Coast Guard's headquarters to St. Elizabeth's campus. Since September 11th, and before this Department was formed, Congress has been presented a variety of proposals for DHS headquarters that have neither been well thought out nor fully justified. In the interim, this Committee has provided a significant amount of funding for DHS to improve facilities at the Nebraska Avenue Complex as well as other facilities in the greater Washington, DC area. Included in the President's budget was a request for $50,200,000 to relocate the Coast Guard's headquarters from southwest Washington, DC to the St. Elizabeth's hospital campus on the east bank of the Anacostia River. In subsequent briefings on this subject, the Coast Guard and the Department informed the Committee that this move was the first phase to move most or all of DHS on to the St. Elizabeth's campus. However, the Department could not elaborate on the reason why St. Elizabeth's is the best location for a permanent DHS head-

quarters, what other sites had been considered, the costs of this proposed move, and what agencies would be impacted. The Committee directs the Department not to move forward with relocating the Coast Guard's headquarters, or any other DHS component, until it completes a new headquarters master plan and submits a prospectus for Congressional review and approval.

OFFICE OF THE CHIEF FINANCIAL OFFICER

Appropriation, fiscal year 2006	$19,211,000
Budget request, fiscal year 2007	44,380,000
Recommended in the bill	43,480,000
Bill compared with:	
Appropriation, fiscal year 2006	+24,269,000
Budget request, fiscal year 2007	−900,000

MISSION

The primary responsibilities and functions of the Office of the Chief Financial Officer include budget execution and oversight, performance analysis and evaluation, oversight of the Department's financial and business management systems across all agencies and directorates, and credit card programs and audit liaisons.

RECOMMENDATION

The Committee recommends $43,480,000 for the Office of the Chief Financial Officer (CFO), $900,000 below the President's request and $24,269,000 above the amounts provided in fiscal year 2006. Within this total, $18,000,000 has been realigned from the Office of the Chief Information Officer to the Office of the Chief Financial Officer for the Department's new financial management system (eMerge2) as proposed in the budget.

STAFFING ADJUSTMENTS

The President requested 10 new full-time equivalents (FTEs) to continue to address financial weaknesses highlighted in the last two audit reports to improve budget execution and perform more budgetary reviews; to develop timely and accurate financial data; and to integrate the Department's lines of business. The Committee has fully funded these new FTEs. However, a slight reduction was made to the overall funding requested due to a large number of vacancies within this office that are estimated to continue through the remainder of the fiscal year. The funding reduction should not impact activities of the Appropriations Liaison Office, an office that has enormously improved the Department's relationship with this Committee including greater exchange of information on key policies, programs, initiatives, and budget line items. The Committee remains extremely pleased with the operations of the Appropriations Liaison office and directs the Secretary to fill key vacancies within this office as expeditiously as possible.

CONGRESSIONAL BUDGET JUSTIFICATIONS

The Committee directs the Department to submit all of its fiscal year 2008 budget justifications on the first Monday in February 2007, concurrent with the official submission of the President's budget to Congress. This should include all classified budgets as well as non-classified budgets. These justifications should have the

customary level of detailed data and explanatory statements to support the appropriations requests, including tables that detail each agency's programs, projects, and activities for fiscal years 2007 and 2008. The Committee directs the CFO to ensure that adequate justification is given to each increase, decrease, and staffing change proposed in fiscal year 2008, particularly within the Departmental operations and management account, the Federal Emergency Management Agency and the Science and Technology Directorate. The CFO shall submit, as part of the justifications, a detailed table identifying the last year that authorizing legislation was provided by Congress for each appropriation line; the amount of the authorization; and the appropriation in the last year of the authorization.

MONTHLY REPORTING REQUIREMENTS

For the past three years, the Department has been directed to submit to the House and Senate Committees on Appropriations a monthly budget execution report showing the status of obligations and costs for all components of the Department 45 days after the end of the month. In fact, it is quite common for the Department to provide information that is over six months old. For example, the most recent reporting data that the Committee has is from November 2005—six months old. These delays are unacceptable and prevent the Committee from accurately analyzing budgetary needs, particularly when considering reprogramming and supplemental requests. As a result, the Committee has included this monthly reporting requirement in bill language for fiscal year 2007 (Sec. 529). The Committee also withholds from obligation $10,000,000 until it is assured that these reports will be submitted on a timely basis.

OFFICE OF THE CHIEF INFORMATION OFFICER

Appropriation, fiscal year 2006	$294,257,000
Budget request, fiscal year 2007	323,765,000
Recommended in the bill	364,765,000
Bill compared with:	
Appropriation, fiscal year 2006	+70,508,000
Budget request, fiscal year 2007	+41,000,000

MISSION

The Office of the Chief Information Officer has oversight of all information technology projects in the Department. For projects that are estimated to cost over $5,000,000, the Chief Information Officer (CIO) is consulted, participates in the evaluation of proposals, and provides recommendations. The CIO also has input into the development and execution of each directorate's information technology budgets.

RECOMMENDATION

The Committee recommends $364,765,000 for the Office of the Chief Information Officer, an increase of $41,000,000 above the President's request and $70,508,000 above the amounts provided in fiscal year 2006. A comparison of the budget estimate to the Committee recommended level by budget activity is as follows:

	Budget estimate	Recommended
Salaries and Expenses	$79,521,000	$79,521,000
Information Technology Services	61,013,000	61,013,000
Security Activities	64,139,000	105,139,000
Wireless Programs	86,438,000	86,438,000
Homeland Secure Data Network	32,654,000	32,654,000
Total, Office of the Chief Information Officer	323,765,000	364,765,000

INFORMATION TECHNOLOGY OVERSIGHT

The Committee recognizes DHS continues to attempt to coordinate and establish firm links between its component agencies, which often have well established legacy information technology (IT) systems, communications, management, and processes in place. With differing infrastructures among the components, the Department must work harder to ensure information sharing occurs between components, investments are made with an eye toward the Enterprise Architecture, wireless activities are coordinated, and components make required investments toward the Information Transformation Program. The Committee believes that if the Department is to achieve these goals the Chief Information Officer must have greater oversight of IT related resources spent by the various components. Therefore, the Committee directs that no funds be made available in this Act for obligation for any IT procurement of $5,000,000 or more without approval of the DHS CIO that the procurement conforms with the Enterprise Architecture.

SECURITY ACTIVITIES

The Committee recommends $105,139,000 for Security Activities, $41,000,000 above the President's request and $86,329,000 above the amount provided in fiscal year 2006. Of this total, $41,000,000 is for establishing a mirror data center.

INFRASTRUCTURE TRANSFORMATION PROGRAM

The Committee recognizes the Department's significant information management challenges, including a substantial need to migrate to a unified network and consolidate its many data centers. The Department is attempting to address these challenges through its "Infrastructure Transformation Program" (ITP) that will move the 22 legacy information technology frameworks into a single infrastructure, all with the aim of unifying operations, reducing costs and redundancy. However, the Committee is concerned that consolidating to the single National Center for Critical Information Processing and Storage (NCCIPS) may lead to a lack of data backup and recommends additional funding to find a cost effective means to mirror those data center activities at a separate remote location.

COMPUTER SECURITY

The Committee is aware that the House Government Reform Committee has given the Department an "F" for computer security for the third straight year, a grade based on compliance with the Federal Information Security Management Act (FISMA). While the Department should be a leader in computer security, it appears to be lagging behind many other federal agencies. As the Department

has a number of databases that may include private, corporate or national security sensitive information, it must make every effort to maintain and protect this information. The Committee directs the Department to expedite its compliance efforts and to report on the status, and each component's status, of compliance and any resources needed to achieve full compliance with the fiscal year 2008 budget submission. The Committee cautions the Department from treating the FISMA process, which relies heavily on documentation of procedures and establishing good operational practices, as a form filling exercise to simply fulfill the letter of the law; the Department must devote adequate resources to address real vulnerabilities and fulfill the spirit of the law. Further, the CIO and CFO shall jointly report on the status of the Department and each component in supporting the mitigation of internal control weaknesses, and should specifically address the processes being taken to retire the IT material weakness as it relates to FISMA, as well as any funds needed to address the material weakness.

ANALYSIS AND OPERATIONS

Appropriation, fiscal year 2006	$252,940,000
Budget request, fiscal year 2007	298,663,000
Recommended in the bill	298,663,000
Bill compared with:	
Appropriation, fiscal year 2006	+45,723,000
Budget request, fiscal year 2007	– – –

MISSION

Analysis and Operations houses the Office of Intelligence and Analysis and the Directorate of Operations Coordination, which together collect, evaluate, and disseminate intelligence information as well as provide incident management and operational coordination.

RECOMMENDATION

The Committee recommends $298,663,000 for Analysis and Operations, the same as the President's request and $45,723,000 above the amounts provided in fiscal year 2006.

DIRECTORATE OF OPERATIONS COORDINATION

The Committee denies the Directorate of Operations Coordination's request to rename itself to the Directorate of Operations. The Committee believes the Directorate's function is to support decision makers rather than to direct activities.

HOMELAND SECURITY OPERATIONS CENTER (HSOC)

The House Select Bipartisan Committee to Investigate the Preparation for and Response to Hurricane Katrina notes the Homeland Security Operations Center failed to provide valuable situational information to the White House and other officials during the disaster. Subsequent to the President's budget submission, HSOC and Immigrations and Customs Enforcement (ICE) officials have indicated that they will create situational awareness teams comprised of ICE personnel, possibly complemented by other DHS agencies. These teams would be rapidly deployed throughout the country during an event to provide "ground truthing" and situational

awareness. The Committee hopes that these teams will contribute to the ability of HSOC and DHS to understand conditions that exist in such fluid and dangerous circumstances. The Committee directs HSOC and ICE to report not later than January 16, 2007, on the number and composition of these teams; their locations; their actual and planned deployments in fiscal years 2006 and 2007; any impact the establishment of such teams has had on existing ICE operations; and their associated budgets and staffing resources, to include the costs of training, equipment, facilities, vehicles and operations.

INTELLIGENCE AND ANALYSIS

The Committee is encouraged by the leadership put into place for the Department's Office of Intelligence and Analysis (IA) and looks forward to learning more about the evolving role of this office in the intelligence community. The Committee notes that understanding the threats facing the Nation is essential for prudent budgeting of scare resources, and directs IA to continue providing the Committee quarterly threat briefings.

FUSION CENTERS

The Committee continues to strongly support information sharing between the intelligence community and the people responsible for taking action on that intelligence. An emerging venue for passing information is the "fusion center". The Committee understands that intelligence fusion centers have been established in a number of metropolitan areas and that the Department is encouraging expansion of the number of centers through the use of state or urban area preparedness grant funding. The Committee directs the Department to report by January 16, 2007, on the total number of intelligence fusion centers today, their funding sources and amounts, and where additional fusion centers are necessary.

STAFFING

The Committee supports IA's recent effort to develop a staffing, recruitment and training plan. This type of comprehensive planning should be undertaken elsewhere in the Department. The Committee expects IA to expend unobligated personnel resources on recruitment and training, including fellowships and other tools deemed necessary and to report to the Committee bi-annually on its efforts.

OFFICE OF THE FEDERAL COORDINATOR FOR GULF COAST REBUILDING

Appropriation, fiscal year 2006	– – –
Budget estimate, fiscal year 2007	– – –
Recommended in the bill	$3,000,000
Bill compared with:	
Appropriation, fiscal year 2006	+3,000,000
Budget Estimate, fiscal year 2007	+3,000,000

MISSION

The President created the Gulf Coast Rebuilding Office and designated a Coordinator of Federal support for the recovery and rebuilding of the Gulf Coast Region by Executive Order 13390 on No-

vember 1, 2005. The Coordinator is responsible for working with State and local officials to identify the priority needs for long-term rebuilding; communicating those needs to the decision makers in Washington, D.C.; and advising the President on the most effective, integrated, and fiscally responsible Federal strategies for support of the Gulf Coast recovery.

RECOMMENDATION

The Committee recommends $3,000,000 for the Office of the Federal Coordinator for Gulf Coast Rebuilding, $3,000,000 above the President's request and $3,000,000 above amounts provided in fiscal year 2006. The Committee is concerned to learn that the Office of the Federal Coordinator for Gulf Coast Rebuilding is being supported by appropriations made to the Disaster Relief Fund as well as funds provided for other purposes within the Office of the Secretary and Executive Management. The Committee is extremely concerned by what appears to be a violation of section 503 of Public Law 109–90 which requires the Department to send advance notification of the reprogramming and transfer of funds. Specifically, it appears that DHS has reprogrammed funds from the Office of the Secretary and Executive Management in order to fund the Office of the Federal Coordinator. The Committee was not notified of this reprogramming and directs the Department to immediately submit proper notification on the reprogramming of these funds.

FEDERAL MILESTONES IN GULF COAST REBUILDING

In creating the Office of the Federal Coordinator, the President assigned it responsibility for managing long term Federal rebuilding efforts. However, the Executive Order establishing this Office (EO 13390) does not include specific roles, responsibilities and milestones for the Coordinator. The Committee is concerned that, absent a specific definition of the Coordinator's role in Federal response efforts, there can be no measures of performance either for the Office of the Federal Coordinator or for federal rebuilding efforts. The Committee directs the Office of the Coordinator to submit, by November 1, 2006, a strategic plan for Gulf Coast rebuilding that defines the objectives of the Office of the Coordinator; the specific tasks and milestones associated with each objective; and the goals, policies and programs that constitute the Federal Response for Gulf Coast rebuilding. The plan shall also identify specific milestones for each goal of the federal response as well as estimates of total federal cost by goal and program.

OFFICE OF INSPECTOR GENERAL

Appropriation, fiscal year 2006	$82,187,000
Budget request, fiscal year 2007	96,185,000
Recommended in the bill	96,185,000
Bill compared with:	
Appropriation, fiscal year 2006	+13,998,000
Budget request, fiscal year 2007	– – –

MISSION

The Homeland Security Act of 2002 established an Office of the Inspector General in the Department of Homeland Security by amendment to the Inspector General Act of 1978. This office was

established to provide an objective and independent organization that would be more effective in: (1) preventing and detecting fraud, waste, and abuse in departmental programs and operations; (2) providing a means of keeping the Secretary of Homeland Security and the Congress fully and currently informed of problems and deficiencies in the administration of programs and operations; (3) fulfilling statutory responsibilities for the annual audit of the Department's financial statements and to ensure security of its information technology pursuant to the Federal Information Security Management Act; and (4) reviewing and making recommendations regarding existing and proposed legislation and regulations to the Department's programs and operations. According to the authorizing legislation, the Inspector General is to report dually to the Secretary of Homeland Security and to the Congress.

While oversight of DHS disaster response is included in the OIG's mission, Hurricane Katrina brought a renewed focus and a major shift in OIG resources to that mission area. In October 2005, in response to the need for oversight, the Inspector General established the Gulf Coast Hurricane Recovery Office to focus exclusively on preventing problems through a proactive program of internal control reviews and contract audits to ensure disaster assistance funds are spent wisely. The Gulf Coast Recovery Office has initiated numerous monitoring activities, reviews, investigations, and audits of the Federal Emergency Management Agency's disaster response and recovery activities as well as disaster-related activities of other DHS components. In addition, this office is coordinating the work of 23 other federal Inspectors General through the President's Commission on Integrity and Efficiency to review all federal spending on Gulf Coast relief.

RECOMMENDATION

The Committee recommends $96,185,000 for the Office of Inspector General (OIG), the same as the budget request and $13,998,000 above the amounts provided in fiscal year 2006. Of this total, $11,000,000 is provided to continue and expand audits and investigations related to Gulf Coast hurricanes and coordinate work with 23 other federal Inspector General's to review all federal spending on Gulf Coast relief. The remaining funding ($2,998,000) will permit the IG to hire five additional FTEs; investigate allegations of criminal or administrative misconduct on the part of DHS employees, contractors, or grantees; provide additional funding for audits of high priority procurement efforts such as MAX–HR, Deepwater, and US–VISIT; and provide necessary pay and inflationary increases.

AUDIT REPORTS

The Committee directs the Inspector General to forward copies of all audit reports to the Committee immediately after they are issued and to immediately make the Committee aware of any review that recommends cancellation of, or modification to, any major acquisition project or grant, or that recommends significant budgetary savings. The OIG is also directed to withhold from public distribution for a period of 15 days any final audit or investigation report which was requested by the House Committee on Appropriations.

TITLE II—SECURITY, ENFORCEMENT, AND INVESTIGATIONS

UNITED STATES VISITOR AND IMMIGRANT STATUS INDICATOR TECHNOLOGY

Appropriation, fiscal year 2006	$336,600,000
Budget estimate, fiscal year 2007	399,494,000
Recommended in the bill	362,494,000
Bill compared with:	
Appropriation, fiscal year 2006	+25,894,000
Budget Estimate, fiscal year 2007	−37,000,000

MISSION

The mission of the United States Visitor and Immigrant Status Indicator Technology (US–VISIT) program is to enhance the security of U.S. citizens and visitors; facilitate legitimate travel and trade; ensure the integrity of the immigration system; and to improve and standardize the processes, policies, and systems utilized to collect information on foreign nationals who apply for visas at an embassy or consulate overseas, attempt to enter the country at established ports of entry (POE), request benefits such as change of status or adjustment of status, or depart the United States.

RECOMMENDATION

The Committee recommends $362,494,000 for US–VISIT, $37,000,000 below the President's request and $25,894,000 above the amounts provided in fiscal year 2006. The President's budget assumed an increase in aviation passenger fees in order to fund this program at the requested levels. This fee is not within the jurisdiction of the Committee on Appropriations and the Committee has adjusted its fiscal year 2007 recommendation for this account accordingly.

The Committee is pleased by initial results coming from the deployment of US–VISIT assets to the nation's ports of entry. The program has been deployed to all airports and seaports with international arrivals and to secondary inspection areas of land ports of entry. The program reports many instances of detecting and preventing criminals and other undesirable individuals from entering the country.

EXPENDITURE PLANS

The Committee denies the Administration's request to remove requirements on DHS to provide an expenditure plan that has been approved by the Office of Management and Budget (OMB), reviewed by GAO and approved by the Committee before resources may be obligated. However, in order to ensure that program management is not disrupted by this expenditure plan requirement, the Committee recommends $50,000,000 be made available to the program immediately upon enactment of this Act, an amount significantly reduced from fiscal year 2006 to encourage the Department to accelerate completion of future expenditure plans and other planning documents, such as the US–VISIT strategic plan.

IAFIS–IDENT INTEROPERABILITY

The Committee is pleased by the Administration's decision to migrate the US–VISIT program to a ten-fingerprint system—a major

step toward full interoperability of DHS' Integrated Automated Fingerprint Identification System (IAFIS) and FBI's IDENT fingerprint databases. The fiscal year 2006 appropriation conference report directs the Department to provide cost and schedule estimates no later than November 20, 2005, so the results could be incorporated into the fiscal year 2006 US–VISIT expenditure plan and the fiscal year 2007 President's Budget. However, the fiscal year 2007 budget did not contain cost and schedule estimates. The Committee directs the Department to complete its strategic planning and cost/schedule estimates so that proper planning and budgeting can be made and to report on the status of this effort no later than July 1, 2006.

INTERPOL

The Committee has learned that the US–VISIT and other programs have been working closely with the international police organization, Interpol. The Committee encourages the Department to continue to develop this relationship and aid the development of lost and stolen passport databases and other activities that will be mutually beneficial to all participating countries.

CUSTOMS AND BORDER PROTECTION

SALARIES AND EXPENSES

Appropriation, fiscal year 2006 [1]	$4,802,190,000
Budget estimate, fiscal year 2007	5,519,022,000
Recommended in the bill	5,435,310,000
Bill compared with:	
Appropriation, fiscal year 2006	+633,120,000
Budget Estimate, fiscal year 2007	−83,712,000

[1] Includes $24,100,000 in emergency appropriations provided in P.L. 109–148.

MISSION

The mission of Customs and Border Protection (CBP) is to protect the borders of the United States by preventing, preempting and deterring threats against the United States through ports of entry and to interdict illegal crossing between ports of entry. CBP's mission integrates homeland security, safety, and border management in an effort to ensure that all goods and persons crossing the borders of the United States do so in accordance with applicable laws and regulations, while posing no threat to the United States. Specifically, the priority of CBP is to prevent terrorists and terrorist weapons from entering the United States, and supporting related homeland security missions affecting border and airspace security. CBP is also responsible for apprehending individuals attempting to enter the United States illegally; stemming the flow of illegal drugs and other contraband; protecting our agricultural and economic interests from harmful pests and diseases; protecting American businesses from theft of their intellectual property; and regulating and facilitating international trade, collecting import duties, and enforcing U.S. trade laws. CBP has a workforce of over 42,000, including inspectors, pilots and air and marine enforcement officers, canine enforcement officers, Border Patrol agents, trade specialists, intelligence analysts, and mission support staff.

RECOMMENDATION

The Committee recommends $5,435,310,000 for CBP salaries and expenses, $83,712,000 below the President's request and $633,120,000 above the amounts provided in fiscal year 2006. This recommendation provides $2,328,954,000 for Border Security and Control between ports of entry, including $384,547,000 to hire 1,200 new border patrol agents and facilitate the training of 2,000 new Border Patrol agents, and $115,000,000 for SBInet. Costs associated with the training of Border Patrol agents are adjusted proportionally to the number of new agents supported in this bill and include a reduction of $3,753,000 which the Committee includes in the Federal Law Enforcement Training Center appropriation. As part of the Committee's support of port, container, and cargo security, $1,694,991,000 is provided for Border Security Inspections and Trade Facilitation, including an additional $15,100,000 above the President's request to facilitate validation and periodic re-validation of all certified Customs-Trade Partnership Against Terrorism (C–TPAT) participants. The Committee also provides $162,976,000 for CBP Air and Marine Personnel Compensation and Benefits, including an additional $3,100,000 to fully staff the Air and Marine Operations Center (AMOC) and enhance the AMOC's intelligence and surveillance capabilities. The Committee provides $1,248,389,000 for CBP's Headquarters, Management, and Administration, including $4,000,000 for 15 FTEs and contract support for internal audit controls and procurement staffing. The Committee reduces the request for CBP's Headquarters, Management, and Administration by a total of $10,000,000 due to CBP's poor responsiveness on the submittal of critical reports. In addition, the Committee's reductions reflect the fact that the President's budget assumed an increase in aviation passenger fees in order to fully fund this account. The Committee notes the aviation passenger fee is not within the jurisdiction of the Committee on Appropriations and adjusts the fiscal year 2007 recommendation for this account accordingly.

A comparison of the budget estimate to the Committee recommended level by budget activity is as follows:

Salaries and Expenses	Budget estimate	Recommended
Headquarters, Management and Administration:		
Management and Administration, Border Security Inspections and Trade Facilitation	$663,943,000	$658,943,000
Management and Administration, Border Security and Control between Ports of Entry	594,446,000	589,446,000
Subtotal, Headquarters Management and Administration	1,258,389,000	1,248,389,000
Border Security Inspections and Trade Facilitation:		
Inspections, Trade, and Travel Facilitation at Port of Entry	1,282,102,000	1,282,102,000
Harbor Maintenance Fee Collection (Trust Fund)	3,026,000	3,026,000
Container Security Initiative	139,312,000	139,312,000
Other international programs	8,701,000	8,701,000
Customs Trade Partnership Against Terrorism/Free and Secure Trade (FAST)/NEXUS/SENTRI	75,909,000	91,009,000
Inspection and Detection Technology Investments	94,317,000	94,317,000
Automated Targeting Systems	27,298,000	27,298,000
National Targeting Center	23,635,000	23,635,000
Other Technology Investment, including information technology	1,027,000	1,027,000
Training	24,564,000	24,564,000

Salaries and Expenses	Budget estimate	Recommended
Subtotal, Border Security Inspections and Trade Facilitation	1,679,891,000	1,694,991,000
Border Security and Control between Ports of Entry:		
Border Security Control	2,243,619,000	2,176,679,000
Border Technology (formerly ASI and ISIS)	131,559,000	– – –
Security Border Initiative Technology and Tactical Infrastructure (SBInet)	– – –	115,000,000
Training	45,688,000	37,275,000
Subtotal, Border Security and Control between POEs	2,420,866,000	2,328,954,000
Air and Marine Personnel Compensation and Benefits	158,876,000	162,976,000
Total, Salaries and Expenses	5,519,022,000	5,435,310,000

WORKLOAD AND STAFFING

The Committee is concerned about the balance of CBP personnel across all of the agency's mission areas. The Committee directs CBP to submit its staffing model in conjunction with the fiscal year 2008 budget request. This model shall address CBP's operational assumptions in requesting resources per mission component as well as the methodology for aligning staffing levels to threats, vulnerabilities, and workload across all mission areas and per port of entry, Border Patrol sector, and Foreign Trade Zone. This model shall also address CBP's ability to recruit, hire, and train new Border Patrol agents and CBP officers. Specifically, this model should include the FTE history of Border Patrol agents and CBP officers, including details on attrition rates and training productivity (number of agents and officers trained per year), from fiscal year 1995 through the fiscal year 2008 budget request. This model should also include the funding assumptions used to formulate all costs associated with the hiring, training, and deployment of new agents and officers. It is the Committee's expectation that, in conjunction with addressing its staffing needs, CBP also evaluate the office and inspection space needed per port of entry. CBP is directed to report on office and inspection space per location, specifically identifying areas of greatest need and CBP's plans to address such needs. The staffing model and report on office and inspection space shall be submitted to the House Committee on Appropriations and the House Committee on Homeland Security.

AIRPORT PROCESSING WAIT TIMES

The Committee is very concerned about an increase in airport processing wait times and CBP's ability to effectively process the growing passenger workload at our nation's airports. The Committee is aware that a number of international airports are experiencing a significant increase in passenger volume and wait times, including the International Arrival Building (IAB) and Federal Inspection Services Station (FIS) at Washington Dulles International Airport and comparable facilities at Detroit Metropolitan Wayne County Airport, John F. Kennedy International Airport, Ontario International Airport, Cincinnati/Northern Kentucky International Airport, Minneapolis/St. Paul International Airport, and Miami International Airport. CBP is directed to provide quarterly reports to the House Committee on Appropriations and the House Committee on Homeland Security no later than 30 days after the end of the quarter, beginning January 30, 2007, on flight arrivals by

airport that took longer than the 60-minute CBP standard to process. The report shall include the number of CBP inspectors processing the flight arrival, flight information, and the actual maximum wait time per airport. This report should also include CBP's plans to address the increased workload at the busiest U.S. airports, as determined by the volume of passenger traffic, as well as the airports listed above. In addition, the Committee requests that CBP expand the wait time information per airport on its web site to include times of day, similar to the wait time information listed on the web site of the Transportation Security Administration. This report shall be submitted to the House Committee on Appropriations and the House Committee on Homeland Security.

PORT, CONTAINER, AND CARGO SECURITY

The Committee recommends $4,185,000,000 across DHS's components for port, container, and cargo security, an increase of $447,800,000 above fiscal year 2006 enacted levels. However, as stated under the Office of the Secretary and Executive Management, the Committee is very concerned about the Department's progress towards securing our nation's ports and inbound commerce. While CBP is to be commended for its efforts in establishing multiple, noteworthy security programs, such as the Container Security Initiative (CSI), Customs-Trade Partnership Against Terrorism (C–TPAT), and Automated Targeting System (ATS), sustained, measurable improvement of our nation's port, container, and cargo security as a whole remains unclear. To address this concern, the Committee includes bill language under the Office of the Secretary and Executive Management requiring the development and submission of a comprehensive port, container, and cargo security strategic plan.

Within CBP, the Committee provides $1,694,991,000 for port, container, and cargo security, $15,100,000 above the President's request and $89,874,000 above the amounts provided in fiscal year 2006. This fully funds the President's request and provides an additional $15,100,000 for staffing and contract support to enhance the validation capabilities of the C–TPAT program, including the costs of personnel compensation and benefits, training, validation visits, and contracts for third-party auditors. Of the funds provided for CBP's port and commerce security functions, $6,800,000 is included to enhance the staffing at the National Targeting Center (NTC) by 30 FTEs; $12,000,000 is included to enhance CBP's radiological detection staffing by 53 FTEs; and $139,312,000 and 155 FTEs are included for the CSI program to support expansion of the program to 58 foreign ports and coordination with the Department of Energy's Megaports program.

The Committee is aware CBP, in cooperation with the DHS Science and Technology (S&T) Directorate, has a number of initiatives underway addressing the security of cargo containers. As part of the Committee's port, container, and cargo security initiative and the strategic plan requirement under the Office of the Secretary and Executive Management, CBP is directed, in partnership with S&T, to establish minimum standards for securing cargo containers and explain how these standards align with C–TPAT protocols. CBP is also directed to work with S&T in accelerating the development of Container Security Device and Advanced Container Secu-

rity Device, including a pilot test of such devices within the C–TPAT program, if appropriate.

COMBATING NUCLEAR SMUGGLING

The Committee has consistently supported robust efforts to combat nuclear smuggling and is very concerned about recent GAO findings (GAO–06–389, "Combating Nuclear Smuggling, DHS Has Made Progress Deploying Radiation Detection Equipment at U.S. Ports-of-Entry, but Concerns Remain"), most notably, the inability of CBP to verify proper licensing and documentation for handling and transporting radioactive material. Though CBP had the technological means to detect this material, they did not have processes in place to confirm its legitimacy. While CBP has stated such deficiencies have been addressed, the Committee believes CBP, through its partnership with the Domestic Nuclear Detection Office (DNDO), should be implementing all practicable technical and procedural measures to detect and interdict illicit transport of radiological materials. The Committee is aware of the technological improvements made by CBP and DNDO and has been an unwavering supporter of the acquisition of radiological detection and monitoring systems, as noted elsewhere in this report. The Committee is also aware of CBP's ongoing work with the Nuclear Regulatory Commission (NRC) to address proper licensing procedures. However, the Committee is troubled by the process deficiencies identified in GAO–06–389. The Committee directs CBP to report to the Committee no later than January 16, 2007, on its process improvements in combating nuclear smuggling, including CBP's documentation verification capabilities (such as licenses and governmental documentation) and container inspection procedures.

IN-BOND CARGO CONTAINER SECURITY PROGRAM

The Committee is pleased to see that CBP is working with the Science and Technology Directorate to address the security and control vulnerability presented by in-bond container shipments that transit the U.S. In support of this program, the Committee provides $1,027,000, the same as the President's request and $19,000 above the amounts provided in fiscal year 2006. While the emphasis of the study to date has focused on the 10,000 to 15,000 agricultural shipments that transit the U.S. for delivery outside the U.S., the Committee reminds CBP that the program should address all shipments that enter and move through the U.S. in-bond, not only those carrying agricultural products.

IMMIGRATION ADVISORY PROGRAM

The Committee believes CBP's Immigration Advisory Program (IAP) has shown great potential and provides $6,000,000 to support 21 FTEs, as requested by the President. This program has placed CBP inspectors at two foreign airports (Warsaw and Amsterdam) to prevent people who are identified as national security threats from traveling to the United States, and proposes to expand to London and Tokyo within fiscal year 2007. The program has resulted in thousands of intercepts, including hundreds of smuggling cases, and the saving of millions of dollars to the U.S. Government in avoided removal and processing costs. The Committee directs CBP

to report on the performance of the IAP no later than January 16, 2007, to the House Committee on Appropriations and the House Committee on Homeland Security.

INTELLECTUAL PROPERTY RIGHTS INFRINGEMENT

The Committee is concerned about the growing workload related to the prevention of intellectual property rights (IPR) infringement. In fiscal year 2005, CBP reported 8,022 IPR seizures with a domestic value of over $93,200,000. Preliminary statistics for fiscal year 2006 indicate a projected increase in this workload of almost fifty percent. The Committee recognizes the detrimental impact of IPR infringement upon our nation's economy and is concerned about CBP's ability to adequately combat this activity. The Committee directs CBP to submit a detailed report to the Committee no later than January 16, 2007, on the resources devoted to the prevention of IPR infringement. This report shall include the funding amounts and FTE devoted to IPR enforcement for fiscal years 2004 through 2007 (projected) as well as a detailed explanation of how CBP is addressing the growing IPR infringement workload, detailed by port of entry. This report should also include CBP's detailed IPR infringement statistics for fiscal years 2000–2007 (projected).

TEXTILE TRANSSHIPMENT ENFORCEMENT

Section 352 of the Trade Act of 2002 authorizes funding for Customs Service textile transshipment enforcement, and specifies how the funds be spent. The Committee includes $4,475,000 to continue this effort and directs CBP to provide a report, at the time it transmits the fiscal year 2008 budget, on its actual and projected obligations of this funding, as well as of funds appropriated for this purpose in fiscal year 2006. The report should include staffing levels in fiscal years 2005–2007, differentiated by position, as authorized in section 352 of the Trade Act of 2002, and include a five-year enforcement plan.

BORDER SECURITY

As stated under Departmental Management and Operations, the Committee is supportive of the Secure Border Initiative (SBI) but is concerned about the absence of a strategic plan for an issue that has a history of failed, large-scale procurements. The Committee believes that the submittal and review of a strategic plan should have been the first step in establishing the SBI, rather than a haphazard funding request for fiscal year 2006 followed by a request for a significant increase in funding for fiscal year 2007. Given the recent failures of the Integrated Surveillance Intelligence Systems (ISIS) and America's Shield Initiative (ASI), the Committee remains skeptical at providing huge sums of money at the persistent problem of border control—especially without any strategic justification for why the SBI is any more effective than its predecessors. Therefore, as stated within the bill and report under the Office of the Secretary and Executive Management, the Committee directs the Secretary to submit the SBI strategic plan to the Committee no later than November 1, 2006.

Despite the concerns stated above, the Committee remains committed to establishing a comprehensive system within the DHS

border security and immigration components to achieve operational control of our borders and reform of our immigration system. To support this effort, the Committee provides $2,328,954,000 towards CBP's Border Security and Control beween Ports of Entry, $550,455,000 above the amounts provided in fiscal year 2006. Of this total, an increase of $472,329,000 is provided in direct support of core SBI components, including an increase of $384,547,000 to support the hiring of 1,200 new Border Patrol agents, the training of 2,000 new Border Patrol agents, and a total Border Patrol workforce of over 13,580 agents by the end of fiscal year 2007; an increase of $84,029,000 for the SBInet Technology and Tactical Infrastructure program; and an increase of $8,500,000 to fund additional operational costs associated with the Arizona Border Control Initiative. The Committee provides $5,000,000 for the SBI Program Executive Office under Office of the Secretary and Executive Management and includes $3,753,000 for training costs for Border Patrol agents under the Federal Law Enforcement Training Center.

SBInet

The Committee combines funds for tactical infrastructure and border technology into a new program, project, and activity entitled "Secure Border Initiative Technology and Tactical Infrastructure (SBInet)" and provides $115,000,000 for this function. Funds are available until expended. When combined with unobligated balances in CBP's inspection and detection technology investments that will be applied toward SBInet at the end of fiscal year 2006, a total of $215,884,477 is available for this budget activity. Of the amount provided in fiscal year 2007, $30,000,000 shall be for the San Diego Border Infrastructure System. Funds for border technology and tactical infrastructure in Western Arizona are reduced from the President's request due to a poor budget justification, uncertainty surrounding the SBInet procurement, and the absence of the SBI strategic plan. The Committee is very concerned about the planning and controls for the SBInet prime integrator contract and includes bill language withholding $25,000,000 until the Committees on Appropriations receive and approve a plan for expenditure that is certified by the Department's Investment Review Board and reviewed by the Government Accountability Office.

TUNNEL REMEDIATION

The Committee is concerned about the steady increase in the use of tunnels to smuggle contraband across the U.S. border. The Committee is aware of the significant costs associated with the remediation of these tunnels and notes that CBP has not budgeted for this function. The Committee encourages CBP, in concert with the SBInet program and the DHS Science and Technology Directorate, to establish a program for detecting, and addressing this smuggling tactic and to incorporate the cost of such a program into future budget submissions.

CBP VEHICLE FLEET MANAGEMENT PLAN

The Committee is extremely disappointed by the content included in the vehicle management plan dated June 28, 2005 and submitted in response to the fiscal year 2005 appropriations bill.

The Committee directs CBP to re-submit the Vehicle Fleet Management plan with the required, detailed, five-year investment plan across all types of CBP vehicles, no later than November 1, 2006. The report submitted on June 28, 2005, was almost five months late and did not fully comply with the Committee's direction. The report required by this Act should address the plans, requirements, and milestones for all CBP vehicles, including off road vehicles, severe off road vehicles, all terrain vehicles, and high mobility multipurpose wheeled vehicles as well as the maintenance and logistics systems to support these vehicles for fiscal years 2007–2011. The Committee reduces funds provided to CBP's Headquarters, Management, and Administration by $1,000,000 due to the insufficient compliance with the fiscal year 2005 requirement.

BORDER PATROL CHECKPOINTS

Bill language is continued prohibiting funds for the site acquisition, design, or construction of any permanent Border Patrol checkpoint in the Tucson sector. Customs and Border Protection is reminded that it must relocate a checkpoint no more than seven days after its establishment and may not return to the previous location until at least seven days after relocation. The intent of this requirement is to foster randomness and unpredictability in the location of Border Patrol's checkpoints throughout the Tucson Sector.

CARRIZO CANE

The Committee understands that removal of Carrizo cane from certain Rio Grande border locations may improve conditions for Border Patrol operations, and directs CBP to utilize the resources necessary for this removal if it is determined to be necessary.

CBP AIR AND MARINE, PERSONNEL, COMPENSATION, AND BENEFITS

The Committee provides $162,976,000 for CBP Air and Marine, Personnel, Compensation, and Benefits, $3,100,000 above the President's request and $1,052,000 above the amounts provided in fiscal year 2006. This fully funds the President's request for the salaries and expenses of all CBP airwings, including $2,100,000 for the new Northern Border airwing established in fiscal year 2006 in Great Falls, Montana. The Committee also provides an additional $3,100,000 to support 25 FTEs and enhancements to airspace security monitoring, aerial surveillance, and intelligence capabilities of the Air and Marine Operations Center (AMOC). The Committee believes the AMOC plays a central role in CBP's border security mission and provides the resources to fully staff and upgrade this Departmental command and control resource.

The Committee is wholly disappointed by CBP's failure to submit an Air and Marine recapitalization plan. The Committee reduces funds provided to CBP's Headquarters, Management, and Administration by $4,000,000 due to the unacceptably poor responsiveness on this requirement. CBP is directed to submit a comprehensive Air and Marine recapitalization plan no later than November 1, 2006.

AUTOMATION MODERNIZATION

Appropriation, fiscal year 2006	$451,440,000
Budget estimate, fiscal year 2007	461,207,000
Recommended in the bill	451,440,000
Bill compared with:	
Appropriation, fiscal year 2006	– – –
Budget Estimate, fiscal year 2007	–9,767,000

MISSION

The Automation Modernization Account includes funding for major information technology projects for the Bureau of Customs and Border Protection (CBP). Projects included in this request are the planned Automated Commercial Environment (ACE) system, continued support and transition of the legacy Automated Commercial System (ACS), and technology associated with integration and connectivity of information technology within CBP and the Department of Homeland Security.

RECOMMENDATION

The Committee recommends $451,440,000, for Automation Modernization, $9,767,000 below the President's request and the same as amounts provided in fiscal year 2006. This includes $316,800,000 for the Automated Commercial Environment (ACE) and for International Trade Data System (ITDS). The President's budget assumed an increase in aviation passenger fees in order to fund this program at the requested levels. This fee is not within the jurisdiction of the Committee on Appropriations and the Committee has adjusted its fiscal year 2007 recommendation for this account accordingly.

The Committee denies the Administration's request to remove requirements on CBP to provide an expenditure plan that has been approved by OMB, reviewed by GAO and approved by the Committee before resources can be obligated. However, in order to ensure that program management is not disrupted by this expenditure plan requirement, the Committee recommends $100,000,000 be made available to the program upon enactment of this Act.

ACE PROGRAM OVERSIGHT

The Committee is pleased that CBP has aggressively moved forward with deployments of ACE releases. However, the Government Accountability Office, as part of its review of the fiscal year 2006 expenditure plan, points out that the program is still considered risky because operational performance of deployed releases has been mixed and the relationships among goals, benefits and desired business outcomes are not visible. The Committee directs CBP to improve oversight by assuring releases are ready to proceed beyond critical design and production readiness review before deployment. Also, CBP shall ensure ACE aligns its goals, benefits, desired business outcomes, and performance metrics. Future appropriations decisions will be affected by CBP progress towards these goals over the year.

CBP Air and Marine Interdiction, Operations, Maintenance, and Procurement

Appropriation, fiscal year 2006	$396,228,000
Budget estimate, fiscal year 2007	337,699,000
Recommended in the bill	373,199,000
Bill compared with:	
Appropriation, fiscal year 2006	−23,029,000
Budget Estimate, fiscal year 2007	+35,500,000

MISSION

CBP Air and Marine provides integrated and coordinated border interdiction and law enforcement support for homeland security missions; provides airspace security for high risk areas or National Special Security Events upon request; and combats the illegal entry of narcotics and other contraband into the United States. CBP Air and Marine also provides aviation and marine support for the counter-terrorism efforts of many other law enforcement agencies.

RECOMMENDATION

The Committee recommends $373,199,000 for CBP Air and Marine Interdiction, Operations, Maintenance, and Procurement, $35,500,000 above the President's request and $23,029,000 below the amounts provided in fiscal year 2006. The Committee provides an additional $16,000,000 for the P–3 service life extension program; $5,000,000 for an additional 1,000 P–3 flight hours; $10,000,000 for the missionization of three manned covert surveillance aircraft; $2,500,000 for unmanned aerial vehicle (UAV) logistics and communications upgrades; and $2,000,000 for the replacement of five marine interceptor boats. As requested by the President, the Committee includes $7,610,000 for operation and maintenance costs of the multi-role patrol aircraft and $5,500,000 for the new Northern Border airwing established in fiscal year 2006 in Great Falls, Montana.

CBP AIR AND MARINE CONSOLIDATION

It is the Committee's expectation that last year's consolidation of the Office of Border Patrol air and marine assets with the Office of Air and Marine Operations (AMO) into the newly formed "CBP Air and Marine", achieves operational and cost efficiencies that support the full range of homeland security missions, including counter terrorism, immigration enforcement, and counter smuggling. The Committee views CBP Air and Marine as a national strategic asset that should be deployed accordingly—providing airborne and seaborne law enforcement support to the air, sea, and land approaches into the United States; along our northern and southern borders; and within the confines of our borders, as warranted. While the Committee strongly supports the increased use of aviation assets to physically secure our borders, such support should not come at the expense of other critical homeland security missions in the source/transit zones and throughout the nation's interior that are vital, contributing elements of a comprehensive border security strategy. The Committee expects this comprehensive approach to be reflected in the required, but overdue, CBP Air and Marine re-capitalization plan previously referenced in this report. Furthermore, CBP is directed to report not later than January 16,

2007 on requests made in fiscal year 2006 for investigative and surveillance support, the response to those requests, and any consequences of reduced support to Immigration and Customs Enforcement.

AERIAL SURVEILLANCE CAPABILITY ENHANCEMENT

The Committee views CBP aerial surveillance capabilities as a force multiplier for the Department's border security and port and commerce security missions. Therefore, the Committee provides aerial surveillance enhancements above the President's request to include $21,000,000 to increase P–3 operations and $12,500,000 for manned and unmanned covert surveillance capabilities along our borders and coastlines. The Committee is very concerned about the recent crash of CBP's first UAV that occurred on April 25, 2006 outside of Nogales, Arizona. The Committee withholds $6,800,000 included within the budget request for the procurement of a UAV until CBP reports on the findings of the crash investigation and implications of those findings for CBP's future UAV operations along the U.S. border and coastline. The Committee also fully funds the operation and maintenance costs of the multi-role patrol aircraft and encourages CBP Air and Marine, as part of its recapitalization plan, to pursue greater efficiencies and acceleration in the procurement of the remaining 12 multi-role aircraft.

NATIONAL AIR TRAINING CENTER

The Committee views the National Air Training Center (NATC) as a training and operational resource for the entire Department. CBP Air and Marine is encouraged to continue the NATC's highly successful and cost-effective computer based instruction and simulation program and to complete the planned NATC hangar expansion.

HELICOPTER PROCUREMENT

The Committee directs CBP to provide, as part of the fiscal year 2008 budget justification, a comparison of the costs and benefits of leasing and purchasing helicopters for the purpose of operational testing and evaluation. This report should include detailed comparisons over the last five years, as available, and should also address the procurement of light observation helicopters and light enforcement helicopters scheduled in fiscal years 2006 and 2007.

CONSTRUCTION

Appropriation, fiscal year 2006 [1]	$277,700,000
Budget estimate, fiscal year 2007	255,954,000
Recommended in the bill	175,154,000
Bill compared with:	
Appropriation, fiscal year 2006	−102,546,000
Budget Estimate, fiscal year 2007	−80,800,000

[1] Includes $10,400,000 in emergency appropriations provided in P.L. 109–148.

MISSION

The construction account funds the planning, design, and assembly of Border Patrol infrastructure, including border stations, checkpoints, temporary detention facilities, mission support facili-

ties, and tactical infrastructure such as fencing, vehicle barriers, lighting, and road improvements at the border.

RECOMMENDATION

The Committee recommends $175,154,000 for Construction, $80,800,000 below the President's request and $102,546,000 below the amounts provided in fiscal year 2006. Funds for tactical infrastructure in support of the SBI are provided under the SBInet program, project, and activity within the CBP Salaries and Expenses account. CBP is encouraged to consolidate funding for Border Patrol tactical infrastructure within the SBInet budget activity in future budget submissions.

IMMIGRATION AND CUSTOMS ENFORCEMENT

SALARIES AND EXPENSES

Appropriation, fiscal year 2006 [1]	$3,090,414,000
Budget estimate, fiscal year 2007	3,902,291,000
Recommended in the bill	3,843,257,000
Bill compared with:	
Appropriation, fiscal year 2006	+752,843,000
Budget estimate, fiscal year 2007	−59,034,000

[1] Includes $13,000,000 in emergency appropriations provided in P.L. 109–148.

MISSION

Immigration and Customs Enforcement (ICE) is the lead agency responsible for enforcement of immigration laws, customs laws, and Federal facilities security. ICE protects the United States by investigating, deterring, and detecting threats arising from the movement of people and goods into and out of the United States. ICE consists of more than 15,000 employees within four major program areas: Office of Investigations, Federal Protective Service, Office of Intelligence, and Detention and Removal Operations.

RECOMMENDATION

The Committee recommends $3,843,257,000 for Salaries and Expenses, $59,034,000 below the President's request and $752,843,000 above the amounts provided in fiscal year 2006. This reflects an increase of $275,000,000 over fiscal year 2006 for detention bed space and related transportation and removal efforts associated with the Secure Border Initiative. It also reflects a decrease in $4,444,000 requested for basic training for additional Deportation Officers and Immigration Enforcement Agents, which the Committee includes in the Federal Law Enforcement Training Center appropriation. The Committee adds $57,100,000 in program increases as follows: $33,400,000 for an additional 70 fugitive operations team members; $13,700,000 for financial and trade investigations to support the Trade Transparency Initiative; $1,000,000 to fund ICE participation in the Human Smuggling and Trafficking Center; $5,000,000 to fund 20 additional Alternatives to Detention positions and expand the Intensive Supervisory Appearance Program from ten to twelve cities; and $4,000,000 and 40 positions to expand the Criminal Alien Program. The Committee recommendation includes $5,000,000, the same as the fiscal year 2006 level, for memory and technology support for the Cyber Crimes Center. The recommendation reflects a reduction from the President's request

for Custody Management and Transportation and Removal of $111,690,000, in part due to inadequate information about the Department's detention management plan, and budget constraints caused by the increase to aviation passenger fees included in the President's budget. This fee is not within the jurisdiction of the Committee on Appropriations and the Committee has adjusted its fiscal year 2007 recommendation for this account accordingly.

The President's request proposed a budget structure that would spread Headquarters and information technology costs across other programs, projects and activities (PPAs). The Committee prefers the existing PPA budget structure. A comparison of the budget estimate to the Committee recommended level by budget activity is as follows:

	Budget estimate	Recommended
Headquarters management and administration:		
Personnel compensation and benefits, services and other costs	– – –	$131,287,000
Headquarters managed IT investment	– – –	134,015,000
Subtotal, headquarters management and administration	– – –	265,302,000
Legal proceedings	206,511,000	187,353,000
Investigations:		
Domestic	1,456,650,000	1,317,992,000
International	104,744,000	105,181,000
Subtotal, investigations	1,561,394,000	1,423,173,000
Intelligence	57,932,000	51,379,000
Detention and removal operations:		
Custody operations	1,432,702,000	1,291,220,000
Fugitive operations	173,784,000	199,853,000
Criminal alien program	110,250,000	105,357,000
Alternatives to detention	42,702,000	46,145,000
Transportation and removal program	317,016,000	273,475,000
Subtotal, detention and removal operations	2,076,454,000	1,916,050,000
Total, ICE salaries and expenses	3,902,291,000	3,843,257,000

SECURE BORDER INITIATIVE

The Committee supports the aim of the Secure Border Initiative (SBI): to gain control over our borders and the people, conveyances, and cargo that cross them. The SBI will involve many ICE components ranging from intelligence, investigations, training, legal proceedings, and detention and removal operations. The Administration requests an increase of $541,000,000 to cover such enhancements. However, because the SBI began in the middle of an appropriations cycle, the Committee has not received a detailed strategy, as noted previously in this report under Departmental Management and Operations, and as would be expected for such a major enterprise. For interior enforcement, the Department recently announced its "comprehensive immigration enforcement strategy." While this strategy is comprehensive in scope, its aim—to "reverse the tolerance" for illegal immigration—does not satisfy criteria called for in the fiscal year 2006 appropriation bill to reduce the illegal alien population by 10 percent per year. The Committee expects the SBI strategy to be linked to this goal.

The Committee funds increases for enhanced worksite and compliance enforcement and investigations; legal proceedings; fugitive operations; and training, to address acknowledged gaps in interior

enforcement. As the Department has yet to supply the immigration enforcement strategy directed by Congress in fiscal year 2006, the Committee does not fully fund the President's request for detention, removal and transportation operations, providing an increase of $275,000,000 instead of $387,000,000 as proposed by the President.

DETENTION MANAGEMENT AND CONSOLIDATION

In April 2006 the Committee received the cost and benefit analysis of a national contract approach to ICE detention management—a year after the report was due. That report expressed reservations about a specific approach to detention contracting, but did indicate that ICE was looking at consolidation and possible regional approaches to its operations. The Committee expects ICE to demonstrate it is making the best possible use of detention funding. The Committee continues to await a report on the national detention management plan called for in the fiscal year 2006 Appropriations Act, and notes that $5,000,000 remains unavailable for obligation until such a plan is submitted. As ICE has indicated its intention of moving to a more consolidated regional approach, the Committee expects that the forthcoming report will address mechanisms to accomplish this, including the use of regional contracts for integrated detention services. The Committee believes advances in Detention and Removal Operations (DRO) should include both organizational and technology elements, such as a "hoteling" system to manage bedspace. The Committee also urges ICE to give consideration to regional pilots that might test concepts for consolidation and possibly accelerate the process of streamlining DRO operations.

ALIEN ABSCONDERS

One goal of the SBI with which the Committee strongly agrees is to reduce the number of "absconders", those who disappear after failing to comply with removal orders or are ordered removed in absentia, now estimated to be 558,000, and growing by 40,000 per year. The Department has requested funding for 70 teams in fiscal year 2007, an increase of 18, and estimates that these will apprehend 24,125 absconders in fiscal year 2007. This represents an average of 460 apprehensions per team with a "performance target" of 1,000 per team. This good start will slow the increase, but not reduce the number of absconders. Therefore, the Committee recommends an additional $33,400,000 for ten more fugitive operations teams—for a total of 80—with associated bed space. While this increase will not eliminate the absconder problem, it will accelerate progress toward the SBI goal of 100 teams, and speed up apprehension and removal of absconders. The Committee wishes to see ICE achieve the performance target for fugitive operations, and directs ICE to report not later than January 16, 2007, on steps it is taking, including improving systems, equipment, management and intelligence, and any additional resources needed, to make progress towards this goal. This report shall be provided to the House Committee on Appropriations and the House Committee on Homeland Security.

CRIMINAL ALIEN PROGRAM

ICE estimates that 551,000 alien criminals in U.S. jails and prisons have not been identified for removal, and another 275,000 are at large. While ICE must certainly be prudent as it absorbs a substantial increase in funding to grow the Criminal Alien Program (CAP), there is still a sizeable population of criminal aliens yet to be addressed. Of particular concern are aliens held in State and local facilities, who may be held for only a matter of days and released before ICE is aware of their presence. The Committee thus urges ICE to take the necessary steps to ensure removal or detention of this population before they are released into communities. The Committee recommends an additional $4,000,000 to accelerate CAP efforts, including completing its transfer to Detention and Removal Operations.

WORKSITE ENFORCEMENT AND INVESTIGATIONS OF CIVIL VIOLATIONS

The President's request more than doubles the fiscal year 2006 funding level to strengthen ICE enforcement of immigration laws affecting employers and worksites. The Committee strongly endorses this effort as critical to a comprehensive approach to deterring illegal immigration. In fiscal year 2006, the Committee provided $9,000,000 for additional Immigration Enforcement Agents (IEAs) to be dedicated to investigating employers' civil violations of immigration law. The Committee intended that increasing these investigative resources for administrative or civil sanctions would permit criminal investigators to pursue more complex criminal cases. Instead of following this direction, the Department reported in February that it intends to use IEAs in support of the CAP. In addition, for worksite enforcement, in lieu of IEAs, ICE plans to use civilian forensic auditors to undertake regulatory action and case preparation for civil worksite and employer cases. These plans are contrary to Committee direction and the intended use of appropriations. The Department is directed to take no action until a reprogramming has been submitted and approved in accordance with section 503 of Public Law 109–90.

ALTERNATIVES TO DETENTION

The Alternatives to Detention program addresses aliens who are not mandatory detainees, but are deemed unlikely to appear at their immigration hearings. Programs for electronic monitoring devices and telephonic reporting, and especially the Intensive Supervision Appearance Program (ISAP), contribute to more effective enforcement of immigration laws at far less cost ($22/night) than for detention ($95/night). The first full year of the ISAP program has seen significant success, with 94 percent of participants in the eight pilot cities appearing at immigration proceedings, compared to 34 percent for non-ISAP participants. In at least one case, the results showed a 98 percent appearance rate, a much higher rate of compliance with court orders, and gained Executive Office of Immigration Review agreement to expedite such cases. The Committee recommends an additional $5,000,000 for this promising program, with the expectation that it be expanded to at least two more cities.

SBI AND IMMIGRATION ENFORCEMENT COOPERATION WITH STATE AND LOCAL GOVERNMENT

The burgeoning undocumented alien population places a burden on State and local law enforcement agencies, which lack authority and resources needed to enforce federal immigration law. The problem is particularly acute in border communities and major trafficking routes in the Southwest and urban areas but the Committee is also aware that encounters with illegal aliens are commonplace nationally and can overwhelm small law enforcement organizations. at their destinations within America's heartland as well. This is exacerbated in areas where there is no ICE or Border Patrol presence, and has frustrated local law enforcement agencies who believe this gap adds to local crime problems and poses a homeland security vulnerability.

Some relief may come from SBI funding the Committee has added to target fugitive and criminal aliens, but the SBI must have a more comprehensive goal—to achieve a cooperative federal, State and local capacity to enforce immigration law at entry points, corridors of transit, and destination points. To this end, the Committee supports expanding the use of the 287(g) program to train State and local law enforcement, enhancing the Law Enforcement Support Center, and establishing federal, State and local Border Enforcement and Security Task Forces (BEST). In particular, joint efforts such as BEST help leverage the resources of all agencies, enable better State and local participation in enforcement efforts, relieve pressures on communities, and help this immigration enforcement gap. In addition, further relief will come when ICE can promptly assume custody, process and detain illegal aliens encountered by State and local law enforcement, where appropriate.

The Committee therefore directs DHS, as part of the SBI, to examine the potential of establishing joint operations in high intensity immigration trafficking and smuggling areas, comparable to existing programs directed at countering drugs and money laundering, and submit findings and implementation options for such a program to the Committee not later than January 16, 2007. The Committee also directs ICE, working with the Department, to include as an SBI performance criterion the requirement that ICE respond fully to State and local requests for immigration enforcement operational assistance. Finally, the Committee encourages ICE to not limit SBI's initial implementation to border control only, but also to develop an integrated plan that concurrently phases in actions to place pressure on destinations where illegal aliens seek to find employment.

CBP AIR AND MARINE SUPPORT

In fiscal year 2005 Congress funded transfer of the former Air and Marine Operations division of ICE to Customs and Border Protection (now CBP Air and Marine) and directed it, as a Departmental asset, to continue to provide critical investigative and surveillance missions for ICE. The Committee is displeased to hear that CBP and ICE have been unable to reach agreement on how this can best be done, with the result being a failure to maintain this support. The Committee directs the Department, ICE and CBP to rectify this apparent dysfunctional situation immediately, and

directs ICE to report not later than January 16, 2007, on requests made in fiscal year 2006 for operational support, the response to those requests, and any consequences of reduced support to ICE.

TRADE TRANSPARENCY INITIATIVE

ICE, together with CBP and the Departments of State and Treasury, has mounted a new initiative focused on trade-based money laundering through a new Trade Transparency Unit (TTU). The TTU focuses on the laundering of millions of dollars through seemingly legitimate trade, employing analytic tools, intelligence, and reciprocal information sharing with foreign governments. The initial success of this program has been followed by requests from foreign governments for more cooperative efforts and data sharing to stop such fraud, and demonstrates the potential of TTU to block criminal and potentially terrorist financing and to facilitate new and productive law enforcement arrangements in key countries. The Committee recommends providing $13,700,000 to fund the TTU, to include the cost of 34 full time equivalents (FTEs), equipment, materials and facilities. The Committee directs ICE to submit a detailed report on the performance of the TTU with its fiscal year 2008 budget submission.

HUMAN SMUGGLING AND TRAFFICKING CENTER

The Committee commends ICE for its role as director of the Human Smuggling and Trafficking Center, an interagency joint intelligence fusion center focused specifically on human smuggling and human trafficking. To ensure that ICE can carry out this effort to reduce the number of victims of such despicable crimes, the Committee recommends providing $1,000,000 to fully fund ICE costs to support the Center.

CYBER CRIMES CENTER

The Cyber Crimes Center (C3) has made significant contributions in the investigations of crimes committed over the Internet, operating through its child exploitation, computer forensics, and cyber crimes sections. C3 has experienced swiftly growing workload and a growing demand for skills and technology to analyze data encountered in criminal and homeland security investigations. The Committee recommends maintaining the funding level of $5,000,000 for continued expansion of C3 data storage and processing capacity to support ICE operations nationwide.

287(g) PROGRAM

The Committee continues to support the voluntary participation of state, local and tribal law enforcement in immigration enforcement, as authorized under section 287(g) of the Immigration and Nationality Act. In fiscal year 2006 the Committee provided $5,000,000 in support of this program, including the training of participants. Currently, 7 State and local law enforcement entities participate, with another 11 requesting to participate. The Committee includes $5,400,000 in fiscal year 2007, as requested, to continue these efforts. The Committee expects training to be provided efficiently and cost-effectively. Furthermore, the Committee encourages ICE to optimize its efforts through use of law enforcement

sensitive, secure, encrypted, Web-based e-learning, and including, where appropriate, working with the Distributed Learning Program of the Federal Law Enforcement Training Center, and to provide basic immigration enforcement training, mentoring and updates as appropriate.

WORKLOAD AND STAFFING

While the Committee recognizes that ICE has been undergoing rapid organizational change and growth, it is concerned that ICE achieve balance in its staffing and mix of personnel across all of the agency's mission areas. The Committee directs ICE to submit its staffing model in conjunction with the fiscal year 2008 budget request. This model shall address ICE operational assumptions in requesting resources per mission component as well as the methodology for aligning staffing levels to threats, vulnerabilities, and workload across all mission areas and per field office. The staffing model shall be submitted to the House Committee on Appropriations and the House Committee on Homeland Security.

ENFORCEMENT AND DETENTION OPERATIONS IN THE CARIBBEAN

The Committee is very concerned about illegal immigration in the U.S. Virgin Islands and Puerto Rico, and the mix of Departmental resources available to address it. The Committee agrees with DHS that the apparent volume of illegal immigration and drug smuggling is lower than seen on the mainland, especially the Southwest Border, and that it is preferable to catch smugglers, traffickers and illegal immigrants while at sea. Moreover, the islands pose a special degree of criminal and terrorism risk unlike that seen on the mainland, due to the wide variety of nationalities in the region; the ease with which smugglers and illegal immigrants can reach U.S. territory and blend into island communities; and the simplicity of travel to the mainland. The Committee is unconvinced that ICE staffing adequately addresses both immigration and other criminal activities, as there is virtually no detention capacity or personnel in the Virgin Islands, exacerbated by a lack of Border Patrol presence. As a result, criminal investigators are diverted from their core missions to pursue complex smuggling, trafficking or other criminal cases, and are compelled to detain, process and escort illegal aliens—operations better suited and more efficiently done by Detention and Removal personnel.

The Committee is aware that former Department of Defense facilities on the islands are being considered by DHS as possible colocation facilities for ICE and other DHS agencies. This offers a potential for improving the detention capacity now lacking. The Committee directs ICE to investigate such options and keep the Committee informed of progress in gaining such capacity and potential efficiencies. The Committee also directs ICE to work with the Department to seek an appropriate balance of personnel to fully support the ICE investigative mission and ensure effective immigration enforcement on both the U.S. Virgin Islands and Puerto Rico.

DETAINEE BONDS AND TIMELY INFORMATION ON REMOVAL ORDERS

The Committee understands that ICE has no duty to notify holders of cash or surety bonds (obligors) that an alien released on bond

has been ordered removed. ICE has pointed out that obligors, in accepting the terms of bonds, agree to produce aliens when so requested by ICE for hearings, removal or other reasons. ICE therefore believes that obligors have a duty to be aware of circumstances regarding the compliance, residence and activity of any alien for whom a bond is held, and no notification should be required. Furthermore, ICE notes that bondholders can get information regarding the status or disposition of alien cases by contacting the immigration courts directly. On the other hand, bondholders argue that routine notification of removal orders could better enable them to fulfill their obligations to produce aliens when requested for hearings or removal. While the Committee believes both arguments have merit, it notes that ICE operations depend on the significant funding derived from breached bonds, and directs ICE to submit a report with the fiscal year 2008 budget request describing actions it is taking or proposes to improve information sharing and cooperation with bondholders, including incentives to reduce the absconder population.

TEXTILE TRANSSHIPMENT ENFORCEMENT

Section 352 of the Trade Act of 2002 authorizes funding for Customs Service textile transshipment enforcement, and specifies how the funds be spent. The Committee includes $4,475,000 to continue this effort and directs ICE to provide a report, at the time it transmits the fiscal year 2008 budget, on its actual and projected obligations of this funding, as well as of funds appropriated for this purpose in fiscal year 2006. The report should include staffing levels in fiscal years 2005–2007, differentiated by position, as authorized in section 352 of the Trade Act of 2002, and include a five-year enforcement plan.

ICE VEHICLE FLEET MANAGEMENT PLAN

The Committee directs ICE to submit a Vehicle Fleet Management plan, with a detailed, five-year investment plan across all types of ICE vehicles, with its fiscal year 2008 budget submission. This should include the age and mileage of vehicles in use by the Office of Investigations, Intelligence, and Detention and Removal Operations, and any investment plans, requirements, and milestones for the ICE fleet.

LEGAL ORIENTATION PROGRAM

The Department has reported that the legal orientation program, run by the Executive Office of Immigration Review (EOIR) of the Department of Justice, improves judicial efficiency in detention cases, with cases likely to be completed faster, resulting in fewer hearings and less time in detention. In recent years, EOIR has funded this program with transfers from ICE, and $2,000,000 remains in the ICE base, as requested by the President. The Committee supports the continuation of this program, and therefore does not reduce this funding; however, it directs ICE and the Department to work with EOIR to see that any future funding is included in the appropriations requests for the Department of Justice, as directed by the fiscal year 2006 Appropriations Act.

UNACCOMPANIED ALIEN MINORS

The Committee is concerned by reports that unaccompanied alien children are not routinely transferred from DHS custody to the Office of Refugee Resettlement (ORR) within the three-to-five day timeframe provided in the 1996 Flores Settlement agreement, and are being held in unacceptable conditions (e.g., Border Patrol stations or jail-like facilities) for many days. The Committee directs ICE to contact ORR immediately upon apprehension of such children, explore the possible transfer of responsibility for transporting such children from DHS to ORR, continue its negotiations with ORR to resolve their differences over processing and transfer of custody, encourage establishment of ORR facilities near DHS detention facilities, and otherwise ensure that ORR gains custody within 72 hours. The Committee directs ICE to consider using holistic age-determination methodologies recommended by medical and child welfare experts, which take into account a child's physical appearance and psychological maturity to determine the age of the child when it is uncertain, rather than relying exclusively on forensic evidence. The Committee is also concerned about the dearth of repatriation services for unaccompanied alien children who are removed from the United States to face uncertain fates in their homelands. The Committee urges the Department, in consultation with the Department of State and ORR, to develop policies and procedures to ensure the safe repatriation of these children to their home countries, including placement with their families or other sponsoring agencies.

DETENTION CONDITIONS

The Committee is concerned with recent reports of possible deficiencies in the health care at some ICE detention facilities. The Committee directs ICE to report by January 16, 2007, on all activities undertaken to ensure compliance with detention standards, including how ICE monitors compliance.

SEPARATION OF FAMILIES

The Committee remains concerned about reports that children apprehended by DHS, some as young as nursing infants, continue to be separated from their parents. The Committee encourages ICE to work with reputable non-profit organizations to consider allowing family units to participate in the Intensive Supervision Appearance Program, where appropriate, or, if detention is necessary, to house these families together in non-penal, homelike environments until the conclusion of their immigration proceedings.

FEDERAL PROTECTIVE SERVICE

Appropriation, fiscal year 2006	$487,000,000
Budget estimate, fiscal year 2007	516,011,000
Recommended in the bill	516,011,000
Bill compared with:	
Appropriation, fiscal year 2006	+29,011,000
Budget Estimate, fiscal year 2007	– – –

MISSION

The Federal Protective Service (FPS) is responsible for the protection of federally owned and leased buildings, property, and personnel, in particular in federal public buildings and other areas under the charge and control of the General Services Administration (GSA). FPS is also responsible for the enforcement of laws enacted for the protection of persons and property, the prevention of breaches of peace, suppression of affrays or unlawful assemblies, and enforcement of any rules and regulations made and promulgated jointly by the Department of Homeland Security and the GSA. This authority can also be extended, by agreement, to any area with a significant federal interest. Funding for the FPS is provided through a security fee charged to all building tenants in FPS protected buildings. FPS has major law enforcement initiatives, including: Protection Services to all Federal facilities throughout the United States and its territories; and Special Programs for hazardous material detections and response, including Weapons of Mass Destruction (WMD) detection, and explosive detection canine programs. The FPS mission focuses on reducing vulnerability of federal facilities to criminal and terrorist threats, while ensuring that public facilities are safe and secure.

RECOMMENDATION

The Committee recommends $516,011,000, the same as the President's request and $29,011,000 above the amounts provided in fiscal year 2006.

FINANCIAL MANAGEMENT

The Committee is aware that, in light of the transition of FPS from the General Services Administration (GSA) to ICE, elements of weakness in payroll, procurement and financial controls became apparent. Symptomatic of this were many cases of delays in recording invoices and paying for security guard services. As a result, ICE has been devoting significant resources and staff to analyzing and auditing FPS, to ensure that FPS financial management is effective, beyond reproach, and not adversely affecting FPS missions. In addition to establishing an independent capacity to manage and account for its finances, FPS is undergoing reorganization from the GSA regional structure to a four-region structure, with attendant changes in financial offices. ICE is directed to keep the Committee fully informed of progress in stabilizing FPS procurement and accounting systems.

AUTOMATION MODERNIZATION

Appropriation, fiscal year 2006	$39,749,000
Budget estimate, fiscal year 2007	– – –
Recommended in the bill	– – –
Bill compared with:	
Appropriation, fiscal year 2006	– 39,749,000
Budget Estimate, fiscal year 2007	– – –

MISSION

The Automation Infrastructure Modernization Account funds major information technology (IT) projects for U.S. Immigration and Customs Enforcement (ICE).

RECOMMENDATION

The Committee recommends no funding for Automation Modernization as requested by the President and $39,749,000 below the amount provided in fiscal year 2006. While the Committee does not provide funding for this program, it recognizes ICE's considerable need to modernize its IT assets. However, the Administration has not been able to produce expenditure plans that will allow the program to obligate appropriated resources in a timely manner. The Committee urges the Administration to expedite review of any future expenditure plans.

CONSTRUCTION

Appropriation, fiscal year 2006	$26,281,000
Budget estimate, fiscal year 2007	26,281,000
Recommended in the bill	26,281,000
Bill compared with:	
Appropriation, fiscal year 2006	– – –
Budget Estimate, fiscal year 2007	– – –

MISSION

The Construction account funds the planning, design, construction, equipment and maintenance for ICE-owned buildings and facilities.

RECOMMENDATION

The Committee recommends $26,281,000 for Construction, as requested by the President and the same level as appropriated in fiscal year 2006.

TRANSPORTATION SECURITY ADMINISTRATION

AVIATION SECURITY

Appropriation, fiscal year 2006	$4,561,312,000
Budget estimate, fiscal year 2007	4,654,884,000
Recommended in the bill	4,704,414,000
Bill compared with:	
Appropriation, fiscal year 2006	+143,102,000
Budget Estimate, fiscal year 2007	+49,530,000

MISSION

Aviation security is focused on protecting the air transportation system against terrorist threats, sabotage and other acts of violence through the deployment of passenger and baggage screeners; detection systems for explosives, weapons, and other contraband; and other effective security technologies.

RECOMMENDATION

The Committee recommends $4,704,414,000 for Aviation Security, $49,530,000 above the President's request and $143,102,000 above amounts provided in fiscal year 2006. In addition to the

amounts appropriated, a mandatory appropriation of $250,000,000 is available to support the Aviation Security Capital Fund. Funds are partially offset through the collection of security user fees paid by aviation travelers and airlines. A comparison of the budget estimate to the Committee recommended level by budget activity is as follows:

	Budget Estimate	Recommended
Screening operations	$3,685,866,000	$3,740,866,000
Aviation security direction and enforcement	969,018,000	963,548,000
Aviation security capital fund[1]	250,000,000	250,000,000
Subtotal, aviation security	$4,654,884,000	$4,704,414,000

[1] The Aviation Security Capital Fund is a non-add because it is not directly appropriated and is paid for entirely from user fees.

AVIATION SECURITY FEES

In total, the Committee has assumed the collection of $2,420,000,000 in aviation security user fees in addition to the $250,000,000 in aviation security user fees that are deposited in the Aviation Security Capital Fund. The Committee assumes that, of this total, $1,874,000,000 shall be collected from aviation passengers and $546,000,000 shall be collected from airlines. The airline amount assumes the collection of retroactive fees for fiscal years 2005 and 2006, following the release of the Government Accountability Office's audit on this subject. Unless a rulemaking is issued that changes the current air carrier billings, the Committee assumes that $448,000,000 will be collected in 2007 and future fiscal years. The Committee cannot support the budget request to increase passenger security fees from a two-tiered to a flat fee of $5.00. While the fee increase was proposed as a General Provision in the President's fiscal year 2007 appropriations request, amending existing aviation security law falls under the jurisdiction of the House Homeland Security Committee. Until the authorizing Committee passes legislation to enact this fee increase, this Committee is unwilling to adopt this budget proposal. In order to make up for the shortfall in the President's budget brought upon by this untenable fee proposal, the Committee has reduced or deleted key funding proposals throughout the Department, including funding within the Office of the Assistant Secretary, as discussed throughout this report.

SCREENING OPERATIONS

The Committee recommends $3,740,866,000 for passenger and baggage screening operations, $55,000,000 above the President's request and $171,483,000 above amounts provided in fiscal year 2006. While TSA refers to the screener workforce as "Transportation Security Officers", for the purpose of this bill and report, these personnel are referred to as "passenger and baggage screeners". A comparison of the budget estimate to the Committee recommended level by budget activity is as follows:

	Budget estimate	Recommended
Screener Workforce:		
Privatized screening	$148,600,000	$148,600,000
Passenger and baggage screeners, personnel, compensation and benefits	2,470,200,000	2,470,200,000

	Budget estimate	Recommended
Subtotal, screener workforce	2,618,800,000	2,618,800,000
Screening training and other	244,466,000	244,466,000
Human resource services	207,234,000	207,234,000
Checkpoint support	173,366,000	173,366,000
EDS/ETD Systems:		
EDS purchase	91,000,000	136,000,000
EDS installation	94,000,000	94,000,000
EDS/ETD maintenance	234,000,000	234,000,000
EDS/ETD refurbishment	---	10,000,000
Operation integration	23,000,000	23,000,000
Subtotal, EDS/ETD systems	442,000,000	497,000,000
Total, screening operations	$3,685,866,000	$3,740,866,000

PRIVATIZED SCREENING

The Committee recommends $148,600,000 for privatized screening, the same level as requested and $10,343,000 above the amounts provided in fiscal year 2006. The Committee continues to be surprised that only six airports have opted to use non-federal screeners. The Committee strongly encourages TSA to look at innovative ways that airports may employ private screeners, for example in hybrid situations to screen air cargo or to backfill at airports that may be experiencing significant attrition with their federal screeners. If additional airports are not interested in privatization, either fully or partially, or airports currently participating in the privatized screening program decide to begin using federal screeners during the fiscal year, TSA is directed to notify the Committees on Appropriations ten days prior to these changes occurring. After that time period has expired, TSA shall adjust its program, project, and activity line to account for changes in privatized screening contracts and screener personnel, compensation, and benefits to reflect the changing status of these contracts.

PASSENGER AND CHECKED BAGGAGE SCREENERS

The Committee recommends $2,470,200,000 for passenger and checked baggage screeners, the same level as requested and $100,583,000 above the amounts provided in fiscal year 2006.

The Committee continues bill language that limits the number of screeners to no more than 45,000 full-time equivalents on its payroll at the end of fiscal year 2007, the same provision that has been included since 2004. The Committee is pleased that the President's request supports a maximum of 45,000 screeners. However, the Committee continues to believe that, without this language, TSA may increase their dependence on people for screening instead of procuring and deploying more advanced technologies that can screen faster and more accurately for weapons and explosives. This cap is retained, in part, to ensure TSA accelerates installation of additional explosive detection systems (EDS) in line or at the ticket counters and deployment of the latest technologies at passenger screening checkpoints. This language permits the agency to realign its workforce as necessary and provides the agency with the flexibility to hire screeners during the fiscal year at those airports where additional or replacement screeners are necessary to maintain aviation security and customer service.

DECENTRALIZATION OF SCREENER HIRING

The Committee applauds TSA's efforts to decentralize the screener hiring process but has heard that this hiring continues to be encumbered due to the fact that funding has not been decentralized. The Committee directs TSA to report on how decentralized screener hiring is being instituted in light of this discrepancy by January 16, 2007.

SCREENING WAIT TIMES

The Committee is concerned that screening wait times vary disproportionately by airport. The Committee directs TSA to review screening wait times over the past three years to identify airports with wait times consistently above average. This study should be provided to the Committee with the fiscal year 2008 budget request.

CHECKPOINT SUPPORT

The Committee recommends $173,366,000 for checkpoint support, the same amount as requested and $10,016,000 above amounts provided in fiscal year 2006. Because of the growth in airline traffic and the emergence of new technologies at checkpoints that can better identify explosives and concealed weapons, the Committee strongly endorses TSA's plan to purchase and field test a variety of emerging technologies such as automated EDS for carry-on bags; automated explosive spot samplers; whole body imagers; and cast/prosthetic scanners. To date, TSA has installed 70 explosive trace portals at 27 airports and plans to install next-generation checkpoint technologies, such as explosive spot samplers and whole body imagers, later in fiscal year 2006. The Committee encourages TSA to expand the use of these technologies to the highest risk airports.

Of the total amount appropriated, $40,000,000 is provided for maintenance of existing checkpoint equipment, as requested. For fiscal year 2008, the Committee directs TSA to combine all maintenance expenses (checkpoint and EDS) into one program, project and activity line providing a complete picture of all maintenance costs for equipment deployed throughout our nation's airports.

EDS PURCHASES

The Committee recommends $136,000,000 for EDS purchases, $45,000,000 above the President's budget request and $37,250,000 below the amounts provided in fiscal year 2006. Within the funds provided, the Committee directs that not less than $56,600,000 be used to procure next-generation in-line and stand alone EDS systems to replace explosive trace detection machines (ETDs). In-line EDS is not only more effective than ETDs, it is considerably less costly to operate. Both TSA and the GAO have reported that in-line baggage screening could reduce the Administration's dependence on TSA screeners by 50 to 78 percent. Consistent with TSA's strategic plan, the Committee directs that none of this funding shall be used to procure ETDs unless they are necessary for secondary screening of checked baggage or to replace an aging ETD system in those airports that are primarily dependent on ETD technology.

EDS INSTALLATIONS

In addition to the statutory allocation of $250,000,000 for the Aviation Security Capital Fund, the Committee recommends $94,000,000 for EDS installations, the same level as requested and $49,450,000 above the amounts provided in 2006. As requested in the President's budget, this funding will fully support the five airports that have Letters of Intent (LOIs) through fiscal year 2007 (Atlanta, Las Vegas, Los Angeles, Seattle and Phoenix), totaling $187,822,333. TSA has fulfilled the remaining three LOIs with fiscal year 2006 funding. The remainder of the appropriation ($156,177,667) is available to non-LOI airports to install next generation technologies as well as modify their checked baggage systems to reduce false alarm rates, increase the amount of baggage screened, reduce the dependence on federal screeners, improve foot traffic in airport lobbies, and to ensure that airports remain 100 percent compliant with federal requirements. TSA has informed the Committee that, of this total, $131,400,000 is for the installation of next-generation systems. The Committee directs that no funding should be used for new ETD installations unless they are necessary for secondary screening of checked baggage. Instead, TSA should expedite the installation of in-line, reduced size, or stand alone EDS machines to replace ETD equipment now used for primary screening at airports where practicable.

EDS REFURBISHMENT

Most of the EDS machines currently at our nation's airports were deployed in 2002 and 2003 and will need to be replaced or refurbished shortly. TSA has informed the Committee that EDS equipment is estimated to have a seven-year life cycle before requiring upgrades and/or refurbishment, giving the systems another four years of useful life. Total refurbishment costs may be as high as $5 billion over a 25-year period, but it is half the cost of procuring new systems. Additionally, such a refurbishment program would result in better detection, higher bag throughput and require substantially fewer screeners to operate.

The Committee recommends $10,000,000 to begin EDS refurbishment of stand-alone units by upgrading them with the latest detection and throughput capabilities and reinstituting manufacturer warranties covering replacement parts, future upgrades and maintenance. The Committee understands that these units could be redeployed to in-line configuration at large airports or to replace existing trace machines at medium/small airports. Because of the escalating maintenance costs for EDS machines once they are out of warranty, the Committee strongly encourages TSA to refurbish only those machines that manufacturers are willing to place back under warranty.

EDS/ETD MAINTENANCE

The Committee has had longstanding concerns about the increasing costs for EDS/ETD maintenance. Costs have risen from $75,000,000 in 2003 to $200,000,000 in 2006. From 2002–2005, TSA has obligated $470,000,000 on EDS/ETD maintenance and expects to obligate an additional $199,000,000 in 2006. In 2004, the DHS Inspector General completed an audit on the EDS/ETD main-

tenance contract and found that: (1) TSA did not "follow sound contracting practices" in administering this program and (2) TSA paid provisional award fees totaling $44,000,000 without any evaluation of the contractor's performance. The IG recommended that TSA recover any excess award fees. To date, none has been collected but TSA plans to use any cost recoveries to purchase and install additional EDS machines. Because of concerns with the contractor and skyrocketing costs, in mid-2005, TSA moved to a firm fixed priced contract with a new vendor instead of cost reimbursement contracts. In May, 2006, GAO reported on this topic and found: (1) unresolved issues still remain with the previous EDS/ETD contractor; (2) TSA does not determine the reliability and validity of EDS maintenance data submitted by the contractors for payment; (3) TSA does not ensure that contractors perform scheduled preventive maintenance; and (4) TSA needs to provide stronger oversight to ensure contract costs are controlled in the future. GAO recommended that TSA should complete lifecycle cost models for all EDS and ETD machines and revise its policies and procedures to provide reasonable assurance that contractor performance data are recorded and reported in accordance with TSA contractual requirements. The Committee fully supports these recommendations and directs TSA to adopt them expeditiously. In the case of excess award fees, TSA should report to the House Appropriations Committee on any action it has taken to collect excessive award fees, how much have been received to date, and specific plans to obligate these collections.

ALTERNATIVE SCREENING PROCEDURES

The Committee is concerned about TSA's occasional reliance on alternative screening procedures for checked baggage, which can be very time consuming and screener intensive. GAO recently reviewed TSA's management of checked baggage screening procedures and cited concerns with alternative procedures. For example, GAO noted that, while TSA has conducted national covert testing of standard screening procedures for checked baggage screening technologies and screener performance, TSA does not conduct covert testing specifically focused on alternative screening procedures. By not collecting data that could help determine how effective these alternative screening procedures are in an operational setting, TSA cannot learn how to improve security effectiveness of these procedures. Similarly, GAO found that while TSA has taken steps to reduce the use of alternative screening procedures at airports, it has not created targets to minimize the use of these procedures. The Committee directs TSA to (1) develop performance measures and performance targets for the use of alternative screening procedures; (2) track the use of alternative screening procedures at airports; (3) assess the effectiveness of these measures; (4) conduct covert testing at airports that use alternative screening procedures; and (5) develop a plan to stop alternative screening procedures at airports as soon as practicable. TSA shall report to the House Committee on Appropriations and the House Committee on Homeland Security by January 16, 2007, on implementation of these requirements. The Committee notes that, in 2005, GAO reported that additional EDS systems integrated into the airport's baggage handling system could reduce, by 78 percent, the number

of baggage screeners and supervisors needed to screen checked baggage at airports with these systems. After in-line EDS systems are installed and staffing reductions are achieved, redistributing the screener positions to other airports with staffing shortages could also reduce the need to use alternative screening procedures at these airports.

AVIATION SECURITY DIRECTION AND ENFORCEMENT

The Committee recommends $963,548,000 for aviation security direction and enforcement, $5,470,000 less than requested and $28,381,000 less than amounts provided in fiscal year 2006. A comparison of the budget estimate to the Committee recommended level by budget activity is as follows:

	Budget estimate	Recommended
Aviation, regulation and other enforcement	$217,516,000	$217,516,000
Airport management, information technology and support	666,032,000	666,032,000
Federal flight deck officer and flight crew training	30,470,000	25,000,000
Air cargo	55,000,000	55,000,000
Subtotal, aviation security direction and enforcement	$969,018,000	$963,548,000

FEDERAL FLIGHT DECK OFFICERS AND FLIGHT CREW TRAINING

The Committee recommends $25,000,000 for federal flight deck officers and flight crew training, $5,470,000 less than requested and $5,195,000 below amounts provided in fiscal year 2006. This reduction was made due to high unobligated balances in this program.

AIR CARGO

The Committee recommends $55,000,000 for air cargo, the same level as requested and $550,000 above the amounts provided in fiscal year 2006. The Committee continues to be strongly committed to increasing the amount of air cargo that is screened before it is carried on passenger and all-cargo aircraft as well as making other regulatory changes to strengthen the air cargo security program. However, TSA continues to drag its feet in this area. While the Committee is pleased that the percentage of cargo screened has increased substantially, TSA is utilizing airport screeners to screen air cargo in a number of locations, and TSA has shut down some indirect air carriers that are not complying with federal security requirements; the Committee is extremely disappointed that TSA has not finalized a rule to strengthen cargo security as required by the Intelligence Reform and Terrorism Prevention Act. This regulation is almost two years behind schedule and may leave some important aspects of air cargo security unaddressed. Further, TSA continues to carry forward large unobligated balances in this program. For example, TSA failed to obligate 27 percent of the fiscal year 2005 air cargo appropriation. Additionally, the Department has been extremely slow to award the air cargo pilot projects funded in fiscal year 2006. Of the three projects, only one has been agreed to by the Science and Technology Directorate and TSA; the remaining two pilots are still being discussed. Finally, TSA has failed to provide a variety of air cargo reports that were specified in bill language in fiscal year 2006. Specifically, the Committee has not yet

received a monthly report that identifies, by airport, the amount of cargo carried on passenger aircraft that has been screened by TSA; a report on actions taken to increase the level of air cargo screened at each airport beyond what was mandated under Public Law 108–334; and a biweekly report on any airports that did not comply with air cargo screening requirements identified in Public Law 108–334. The Committee has learned of 55 instances of air cargo non-compliance so far in this fiscal year. The Committee has modified bill language to require quarterly reporting of air cargo inspection statistics. This quarterly report shall include the total number of cargo packages (including exempt items) and the number inspected by TSA, canines, and the air carrier, by airport and air carrier.

In October 2005, GAO reported on federal action needed to strengthen domestic air cargo security (GAO–06–76). They found that while TSA has established a centralized database on people and businesses that routinely ship air cargo, there were problems with the reliability of the information and how TSA is using the information to identify shippers who may pose a risk. Also, GAO reported that while TSA has established requirements for air cargo to be randomly inspected, some cargo is exempt from these inspections. TSA did not have a good estimate of how much air cargo is exempt from inspections and whether air carriers are taking actions to make air cargo fit into these exempt categories. GAO recommended that TSA reexamine the existing air cargo inspection exemptions; ensure data being used in identifying elevated risk cargo is complete, accurate or current; define, analyze and gather information on air cargo security breaches; assess the effectiveness of compliance enforcement actions; and develop measures to gauge air carrier and indirect air carrier compliance. TSA agreed with GAO's recommendations. Because TSA action on each of these recommendations is critical to enhancing aviation security, the Committee has included bill language requiring that TSA submit a detailed action plan, with milestones and dates, for addressing these recommendations to the Committee before obligating any air cargo security funding, other than that for air cargo inspectors, screeners, and canines. The Committee directs that this action plan also be submitted to the House Committee on Homeland Security. The Committee also strongly encourages TSA to use some of its unobligated balances or fiscal year 2007 appropriation to hire additional permanent staff to enhance their internal air cargo security analytic capabilities.

Because of these failures, the Committee has reduced funding for Headquarters Administration—specifically the offices of the Assistant Secretary and Chief Counsel—by $2,000,000. The Committee urges TSA to focus more attention on the security issues surrounding air cargo.

GENERAL AVIATION

The Committee continues to support the Airport Watch program and expects TSA to continue funding the toll free number to reinforce security at the nation's 5,400 public use general aviation airports. The Committee recommends $275,000 for this program, the same level as provided in fiscal year 2006.

SURFACE TRANSPORTATION SECURITY

Appropriation, fiscal year 2006	$35,640,000
Budget estimate, fiscal year 2007	37,200,000
Recommended in the bill	37,200,000
Bill compared with:	
Appropriation, fiscal year 2006	+1,560,000
Budget Estimate, fiscal year 2007	– – –

MISSION

Surface Transportation Security is responsible for assessing the risk of terrorist attacks to all non-aviation transportation modes, issuing regulations to improve the security of the modes, and enforcing regulations to ensure the protection of the transportation system.

RECOMMENDATION

The Committee recommends $37,200,000 for Surface Transportation Security, the same as the President's request and $1,560,000 above the amounts provided in fiscal year 2006. Within this total, $24,000,000 is for surface transportation staffing and operations and $13,200,000 is for rail security inspectors and canines.

RAIL AND TRANSIT SECURITY PILOTS

The Committee is concerned that TSA did not obligate $5,265,000—22 percent—of its fiscal year 2005 appropriation for surface transportation staffing and operations. While the Committee recognizes that there have been vacancies in this office, this funding may also be used for pilot projects and studies. As such, the Committee recommends that this carryover funding be used to test, procure and deploy qualified screening systems in mass transit and rail terminals in densely populated and heavily transited metropolitan areas in our nation. The Committee recommends a variety of screening systems be pilot tested, including next-generation explosive detection machines, to screen passengers and their baggage. This equipment should have significant detection capabilities, high throughput, and a low false alarm rate. Limited testing was done by TSA in 2004 and the Science and Technology Directorate began testing a variety of technologies in early 2006. The Committee supports continuing these pilots in order to reduce vulnerabilities to security breaches in these modes of transportation.

TRANSPORTATION THREAT ASSESSMENT AND CREDENTIALING

Appropriation, fiscal year 2006	$74,246,000
Budget estimate, fiscal year 2007	54,700,000
Recommended in the bill	74,700,000
Bill compared with:	
Appropriation, fiscal year 2006	+454,000
Budget Estimate, fiscal year 2007	+20,000,000

MISSION

The Transportation Threat Assessment and Credentialing mission is to reduce the probability of a successful terrorist or other criminal attack to the transportation system through application of threat assessment methodologies that are intended to identify

known or suspected terrorist threats working or seeking access to the Nation's transportation system. This appropriation consolidates the management of all TSA vetting and credentialing programs into one office and includes the following screening programs: Secure Flight, Crew Vetting, Transportation Worker Identification Credential, Registered Traveler, Hazardous Materials, and Alien Flight School.

RECOMMENDATION

The Committee recommends a direct appropriation of $74,700,000 for Transportation Threat Assessment and Credentialing, $20,000,000 above the President's request and $454,000 above the amounts provided in fiscal year 2006. In addition, the Committee anticipates TSA will collect $76,101,000 in fees. A comparison of the budget estimate to the Committee recommended level by budget activity is as follows:

	Budget estimate	Recommended
Direct Appropriation:		
Secure flight	$40,000,000	$40,000,000
Crew vetting	14,700,000	14,700,000
Transportation worker identification credential	– – –	20,000,000
Subtotal, direct appropriations	54,700,000	74,700,000
Fee Collections:		
Registered traveler	35,101,000	35,101,000
Transportation worker identification credential	20,000,000	20,000,000
Hazardous materials	19,000,000	19,000,000
Alien flight school (transfer from DOJ)	2,000,000	2,000,000
Subtotal, fee collections	$76,101,000	$76,101,000

TRANSPORTATION WORKER IDENTIFICATION CREDENTIAL

As part of the Committee's port, container, and cargo security initiative, the Committee recommends a direct appropriation of $20,000,000 for the Transportation Worker Identification Credential (TWIC) in addition to the $20,000,000 that the President expects will be collected from user fees. This funding is necessary to accelerate the implementation of the TWIC program in the maritime environment. Funding may be used for enrollment start-up, card production infrastructure, and final development costs of the Identity Management System, which are not permissible under user fee collections. The Committee is pleased that the Department plans to begin implementing TWIC as soon as possible. This credentialing program strengthens the Department's ability to detect threats to our nation's ports by only permitting authorized employees access to our ports and the containers and cargo within the port.

As in past years, the Committee again directs the Department to develop a personalization system that is centralized and that uses an existing government card production facility for these purposes. These two conditions are integral to the success of the TWIC program as they relate to operational and physical security of the product.

SECURE FLIGHT

The Committee recommends $40,000,000 for the Secure Flight program, the same as the President's request and $16,129,000 below the amounts provided in fiscal year 2006. While the Committee remains supportive of the Secure Flight concept, longstanding concerns still exist. In fact, TSA is in the process of reviewing this program for privacy and security issues, as well as rebaselining cost and schedule data. These efforts have once again delayed this program.

The Committee is concerned that TSA has made little progress in ensuring the security of its Secure Flight passenger screening program and, because of this, all passenger names are checked only against the No Fly and Selectee lists, not the full terrorist watch list. However, the Committee is cognizant that these two lists are derived from the full terrorist watch list. If the Administration believes that a security vulnerability exists because the full watch list is not checked, then TSA is directed to provide a detailed program plan describing key milestones and a schedule for implementing this full watch list check through the Secure Flight program to the House Appropriations Committee no later than January 16, 2007.

The Committee continues a general provision (Sec. 513) that directs the Government Accountability Office to continue to evaluate DHS and TSA actions to meet the ten elements listed in section 522 of Public Law 108–334. This provision also prohibits the use of commercial data.

REGISTERED TRAVELER

The Committee directs the Secretary to ensure that the privacy of those who sign up for Registered Traveler is protected. As part of Registered Traveler, the Committee directs DHS to require that each applicant be provided information on how the personal information they provide in the application will be used and protected. In addition, TSA shall report to the Committee on Appropriations no later than January 16, 2007 on: (1) how TSA plans to measure the success of the Registered Traveler pilot program, (2) the estimates of actual benefits derived to the participating passengers, (3) interoperability among the airports, (4) estimated program costs, and (5) plans for internal controls and audits of the program.

TRANSPORTATION SECURITY SUPPORT

Appropriation, fiscal year 2006	$505,378,000
Budget estimate, fiscal year 2007	527,283,000
Recommended in the bill	523,283,000
Bill compared with:	
Appropriation, fiscal year 2006	+17,905,000
Budget Estimate, fiscal year 2007	−4,000,000

MISSION

The Transportation Security Support account includes financial and human resources support; the Transportation Security Intelligence Service; information technology support; policy development and oversight; performance management and e-government; communications; public information and legislative affairs; training and quality performance; internal conduct and audit; legal advice; and overall headquarters administration.

RECOMMENDATION

The Committee recommends $523,283,000 for Transportation Security Support, $4,000,000 below the President's request and $17,905,000 above the amounts provided in fiscal year 2006. As part of this increase, TSA plans to hire 30 new FTEs to improve the agency's procurement processes and internal controls. The Committee encourages the prompt hiring of these staff. TSA has had numerous procurement problems in the past years that may have been avoided with additional procurement and internal controls staff. A comparison of the budget estimate to the Committee recommended level by budget activity is as follows:

	Budget estimate	Recommended
Headquarters administration	$296,191,000	$292,191,000
Information technology	210,092,000	210,092,000
Intelligence	21,000,000	21,000,000
Subtotal, transportation security support	$527,283,000	$523,283,000

HEADQUARTERS ADMINISTRATION

The Committee recommends $292,191,000 for headquarters administration, $4,000,000 below the President's request and $15,594,000 above the amounts provided in fiscal year 2006. Of this reduction, $2,000,000 has been specifically applied to both the Office of the Assistant Secretary and the Office of the Chief Counsel due to failures in the air cargo program and because of the untenable budget request to raise aviation security fees, as previously discussed.

EXPLOSIVE DETECTION EQUIPMENT SPENDING AND DEPLOYMENT PLANS

Consistent with actions taken last year, the Committee has included bill language that withholds $5,000,000 from obligation until TSA provides the Committee with a detailed spending and deployment plan for explosive detection equipment. This plan shall be submitted no later than 60 days after enactment of this Act and shall detail: (1) expenditures for explosive detection procurement and installation on an airport-by-airport basis for fiscal year 2007 that clearly delineates funding for next generation systems; and (2) a plan for EDS refurbishment, including a comparison of refurbishment costs versus procuring a new system, what enhancements were made, and where these refurbished systems will be used. The Committee does not believe that ETD equipment should be refurbished.

FEDERAL AIR MARSHALS

Appropriation, fiscal year 2006	$679,338,000
Budget estimate, fiscal year 2007	699,294,000
Recommended in the bill	699,294,000
Bill compared with:	
Appropriation, fiscal year 2006	+19,956,000
Budget Estimate, fiscal year 2007	– – –

MISSION

The Federal Air Marshals (FAMs) provide for the security of the nation's civil aviation system through the effective deployment of armed federal agents to detect, deter, and defeat hostile acts targeting U.S. air carriers, airports, passengers, and crews.

RECOMMENDATION

The Committee recommends $699,294,000 for the Federal Air Marshals (FAMs), the same as the President's request and $19,956,000 above the amounts provided in fiscal year 2006. Of this total, $628,494,000 is for management and administration and $70,800,000 is for travel and training. The Committee anticipates that this funding level will maintain mission coverage on both domestic and international flights as well as provide FAMs with the flexibility to begin conducting law enforcement operations in some of the nation's larger airports.

MULTI-MODAL SECURITY ENHANCEMENT TEAMS

The Committee is concerned about TSA's proposal to use FAMs in multi-modal security enhancement teams that would look to counter potential criminal or terrorist activities throughout the transportation sector. Led by a supervisory FAM, teams would consist of FAMs, transportation security inspectors, aviation security officers, explosive canine teams, and local law enforcement officers. They would patrol transportation properties (rail, ports, and ferries) to make sure that they are implementing security directives correctly. These teams would also be deployed during special events or when intelligence or specific threats necessitate it. According to TSA, these teams are designed to supplement state or local law enforcement agencies. This activity goes well beyond what is authorized for FAMs, which "is to protect passenger flights deemed a high security threat". While the Committee is supportive of expanding the roles and responsibilities of the air marshals in airports, as necessary, it cannot support a broader expansion of the FAMs mission to work in other modes of transportation. The Committee directs TSA to cease using FAMs in multi-modal security enhancement teams outside the aviation environment, including any pilot tests.

AIR-TO-GROUND COMMUNICATIONS

The Committee remains supportive of the air-to-ground communications program being developed by FAMs in conjunction with the private industry and Federal Aviation Administration. However, there have been numerous delays in this program, in part due to delays by the Federal Communications Commission to auction frequency spectrum. Until the spectrum sale occurs and FAMs completes a one-year pilot test of proposed systems, the Committee cannot provide additional funding above the base for this activity. However, there is $10,000,000 in carryover funds from prior appropriations that will sustain this program through fiscal year 2007.

UNITED STATES COAST GUARD

OPERATING EXPENSES

Appropriation, fiscal year 2006 [1]	$5,293,771,000
Budget estimate, fiscal year 2007	5,518,843,000
Recommended in the bill	5,481,643,000
Bill compared with:	
Appropriation, fiscal year 2006	+187,872,000
Budget Estimate, fiscal year 2007	−37,200,000

[1] Includes supplemental appropriations and rescissions from Public Law 109–148.

MISSION

The Operating Expenses appropriation provides funding for the operation and maintenance of multipurpose vessels, aircraft, and shore units strategically located along the coasts and inland waterways of the United States and in selected areas overseas. This is the primary appropriation financing operational activities of the Coast Guard.

RECOMMENDATION

Including $340,000,000 for national security activities, the Committee recommends a total appropriation of $5,481,643,000 for Operating Expenses. The recommended funding level is $37,200,000 below the President's request and $187,872,000 above the amounts provided in fiscal year 2006. A comparison of the budget estimate to the Committee recommended level by budget activity is as follows:

	Budget estimate	Recommended
Military pay and allowance:		
Military pay and allowance	$2,342,434,000	$2,342,434,000
Military health care	337,324,000	337,324,000
Permanent change of station	108,518,000	108,518,000
Subtotal, military pay and allowance	2,788,276,000	2,788,276,000
Civilian pay and benefits	569,434,000	569,434,000
Training and recruiting:		
Training and education	83,556,000	83,556,000
Recruitment	97,320,000	97,320,000
Subtotal, training and recruiting	180,876,000	180,876,000
Operating fund and unit level maintenance:		
Atlantic Command	188,982,000	188,982,000
Pacific Command	196,449,000	196,449,000
1st District	50,388,000	50,388,000
7th District	63,771,000	63,771,000
8th District	39,985,000	39,985,000
9th District	28,756,000	28,756,000
13th District	20,569,000	20,569,000
14th District	15,754,000	15,754,000
17th District	25,604,000	25,604,000
Headquarters directorates	305,453,000	253,253,000
Headquarters managed units	125,104,000	125,104,000
Other activities	759,000	759,000
Subtotal, operating funds and unit level maintenance	1,061,574,000	1,009,374,000
Centrally managed accounts	207,954,000	207,954,000
Immediate and depot level maintenance:		
Aeronautical maintenance	265,979,000	265,979,000
Electronic maintenance	111,736,000	111,736,000
Civil/ocean engineering and shore facilities maintenance	176,394,000	176,394,000

	Budget estimate	Recommended
Vessel maintenance	156,620,000	156,620,000
Subtotal, immediate and depot level maintenance	710,729,000	710,729,000
Port security	– – –	15,000,000
Total, operating expenses	5,518,843,000	5,481,643,000

NEW COAST GUARD HEADQUARTERS

The Committee has denied $50,200,000 requested in the President's budget to relocate the Coast Guard headquarters to St. Elizabeth's campus in Washington, D.C. According to DHS, this campus may house all or most of the Department; however, a plan to finalize this major move has not been completed. Until DHS has determined how many agencies it plans to move to the St. Elizabeth's campus, it is premature to relocate the Coast Guard's headquarters, as discussed previously in this report under Departmental Management and Operations.

PORT SECURITY

In fiscal year 2005, the Coast Guard obligated approximately $115,000,000 implementing the Maritime Transportation Security Act (MTSA). Approximately 3,000 facilities and 11,000 vessels are required to have security plans under MTSA. To date, the Coast Guard has inspected all of the facilities and more than half of the vessels, with all vessels to be inspected by the end of 2006. Since 2004, the Coast Guard has imposed 143 major control actions and found 339 security deficiencies on foreign vessels as a result of its security examinations. Many of these deficiencies involved poor access controls. The Coast Guard has also begun visiting international ports to assess security. Half of the countries that conduct maritime trade with the United States will be visited by the end of 2006.

The Committee recommends $15,000,000 for port security inspections, $15,000,000 above the President's budget request. Funding shall be allocated to two activities. First, this funding shall be used to double the amount of foreign port assessments, as required by MTSA. The Committee anticipates that, with these additional funds, the Coast Guard will be able to reduce the amount of time it will take to complete all foreign port assessments by half. Second, the funding will permit the Coast Guard to conduct unannounced inspections of domestic port facilities to ensure that they are maintaining agreed upon security levels. This funding is provided to strengthen the Department's overall port, container, and cargo security initiatives as discussed previously under the Office of the Secretary and Executive Management.

Currently, the Coast Guard does not gather complete ownership information as part of its facility and vessel security plans. The Committee directs the Coast Guard to amend these plans so that it may gather ownership information in addition to information about the immediate entity running the facility or vessel.

HEADQUARTERS DIRECTORATES

The Committee recommends $253,253,000 for headquarters directorates, $52,200,000 below the President's request and $1,722,000 below amounts provided in fiscal year 2006. As discussed previously, the Committee has reduced funding by $50,200,000 for the relocation to St. Elizabeth's campus. An additional $2,000,000 reduction has been applied because the President's budget assumed an increase in aviation passenger fees in order to fund this program at the requested levels. This fee is not within the jurisdiction of the Committee on Appropriations and the Committee has adjusted its fiscal year 2007 recommendation accordingly.

MERCHANT MARINER LICENSING

The Committee understands the Coast Guard has a new rule under development to increase the number of locations where merchant mariner applicants may appear for fingerprinting and identification. The Committee supports this effort and directs the Coast Guard to complete it expeditiously.

OFFICE OF GREAT LAKES PILOTAGE

The Committee has received conflicting information as to whether or not the Coast Guard intends to reduce support for the Office of Great Lakes Pilotage. While a reduction is not shown in the fiscal year 2007 budget request, recent documentation contradicts the budget. The Committee directs the Coast Guard to maintain funding for this office at the 2006 level.

LORAN C

The Coast Guard has proposed terminating the LORAN C program in the President's budget request because this system is no longer necessary for a secondary means of navigation. The Committee understands that a decision to terminate LORAN C is dependent upon agreement by the Department of Transportation, which has not yet occurred. The Committee assumes the continuation of LORAN C since this decision has not been fully coordinated within the Executive Branch.

INAPPROPRIATE BEHAVIOR AT THE COAST GUARD ACADEMY

The Committee is aware that the Coast Guard Academy announced in March that it would take immediate action to improve the Adademy's response to sexual harassment claims made by cadets. Specifically, Academy administrators stated that female counselors or officers would be involved in investigations requested by female cadets, the reporting process would be made easier for victims and cadet training about sexual harassment would be improved.

The Committee appreciates these efforts, and believes that they are positive steps for the Coast Guard Academy, where women represent about 30 percent of cadets, compared to less than 20 percent at the Air Force and Naval Academies and about 15 percent at West Point. However, the Committee requires assurances that these promised changes are being implemented. Therefore, the Committee directs the Government Accountability Office to conduct

a study of the progress made by the Coast Guard Academy in response to sexual harassment claims, and to report its findings to the House Appropriations Committee and House Transportation and Infrastructure Committee not later than 180 days after the enactment of this Act.

ENVIRONMENTAL COMPLIANCE AND RESTORATION

Appropriation, fiscal year 2006	$11,880,000
Budget estimate, fiscal year 2007	11,880,000
Recommended in the bill	11,880,000
Bill compared with:	
Appropriation, fiscal year 2006	– – –
Budget Estimate, fiscal year 2007	– – –

MISSION

The Environmental Compliance and Restoration appropriation assists in bringing Coast Guard facilities into compliance with applicable federal, state and environmental regulations; conducting facilities response plans; developing pollution and hazardous waste minimization strategies; conducting environmental assessments; and conducting necessary program support. These funds permit the continuation of a service-wide program to correct environmental problems, such as major improvements of storage tanks containing petroleum and regulated substances. The program focuses mainly on Coast Guard facilities, but also includes third party sites where Coast Guard activities have contributed to environmental problems.

RECOMMENDATION

The Committee recommends $11,880,000 for Environmental Compliance and Restoration, the same as the President's request and amounts provided in fiscal year 2006.

RESERVE TRAINING

Appropriation, fiscal year 2006	$117,810,000
Budget estimate, fiscal year 2007	123,948,000
Recommended in the bill	122,348,000
Bill compared with:	
Appropriation, fiscal year 2006	+4,538,000
Budget Estimate, fiscal year 2007	– 1,600,000

MISSION

This appropriation provides for the training of qualified individuals who are available for active duty in time of war or national emergency or to augment regular Coast Guard forces in the performance of peacetime missions. Program activities fall into the following categories:

Initial training.—The direct costs of initial training for three categories of non-prior service trainees;

Continued training.—The training of officer and enlisted personnel;

Operation and maintenance of training facilities.—The day-to-day operation and maintenance of reserve training facilities; and

Administration.—All administrative costs of the reserve forces program.

RECOMMENDATION

The Committee recommends $122,348,000 for Reserve Training, $1,600,000 below the President's request and $4,538,000 above the amounts provided in fiscal year 2006. Funding has been reduced due to lapsed appropriations in this account.

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

Appropriation, fiscal year 2006 [1]	$1,204,882,000
Budget estimate, fiscal year 2007	1,169,537,000
Recommended in the bill	1,139,663,000
Bill compared with:	
Appropriation, fiscal year 2006	−65,219,000
Budget Estimate, fiscal year 2007	−29,874,000

[1] Includes emergency supplemental funding of $74,500,000 from Public Law 109–148.

MISSION

The Acquisition, Construction, and Improvements appropriation finances the acquisition of new capital assets, construction of new facilities, and physical improvements to existing facilities and assets. The appropriation covers Coast Guard-owned and operated vessels, aircraft, shore facilities, and other equipment such as computer systems, as well as the personnel needed to manage acquisition activities.

RECOMMENDATION

The Committee recommends $1,139,663,000 for Acquisition, Construction, and Improvements, $29,874,000 below the President's request and $65,219,000 below amounts provided in fiscal year 2006. A comparison of the budget estimate to the Committee recommended level by budget activity is as follows:

	Budget estimate	Recommended
Vessels and critical infrastructure: Response boat medium	$24,750,000	$24,750,000
Subtotal, vessels and critical infrastructure	24,750,000	24,750,000
Deepwater:		
Aircraft:		
Maritime patrol aircraft	77,616,000	77,616,000
VTOL unmanned aerial vehicle (VUAV)	4,950,000	4,950,000
HH–60 conversion projects	49,302,000	49,302,000
HC–130H conversion/sustainment project	53,955,000	53,955,000
HH65 re-engining project	32,373,000	32,373,000
Armed helicopter equipment	25,740,000	25,740,000
C–130J missionization	4,950,000	4,950,000
Subtotal, aircraft	248,886,000	248,886,000
Surface ships:		
National security cutter	417,780,000	417,780,000
Fast response cutter	41,580,000	– – –
IDS patrol boat long range interceptor	1,188,000	1,188,000
Medium endurance cutter sustainment	37,818,000	37,818,000
Replacement patrol boat	– – –	10,000,000
Subtotal, surface ships	498,366,000	466,786,000
C4ISR	60,786,000	60,786,000
Logistics	42,273,000	32,062,000
Systems engineering and integration	35,145,000	35,145,000
Government program management	48,975,000	48,975,000

	Budget estimate	Recommended
Subtotal, Deepwater	934,431,000	892,640,000
Other equipment:		
Automatic identification system	11,238,000	11,238,000
Rescue 21	39,600,000	39,600,000
HF recap	2,475,000	2,475,000
National Capital region air defense	48,510,000	48,510,000
Counter Terrorism Training Infrastructure shoot house	1,683,000	– – –
Subtotal, other equipment	103,506,000	101,823,000
Shore facilities and aids to navigation:		
Survey and design, shore operational and support projects	2,600,000	2,600,000
Minor AC&I shore construction projects	2,850,000	1,450,000
Renovate USCGA Chase Hall barracks, phase I	2,000,000	2,000,000
Replace multi-purpose building-Group Long Island Sound	1,000,000	1,000,000
Construct breakwater-Station Neah Bay	1,100,000	1,100,000
Waterways aids to navigation	3,000,000	3,000,000
Cordova, Alaska housing	5,500,000	5,500,000
ISC Seattle, Group Sector admin operations facility	2,600,000	2,600,000
Base Galveston, rebuild station and waterfront	5,200,000	5,200,000
Subtotal, shore facilities and aids to navigation	25,850,000	24,450,000
Aircraft:		
HH–60 replacement	– – –	15,000,000
Subtotal, aircraft		15,000,000
Personnel and related support:		
Direct personnel costs	80,500,000	80,500,000
AC&I core	500,000	500,000
Subtotal, personnel and related support	81,000,000	81,000,000
Total	1,169,537,000	1,139,663,000

ACQUISITION MANAGEMENT

The Committee is very concerned about the Coast Guard's ability to manage complex, large-scale contracts. As evidenced by contracts for Rescue 21, HH–65 helicopter re-engining, and the Fast Response Cutter (FRC), the Coast Guard's executive leadership is consistently failing to manage its acquisitions and meet critical, operational requirements. In all three of these projects, the Coast Guard has moved forward with contracts before design, model testing, and integrated baselines were completed. This approach increases the risks associated with the projects, increases the likelihood of schedule slippages and cost overruns, and creates uncertainty with the design of the project. In the case of re-engining the HH–65 helicopter, the delivery schedule has continued to slip—from December 2006 until mid-to-late 2007—and the cost of the project has almost doubled—from about $190,000,000 to $355,000,000. Rescue 21 has experienced repeated software problems, schedule slippages, and has grown in cost from $250,000,000 to $710,500,000, culminating in the Coast Guard having to issue a stop work order and then terminate the vessel subsystem contract. The FRC acquisition has continued to grow in costs and schedule delays while also failing to produce a cogent business case for use of a composite hull form. The Committee believes this trend is unacceptable and directs the Coast Guard to take appropriate actions to immediately improve its acquisition management in order to meet its present and future operational requirements.

DEEPWATER

The Committee recommends $892,640,000 for Deepwater, $41,791,000 below the President's request and $31,129,000 below amounts provided in fiscal year 2006. Specific changes to the President's request are discussed below.

The Committee directs the Government Accountability Office (GAO) to continue its oversight of the Deepwater program. GAO should focus on (1) the status of development and delivery of the major aviation and maritime assets; (2) maintenance, logistics and training; and (3) the Coast Guard's management of the ICGS contract. GAO should provide the Committee the results of its work annually and the first report should be delivered no later than April 2007.

FAST RESPONSE CUTTER (FRC)

The Committee denies $41,580,000 for the production of the Fast Response Cutter (FRC) requested by the President. This program is experiencing substantial difficulties and the estimated delivery date of the first FRC has been pushed back at least three fiscal years (2010). Until ongoing problems are resolved, the Committee cannot continue to support a program that has so much risk of failure that it may be terminated or substantially revised.

The FRC was slated to replace the 110-foot and 123-foot patrol boats. According to the revised Deepwater implementation plan, the Coast Guard planned to acquire 58 FRCs by 2027. The FRC was to be built from composite materials to increase performance through weight savings; increase operational availability and extend the time between required maintenance activities; and reduce total ownership costs. However, since January 2005, well before the revised Deepwater plan was finalized, the Coast Guard and independent contractors began outlining as many as 14 concerns with the FRC's hull form, potential speed, and propulsion systems. The Coast Guard appeared to ignore these concerns until October 2005. At that time, the Coast Guard slowed down the critical design review of the FRC, scheduled for December 2005 to March 2006. This design review has been further delayed to June 2006. On February 28, 2006, the Coast Guard's Deepwater Program Office temporarily suspended the work on the FRC design because of high technical risks associated with the current design. On April 6, 2006, the Coast Guard issued a request for information to obtain data about the state of the market for proven patrol boat design. It appears that the Coast Guard may procure "off-the-shelf" patrol boats instead of the FRC or procure two types of patrol boats (FRC and traditional patrol boats) concurrently. The Committee is extremely concerned that the Coast Guard continues to flounder to find an effective solution to replace the 110-foot patrol boats—the workhorse of the Coast Guard's maritime fleet. Until a decision has been reached about what will be procured, it is premature for the Committee to continue funding the production of the first FRC. Further, the Committee expects the Coast Guard to provide monthly briefings on the patrol boat replacement problem.

The Coast Guard has $79,347,002 in unobligated balances available to the FRC and for service life extensions of the 110-foot patrol boat. Bill language (Sec. 521) has been included that reprograms

these unobligated balances to the acquisition of traditional patrol boats (what the Coast Guard is referring to as the "parent craft" in their recent request for information) so that the Coast Guard may continue to maintain patrol boat hours and meet operational requirements in the near-term. Also, funding may continue to be used for service life extensions of the 110-foot patrol boat. Procuring new patrol boats and completing service life extensions is even more critical now that the Navy has informed the Coast Guard that they are not willing to extend the current Memorandum of Agreement to permit the Coast Guard to continue operating the Navy's five 179-foot patrol boats past 2008. Without these assets, the Coast Guard will have to reduce patrol hours by 12,500 (7 percent) per year, further exacerbating a mission hour deficit.

REPLACEMENT PATROL BOAT

The Committee recommends $10,000,000 for the replacement patrol boat, $10,000,000 above the President's budget. This funding is the first installment to procure "off-the-shelf" patrol boats (known as the "parent craft") discussed in the April 6, 2006 request for information. Based on the current timeline, the Coast Guard plans to award this contract at the beginning of fiscal year 2007. This funding, coupled with the rescission of $79,347,002, should provide the Coast Guard with sufficient funding to maintain sufficient patrol boat hours.

UNMANNED AERIAL VEHICLES

The Committee recommends $4,950,000 for unmanned aerial vehicles (UAV), the same level as requested and $34,650,000 below amounts provided in fiscal year 2006. The Committee is aware of an in-flight mishap with the UAV. While this aircraft was not one that the Coast Guard owns or is funding, but instead is a developmental UAV, the mishap resulted in damage to the system. The Coast Guard shall inform the Committee what the root cause of the mishap was, and what, if any, implication this may have on the planned procurements of these UAVs.

LOGISTICS

The Committee recommends $32,062,000 for logistics, $10,211,000 below the President's request and $13,450,000 above amounts provided in fiscal year 2006. The Committee is concerned with funding contained in the budget for logistics support in Alaska, Florida and Puerto Rico. It is unclear whether funds are necessary as early as requested for these stations because of delays in surface ships.

COUNTERTERRORISM TRAINING INFRASTRUCTURE SHOOT HOUSE

The Committee denies $1,683,000 requested by the President for a counterterrorism training shoot house. Instead, the Committee encourages the Coast Guard to look at all training options, including those offered by the Federal Law Enforcement Training Center by local law enforcement, or by the Department of Defense, to meet this need.

RESCUE 21

The Committee remains concerned about the acquisition of Rescue 21. Earlier this year, the GAO highlighted significant issues with project management, contractor oversight, and executive-level involvement that led to cost overruns and schedule delays. GAO found that: (1) costs of this program have almost tripled, from $250,000,000 to $710,500,000; (2) the life cycle costs for Rescue 21 may increase by another $161,000,000; (3) the schedule may slip past 2011, already five years behind the original completion date of 2006; and (4) the system will not be able to reduce coverage gaps to the extent originally promised. GAO also determined that the Coast Guard's executive oversight of Rescue 21 was not adequate and management did not take action to respond to risks and problems presented. Strong executive oversight is needed to improve the cost and schedule performance of the Rescue 21 acquisition.

As discussed previously, the Committee has little confidence in the Coast Guard's contract management capability and their plans to aggressively oversee cost, schedule, and risk for the remaining development and deployment of Rescue 21. Given its failures in the past to develop accurate and reliable cost estimates and schedules, the Committee directs the Coast Guard to provide a detailed breakout of its revised costs and schedule and fully justify each estimate. This should be done on a quarterly basis or with any major change in the project. In addition, the Coast Guard shall provide the Committee with a detailed report on the membership of the Rescue 21's executive committee and a schedule of planned meetings for the upcoming fiscal year. The Committee expects that the oversight body will include executives from both the acquiring and the customer organizations, as well as the DHS Chief Financial Officer and the DHS Chief Information Officer. Additionally, planned meetings should occur monthly or quarterly, given this program's troubled past.

The Coast Guard has been forced to terminate the portion of the Rescue 21 contract for vessel initiatives because of repeated and longstanding problems in this area. To provide vessel functionality, the Coast Guard is studying alternative solutions, including the use of Automatic Identification System for asset tracking and data transfers on vessels. If a decision is made to pursue an alternate vessel system, the Committee directs the Coast Guard to provide a detailed assessment of its impact on end users and the timeframes for implementing this solution that includes the effect, if any, on the remaining Rescue 21 development and deployment efforts. Bill language is included that limits the obligation of funds for Rescue 21 to just the shore facilities. No funds may be obligated for the vessel subsystem until a solution has been provided to the Committee.

HH–60 REPLACEMENT

The Committee recommends $15,000,000 to replace the HH–60 helicopter that was lost during a rescue in Alaska in 2004. The Committee understands that this funding will permit the Coast Guard to acquire one aircraft from the United States Navy and missionize it for Coast Guard specific work.

SHORE FACILITIES AND AIDS TO NAVIGATION

The Committee recommends $24,450,000 for shore facilities and aids to navigation, $1,400,000 below the President's request and $1,450,000 above amounts provided in fiscal year 2006. The Committee has deleted funding within minor AC&I shore construction projects for the CGC HICKORY cutter support building because this project will not be completed in 2007.

ALTERATION OF BRIDGES

Appropriation, fiscal year 2006	$14,850,000
Budget estimate, fiscal year 2007	– – –
Recommended in the bill	17,000,000
Bill compared with:	
Appropriation, fiscal year 2006	+2,150,000
Budget Estimate, fiscal year 2007	+17,000,000

MISSION

The bill includes funding for alteration of bridges deemed a hazard to marine navigation pursuant to the Truman-Hobbs Act. The purpose of these alterations is to improve the safety of marine navigation under the bridge rather than the improvement of surface transportation on the bridge itself. Because there are occasionally unsafe conditions on the waterway beneath a bridge which has an adequate surface or structural condition, Federal-aid highways funding is not appropriate to address the purpose of the Truman-Hobbs program.

RECOMMENDATION

The Committee recommends $17,000,000 for Alteration of Bridges, $17,000,000 above the President's request and $2,150,000 above the amounts provided in fiscal year 2006. The Committee directs that, of the funds provided, $10,000,000 shall be allocated to the Fourteen Mile Bridge in Mobile, Alabama; $3,000,000 for Chelsea Street Bridge in Chelsea, Massachusetts, and $4,000,000 for the Canadian Pacific Railway Bridge in LaCrosse, Wisconsin. The Committee expects that, with this funding, the federal commitment to the Fourteen Mile Bridge will be completed.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Appropriation, fiscal year 2006	$17,573,000
Budget estimate, fiscal year 2007	13,860,000
Recommended in the bill	13,860,000
Bill compared with:	
Appropriation, fiscal year 2006	–3,713,000
Budget Estimate, fiscal year 2007	– – –

MISSION

The purpose of research, development, test and evaluation is to allow the United States Coast Guard to maintain its non-homeland security research and development capability, while also partnering and leveraging initiatives identified by the Department of Homeland Security (DHS) and the Department of Defense (DOD) for efforts beneficial to the Coast Guard, DHS, and DOD.

RECOMMENDATION

The Committee recommends $13,860,000 for Research, Development, Test and Evaluation, the same as the President's request and $3,713,000 below the amounts provided in fiscal year 2006. In addition to this appropriation, the Coast Guard may supplement these funds with ongoing reimbursable agreements with the Science and Technology Directorate. At this time, the Committee is aware of $2,800,000 that Science and Technology is directing to Coast Guard research and development activities in fiscal year 2007. Half of this funding will be directed toward improving the boarding officers program while the other half will be devoted to advancing and adapting technologies used to stop or control threatening vessels or people.

MEDICARE ELIGIBLE RETIREE HEALTH CARE FUND CONTRIBUTION

Appropriation, fiscal year 2006 [1]	$(260,533,000)
Budget estimate, fiscal year 2007 [2]	278,704,000
Recommended in the bill [2]	278,704,000
Bill compared with:	
Appropriation, fiscal year 2006	+18,171,000
Budget Estimate, fiscal year 2007	– – –

[1] The Medicare-eligible retiree health care fund was part of the Coast Guard's operating expenses in fiscal year 2006. This figure is shown for comparison purposes only.

[2] This expenditure requires no annual action by Congress, however, it is counted towards the Coast Guard's discretionary spending.

MISSION

The Medicare-eligible retiree health care fund contribution provides funding to maintain the cost of accruing the military Medicare-eligible health benefit contributions to the Department of Defense Medicare-eligible health care fund. Contributions are for future Medicare-eligible retirees currently serving active duty in the Coast Guard, retiree dependents, and their potential survivors. The authority for the Coast Guard to make this payment on an annual basis was provided in the Department of Defense Appropriations Act for Fiscal Year 2005.

RECOMMENDATION

While this account requires no annual action by Congress, the Committee agrees with the recommendation contained in the budget request to provide $278,704,000 to fund the Medicare-eligible retiree health care fund.

RETIRED PAY

Appropriation, fiscal year 2006	$1,014,080,000
Budget estimate, fiscal year 2007	1,063,323,000
Recommended in the bill	1,063,323,000
Bill compared with:	
Appropriation, fiscal year 2006	+49,243,000
Budget Estimate, fiscal year 2007	– – –

MISSION

This appropriation provides for the retired pay of military personnel of the Coast Guard and the Coast Guard Reserve, including career status bonuses for active duty personnel. Also included are payments to members of the former Lighthouse Service and beneficiaries pursuant to the retired serviceman's family protection plan

and survivor benefit plan, as well as payments for medical care of retired personnel and their dependents under the Dependents Medical Care Act.

RECOMMENDATION

The bill provides $1,063,323,000 for Retired Pay, the same as the budget request and $49,243,000 above the amounts provided in fiscal year 2006. This is scored as a mandatory appropriation in the Congressional budget process.

UNITED STATES SECRET SERVICE

PROTECTION, ADMINISTRATON, AND TRAINING

Appropriation, fiscal year 2006 [1]	$(895,556,000)
Budget estimate, fiscal year 2007 [1]	(930,879,000)
Recommended in the bill	954,399,000
Bill compared with:	
Appropriation, fiscal year 2006 [1]	+(58,843,000)
Budget Estimate, fiscal year 2007 [1]	+(23,520,000)

[1] Figures are shown for comparative purposes only. Funds for this purpose are requested under the Salaries and Expenses account, but are recommended to be provided in this new appropriations account for fiscal year 2007. Amounts for fiscal year 2006 include $3,600,000 in emergency supplemental appropriations provided in P.L. 109–148.

MISSION

The Protection, Administration, and Training appropriation supports the protection of the President and Vice President, their families, heads of state, and other designated individuals; the investigations of threats against these protectees; and the protection of the White House, Vice President's Residence, Foreign Missions, and other buildings within Washington, DC as authorized by 18 U.S.C. 3056. This appropriation also supports the agency's administrative and training functions.

RECOMMENDATION

The Committee recommends a new appropriation structure for the United States Secret Service, separating funds previously provided for salaries and expenses into two, new accounts: Protection, Administration, and Training and Investigations and Field Operations. To ensure accountability in budgeting for the Secret Service's dual missions of protection and investigations, the Committee recommends a separate appropriation of $954,399,000 for Protection, Administration, and Training. This is $23,520,000 above the President's request and $58,843,000 above the amounts provided in fiscal year 2006. The Committee provides an additional $13,920,000 to support protection costs of the 2008 Presidential Campaign and fully staff the President's Post-Presidency Protective Detail; an additional $2,400,000 for twenty new intelligence analysts and eight new protective systems specialists; and an additional $7,200,000 for replacement of critical equipment including ammunition, communications, and vehicles. Funds supporting the National Center for Missing and Exploited Children are provided within the new Investigations and Field Operations account.

A comparison of the budget estimate to the Committee recommended level by budget activity is as follows:

Protection, Administration, and Training	Budget estimate	Recommended [1]
Protection:		
Protection of persons and facilities	$639,747,000	$657,267,000
Protective intelligence activities	55,509,000	61,509,000
White House mail screening	16,201,000	16,201,000
Subtotal, Protection	711,457,000	734,977,000
Administration:		
Headquarters, management and administration	169,370,000	169,370,000
Training:		
Rowley training center	50,052,000	50,052,000
Total, Protection, Administration, and Training	930,879,000	954,399,000

[1] Funds to support Investigations and Field Operations are recommended within a new, separate account for fiscal year 2007, as stated later in this report.

WORKLOAD AND BUDGET

The Committee is very concerned about the ability of the Secret Service to align its resource requirements to workload and mission needs. Since 9/11, the protective and investigative operations of the Secret Service have become increasingly complex, but the agency's budget has grown in only nominal terms. This disparity has resulted in an erosion of the base budget and the inability of the Secret Service to meet its basic mission requirements. At a time when the Secret Service's budget has reached this critical juncture, culminating in severe limitations on overtime pay and equipment replacement, the Secret Service's administrative systems are failing to provide timely information on budget execution, workload, and performance. The Committee is aware that the Secret Service is taking considerable actions to address these deficiencies and improve its budgeting for the uncontrollable demands of protective operations, including: implementation of real time tracking for labor hours; implementation of a new Enterprise Financial Management System; establishment of refined performance metrics for both protection and investigations; and improved monitoring of monthly budget execution reports. The Committee believes the protective and investigative resources of the Secret Service are a vital national security asset and is committed to improving the agency's budgetary systems and processes. The Committee directs the Secret Service to submit a status report, in conjunction with the fiscal year 2008 budget request, on the implementation of its budgetary system improvements. This report shall include a detailed explanation of how the agency is progressing in the improvement of its resource planning for both protection and investigations.

The Committee continues to await the workload rebalancing report required in Conference Report 109–241 and includes bill language withholding $2,000,000 from obligation until this report is submitted.

2008 PRESIDENTIAL CAMPAIGN AND POST-PRESIDENCY PROTECTIVE DETAIL

The Committee recognizes the unique protective challenges associated with the 2008 Presidential campaign and the Post-Presidency protective detail. The Committee is disappointed that the Administration failed to request adequate funding for these critical and resource-intensive efforts. The Committee provides an additional $13,920,000 to support the protective requirements of the

2008 Presidential Campaign and fully staff the President's Post-Presidency Protective Detail. The Committee believes the special agents required to staff the Post-Presidency Protective Detail should also support the 2008 Presidential campaign and provides funds to hire, train, and indoctrinate new special agents in fiscal year 2007 to backfill staffing vacancies as current agents are assigned to such protective assignments. The Committee directs the Secret Service to submit status reports on January 1, 2007 and June 1, 2007, on the hiring and training of these new special agents.

2008 PRESIDENTIAL CAMPAIGN EXPENDITURE PLAN

The Committee directs the Secret Service to submit an expenditure plan for the 2008 Presidential Campaign no later than January 16, 2007, that includes the full costs of additional staffing, equipment, vehicles, and required training. This plan should include the funds provided in fiscal year 2007, by appropriations account, through the completion of the Presidential campaign and the January 2009 Presidential Inauguration.

PROTECTIVE INTELLIGENCE AND THREAT ANALYSIS

The Committee recognizes the Secret Service's expertise in applying protective intelligence and threat analysis to operations, but is concerned that these functions are currently staffed at only 53 percent. To partially address this issue, and to augment the staffing needs of the 2008 Presidential Campaign, the Committee provides an additional $2,400,000 for twenty new intelligence analysts and eight new protective systems specialists.

INVESTIGATIONS AND FIELD OPERATIONS

Appropriation, fiscal year 2006 [1]	$(304,271,000)
Budget estimate, fiscal year 2007 [1]	(309,599,000)
Recommended in the bill	312,499,000
Bill compared with:	
Appropriation, fiscal year 2006 [1]	+(8,228,000)
Budget Estimate, fiscal year 2007 [1]	+(2,900,000)

[1] Figures are shown for comparative purposes only. Funds for this purpose are requested under the Salaries and Expenses account, but are recommended to be provided in this new appropriations account for fiscal year 2007.

MISSION

The Investigations and Field Operations appropriations account supports the investigative functions of the United States Secret Service as authorized by 18 U.S.C. 3056 (b) 470, 471, 472, 473, 1028, 1029 and 1030, including: the investigations of violations of laws relating to counterfeiting of obligations and securities of the United States; financial crimes such as: access device fraud, financial institution fraud, identity theft, and computer fraud; and computer-based attacks on our nation's financial, banking, and telecommunications infrastructure. This account also supports investigations involving missing and exploited children, as authorized by 18 U.S.C. 3056 (f).

RECOMMENDATION

The Committee recommends $312,499,000 for Investigations and Field Operations, $2,900,000 above the President's request and

$8,228,000 above the amounts provided in fiscal year 2006. To ensure accountability in the budgeting for the Secret Service's dual missions of protection and investigations, the Committee recommends a new, distinct appropriations account for Investigations and Field Operations. The Committee is very concerned about the erosion of funds from investigations due to the uncontrollable draw of protective operations. The Committee believes a separate and distinct appropriations account for each mission area will ensure improved budgetary planning by the Secret Service. The Committee reminds the Secret Service that transfers between appropriations accounts are not available for obligation unless approved by the Committee, as per the guidelines listed within Section 503 of this Act. Of the total, $7,811,000 is included to support the National Center for Missing and Exploited Children as follows: $5,445,000 for grants and $2,366,000 for forensic support. A comparison of the budget estimate to the Committee recommended level by budget activity is as follows:

Investigations and Field Operations	Budget estimate	Recommended
Domestic field operations	$236,093,000	$236,093,000
International field office administration and operations	21,616,000	24,516,000
Electronic Crimes Special Agent Program and Electronic Crimes Task Forces	44,079,000	44,079,000
Grants and forensic support for the National Center for Missing and Exploited Children	7,811,000	7,811,000
Total, Investigations and Field Operations	309,599,000	312,499,000

INTERNATIONAL OPERATIONS

The Committee recommends $24,516,000 for International Field Office Administration and Operations, $2,900,000 above the President's request and $3,758,000 above the amounts provided in fiscal year 2006. Given the significant increase in financial crime originating overseas and the expansion of protective intelligence operations, the Committee believes new field offices at the following locations are critical to the Secret Service's investigative and protective missions: Beijing, China; Madrid, Spain; and Moscow, Russia. Funds are provided to support the staffing and equipment needs of these three locations.

PERFORMANCE METRICS

The Committee continues to be concerned about the impact of the persistent resource demands of protection upon investigations. The Committee is aware of the Secret Service's efforts to establish robust performance metrics that demonstrate the productivity and value of its investigative mission as well as quantify the impact of taking resources from investigations to fund protective operations. The Committee strongly supports this initiative and directs the Secret Service to report to the Committee no later than January 16, 2007 on the implementation of these new performance metrics. Furthermore, the Secret Service is directed to apply these metrics to its budgetary system improvement efforts, discussed previously within the Protection, Administration, and Training account.

SPECIAL EVENT FUND

Appropriation, fiscal year 2006	$– – –
Budget estimate, fiscal year 2007	20,900,000
Recommended in the bill	20,900,000
Bill compared with:	
Appropriation, fiscal year 2006	+20,900,000
Budget Estimate, fiscal year 2007	– – –

MISSION

The Special Event Fund supports the Secret Service's extraordinary costs associated with National Special Security Events (NSSEs) and Presidential campaigns.

RECOMMENDATION

The Committee recommends $20,900,000, the same as the President's request and $18,425,000 above the amounts provided in fiscal year 2006 for NSSEs.

ACQUISITION, CONSTRUCTION, IMPROVEMENTS, AND RELATED EXPENSES

Appropriation, fiscal year 2006	$3,662,000
Budget estimate, fiscal year 2007	3,725,000
Recommended in the bill	3,725,000
Bill compared with:	
Appropriation, fiscal year 2006	+63,000
Budget Estimate, fiscal year 2007	– – –

MISSION

This account supports the acquisition, construction, improvement, equipment, furnishing and related cost for maintenance and support of Secret Service facilities, including the Secret Service Memorial Headquarters Building and the James J. Rowley Training Center (JJRTC).

RECOMMENDATION

The Committee recommends $3,725,000, the same as the President's request and $63,000 above the amounts provided in fiscal year 2006.

REVISED JJRTC MASTER PLAN

The Committee continues to await the revised JJRTC Master Plan required in House Report 109–79 and includes bill language withholding $1,000,000 from obligation until this report is submitted.

TITLE III—PREPAREDNESS AND RECOVERY

PREPAREDNESS

UNDER SECRETARY FOR PREPAREDNESS

Appropriation, fiscal year 2006	$15,918,000
Budget estimate, fiscal year 2007	74,468,000
Recommended in the bill	39,468,000
Bill compared with:	
Appropriation, fiscal year 2006	+23,550,000
Budget estimate, fiscal year 2007	–35,000,000

MISSION

The key focus of the Preparedness Directorate is risk management. The Office of the Under Secretary for Preparedness works with federal, State, local, tribal governments and private sector partners to enhance coordination of preparedness to defend and secure the United States from terrorist attack, and to respond to and recover from catastrophic incidents, major disasters, and other emergencies.

RECOMMENDATION

The Committee recommends $39,468,000 for the Office of the Under Secretary for Preparedness, $35,000,000 below the President's request and $23,550,000 above the amounts provided in fiscal year 2006. A comparison of the budget estimate to the Committee recommended level by budget activity is as follows:

	Budget estimate	Recommended
Immediate Office of the Under Secretary for Preparedness	$17,497,000	$17,497,000
Office of the Chief Medical Officer	4,980,000	4,980,000
Office of National Capital Region Coordination	1,991,000	1,991,000
National Preparedness Integration Program	50,000,000	15,000,000
Total	$74,468,000	$39,468,000

NATIONAL PREPAREDNESS INTEGRATION PROGRAM

The Committee recommends $15,000,000 for the National Preparedness Integration Program (NPIP), $35,000,000 below the amounts proposed by the President. The President's budget assumed an increase in aviation passenger fees in order to fund this program at the requested levels. Authorization of this fee is not within the jurisdiction of the Committee on Appropriations and the Committee has adjusted its fiscal year 2007 recommendation accordingly. Additionally, the justifications provided for NPIP were overly broad. The Committee has repeatedly asked for a prioritization of the initiatives proposed to be accomplished by the NPIP but has not yet received this list. Absent that, the Committee provides $15,000,000 for first year funding of the NPIP. The Under Secretary is directed to provide an expenditure plan for these funds, including priorities and performance metrics, no later than November 1, 2006.

PREPAREDNESS STRATEGY

Since September 11, 2001, and including funds in this bill, $37,400,000,000 has been provided to State and local entities to build our Nation's preparedness. The funding has been provided to States, urban areas, and territories to enable them to develop local strategies and plans, equip and train emergency responders, and exercise operational plans. However, the funding has gone to the State and local levels without detailed guidance from the Department on the definition of preparedness and without coherent standards and measures to accomplish the missions of prevention, protection, response, and recovery. The Department of Homeland Security has not clearly defined what constitutes preparedness so that the States understand and can measure their level of pre-

paredness. Simply stated—the enhancement of national preparedness from the money invested in the States and territories is unknown.

A consistent strategy for preparedness in the United States is required. The Committee understands that the NPIP will serve as the Preparedness Directorate's lead in organizing, implementing, and monitoring initiatives to integrate and synchronize national preparedness. The Committee directs the Under Secretary for Preparedness to develop a comprehensive preparedness strategy that provides measures of preparedness for the States, urban areas and territories. This strategy shall specifically address threats, risks, vulnerabilities, capabilities, and priorities for preparedness. The strategy shall be based on the National Preparedness Goal; the required missions of prevention, protection, response, and recovery; and the supporting Target Capabilities for each mission. Inherent in this comprehensive strategy must be instructions for local jurisdictions as well as States to measure their respective preparedness against established standards to prevent, protect against, respond to, and recover from a terrorist incident or natural disaster. The Committee directs the Secretary to provide this strategy by January 16, 2007 to the House Committee on Appropriations and the House Committee on Homeland Security.

HURRICANE KATRINA LESSONS LEARNED

Even though the Preparedness Directorate was not in place during Hurricane Katrina, the Directorate shares the burden, along with FEMA, of implementing changes to correct failures highlighted by Katrina. As noted above, the Committee has been forced to adjust its fiscal year 2007 recommendation throughout the bill to account for the assumed increase in aviation passenger fees. However, while the Committee has been compelled to make hard choices and adjustments to programs throughout the Department to account for the fee increase, it should be noted as evidence of the Committee's commitment to building a stronger federal preparedness and response system, that the Committee has increased funds for the Preparedness Directorate and FEMA. For the Preparedness Directorate, the Committee provides an increase of $464,991,000 or 13 percent above the President's request. The White House, House of Representatives, and Senate reports on the federal response to Hurricane Katrina all call for action, not more planning. The Committee provides the full funding requested by the President for the Immediate Office of the Under Secretary for Preparedness. With this level of funding, the Committee directs the Under Secretary for Preparedness to implement effective initiatives that respond to the findings of the Katrina investigations. The Committee specifically notes several key recommendations of the White House's "The Federal Response to Hurricane Katrina—Lessons Learned."

Training and Exercises.—Hurricane Katrina revealed a lack of familiarity of emergency responders with large-scale incident management, including the National Response Plan (NRP) and National Incident Management System (NIMS). The White House's "Lessons Learned," recommends a system of exercises at all levels of government. The foundation for these exercises should be training first responders on their role and responsibilities as described

in the NRP and the NIMS. The Committee understands that the Under Secretary for Preparedness plans to develop and implement a campaign to ensure awareness of the NRP and the NIMS. The Committee expects the NPIP will support command and control expertise, as well as exercise planning to strengthen and test existing local and regional plans. The Committee directs the Under Secretary for Preparedness to report on improvements to training and exercises no later than November 1, 2006.

Communications.—Hurricane Katrina destroyed the core communications infrastructure in the affected area, leaving emergency responders without reliable means of communications. The White House's "Lessons Learned" recommends the development of a National Emergency Communications Strategy that supports communications operability and interoperability. The Committee directs the Preparedness Directorate to develop and coordinate a revised strategy, procedures, and instructions for supporting emergency response operations. In addition, the Committee expects that within the funds provided, the NPIP will test and evaluate commercially available communications equipment and technologies that can provide immediate emergency communications services, and to acquire rapidly deployable equipment. The Committee directs the Under Secretary for Preparedness to report on the National Emergency Communications Strategy no later than November 1, 2006.

Capabilities Assessments.—The investigations into Hurricane Katrina have revealed gaps and shortfalls in preparedness capabilities. They also revealed the need for an accurate inventory of the Nation's capabilities. The fiscal year 2006 conference report directs the Department to complete the National Assessment and Reporting System by September 30, 2006, and the Committee expects that the Department is on schedule to meet this deadline. HSPD–8 and the White House's "Lessons Learned" also direct the Department to develop a national assessment system. The Committee further expects that the National Assessment and Reporting System will not rely exclusively on self-reported data but that the system will include objective methods to measure State and local capabilities. This data should form the basis for decision making and national investments. The Committee has provided $700,000, as requested for the establishment of a Program Management Office to implement the National Assessment and Reporting System.

ENHANCING ALL-HAZARDS CAPABILITIES

The Committee supports an all-hazards emergency preparedness approach—that is, preparedness for domestic terrorist attacks, major disasters, and other emergencies. The Committee is aware that 30 of the 37 capabilities on the Target Capabilities List (TCL) are common to both terrorist attacks and natural or accidental disasters. The Committee believes that the Office of the Under Secretary for Preparedness must continue to encourage an all-hazards approach to preparedness in grants, assistance, and funding requests and allocations. The House Bipartisan Committee on Hurricane Katrina concluded that, while a majority of State and local preparedness grants are required to have a terrorism purpose, this does not preclude a dual use application. The fiscal year 2006 homeland security grant guidance states that, while funding remains primarily focused on terrorism, the allowable scope of the ac-

tivities includes all catastrophic events, provided that these activities also build capabilities that relate to terrorism. The Committee expects that the fiscal year 2007 grant guidance will further support all-hazards activities. The Committee encourages the Under Secretary for Preparedness to give natural disasters appropriate weight in its risk based funding methodology.

NATIONAL PREPAREDNESS GOAL

The Committee is concerned by the delay in issuing the final National Preparedness Goal (NPG). In the fiscal year 2006 conference report, the conferees directed the Department to issue the final NPG, including the final Universal Task List and Target Capabilities List, no later than December 31, 2005. To date, the Committee has not seen the final NPG. Without such a plan, the Committee remains concerned about the direction of the Department's allocation of resources for first responders. Pursuant to HSPD–8, federal preparedness assistance is to be predicated on adoption of Statewide comprehensive all-hazards preparedness strategies that should be consistent with the national preparedness goal. However, the Committee remains concerned that federal preparedness assistance is being allocated for planning, procurement, and training absent a final goal, and identification of expected capabilities. The Committee withholds from obligation $4,400,000 from the Office of the Under Secretary for Preparedness until the Committee receives the final NPG.

DOMESTIC PHARMACEUTICAL MANUFACTURING CAPACITY

The Committee is concerned that the U.S. no longer has the manufacturing capacity to produce the drugs necessary to counter a bio-weapon attack or a pandemic threat. The Bioshield program was enacted to help resolve this problem, but the program has been slow in implementation. The Committee directs the Chief Medical Officer to examine the areas where U.S. manufacturing capacity is inadequate and make recommendations for Departmental action.

OFFICE OF GRANTS AND TRAINING

STATE AND LOCAL PROGRAMS

Appropriation, fiscal year 2006	$2,476,287,000
Budget estimate, fiscal year 2007	2,281,559,000
Recommended in the bill	2,524,000,000
Bill compared with:	
Appropriation, fiscal year 2006	+47,713,000
Budget estimate, fiscal year 2007	+242,441,000

MISSION

State and Local Programs provide for building and sustaining the preparedness of the first responder community. This program includes support of various grant programs, training programs, planning activities, and technical assistance. The grant programs funded by this appropriation include State homeland security grants, law enforcement terrorism prevention grants, emergency management performance grants, high-threat high-density urban area grants, transit grants, port security grants, and critical infrastructure grants. For purposes of eligibility for funds under this

heading, any county, city, village, town, district, borough, port authority, transit authority, intercity rail provider, commuter rail system, freight rail provider, water district, regional planning commission, council of government, Indian tribe with jurisdiction over Indian country, authorized tribal organization, Alaska Native village, independent authority, special district, or other political subdivision of any State shall constitute a "local unit of government."

RECOMMENDATION

The Committee recommends $2,524,000,000 for State and Local Programs, $242,441,000 above the President's request and $47,713,000 above the amounts provided in fiscal year 2006. Including $500,000,000 for Firefighter Assistance Grants, $40,000,000 for the Staffing for Adequate Fire and Emergency Response Act (SAFER), and $186,000,000 for Emergency Management Performance Grants, the Committee provides a total of $3,250,000,000 for first responders in fiscal year 2007, $499,991,000 above the President's request. Since September 11, and including the funds provided in this bill, $37,400,000,000 has been made available for assistance to State and local governments for terrorism prevention and preparedness, general law enforcement, firefighter assistance, transportation security, seaport security, and training and technical assistance. The Committee does not include a separate appropriation of $5,000,000 for Management and Administration as these programs are fully funded through the grant programs. A comparison of the budget estimate to the Committee recommended level by budget activity is as follows:

	Budget estimate	Recommended
State and Local Programs:		
State Formula Grants:		
State Homeland Security Grant Program	$633,000,000	$545,000,000
Law Enforcement Terrorism Prevention	– – –	400,000,000
Subtotal State Grants	633,000,000	945,000,000
Discretionary Grants:		
High-Threat, High-Density Urban Area Grants	838,000,000	750,000,000
Targeted Infrastructure Protection Program	600,000,000	– – –
Buffer Zone Protection Program	– – –	50,000,000
Port Security Grants	– – –	200,000,000
Rail and Transit Security Grants	– – –	150,000,000
Trucking Industry Security Grants	– – –	5,000,000
Intercity Bus Security Grants	– – –	10,000,000
Subtotal, Discretionary Grants	1,438,000,000	1,165,000,000
Commercial Equipment Direct Assistance Program	– – –	75,000,000
National Programs:		
National Domestic Preparedness Consortium	89,351,000	135,000,000
National Exercise Program	48,708,000	49,000,000
Technical Assistance	11,500,000	25,000,000
Metropolitan Medical Response System	– – –	30,000,000
Demonstration Training Grants	– – –	30,000,000
Continuing Training Grants	3,000,000	35,000,000
Citizen Corps	35,000,000	– – –
Evaluations and Assessments	23,000,000	23,000,000
Rural Domestic Preparedness Consortium	– – –	12,000,000
Subtotal, National Programs	175,559,000	339,000,000
Total, State and Local Programs	$2,281,559,000	$2,524,000,000

STATE HOMELAND SECURITY GRANT PROGRAM

The Committee recommends $545,000,000 for State Homeland Security grants, $88,000,000 below the President's request and $500,000 above the amount provided in fiscal year 2006. These funds are available to all States for purposes of training, procuring equipment, planning, and conducting exercises, based on each State's approved updated homeland security strategy. The Committee notes that, not including fiscal year 2006 grants, more than $5,100,000,000, or 46 percent of the amount appropriated between fiscal years 2002–2005 for first responder funding, remains unspent at the close of the 2nd quarter of the fiscal year. At the same time in fiscal year 2005, the percentage of funds in the pipeline was also 46 percent. The Committee is concerned that there doesn't seem to be an increase in the spend-out rate, and therefore has maintained level funding for the program.

Fiscal year 2006 was the first year that States and territories were to be awarded a base level of 0.75 percent of the total funding with the remaining appropriation allocated based on the Department's determination of risk and need. The President's request proposes to reduce the guaranteed amount to each State or territory to a minimum of 0.25 percent of the total. The Committee believes that each State and territory must have funds in order to meet minimum essential capabilities and continues to make these funds available to all States using on the formula authorized by section 1014 of the USA PATRIOT Act, (Public Law 107–56). Each State shall continue to be guaranteed a base of 0.75 percent of the total with the Department assessing each State's risk and need to determine their minimum essential preparedness capability levels and allocating remaining funds to address those identified gaps in preparedness. The Committee directs the Office of Grants and Training to brief the Committee 15 days prior to announcement of the awarding of these funds. That briefing shall include all threat and risk analysis applied and the process for determining need based on filling gaps in preparedness levels. The Committee expects the application kits to be made available within 45 days after enactment of this Act, that States will have 90 days to apply after the grant is announced, and the Office of Grants and Training will act within 90 days of its receipt. States must identify gaps in levels of preparedness when applying and the Office of Grants and Training must evaluate all applications based on threat and risk before awards are made. The Committee also agrees that no less than 80 percent of these funds shall be passed by the State to local units of government within 60 days of the State receiving funds. None of the funds may be used for construction or overtime, except overtime to backfill those first responders attending Office of Grants and Training certified training classes. Not to exceed three percent may be used for administrative expenses.

LAW ENFORCEMENT TERRORISM PREVENTION GRANTS

The Committee recommends $400,000,000 for State and local Law Enforcement Terrorism Prevention grants, $400,000,000 above the President's request and $4,000,000 above the amount provided in fiscal year 2006.

The Committee does not agree with the President's proposal to set aside a percentage of first responder grant funding for prevention activities and has reestablished Law Enforcement Terrorism Prevention grants as a separate grant program. The Committee continues to make these funds available to all States using the formula basis authorized by section 1014 of the USA PATRIOT Act, (Public Law 107–56). Each State shall continue to be guaranteed a base of 0.75 percent of the total with the Department assessing each State's risk and need to determine their minimum essential preparedness capability levels and allocating remaining funds to address those identified gaps in preparedness. Law enforcement terrorism prevention activities that involve compensation of overtime shall be limited to those specifically related to homeland security, such as providing expanded investigation and intelligence efforts. Funding may not be used to supplant ongoing, routine public safety activities of State and local law enforcement. State applications must certify that all requests for overtime comply with this requirement. The Committee expects the application kits to be made available within 45 days after enactment of this Act, that States will have 90 days to apply after the grant is announced, and the Office of Grants and Training will act within 90 days of its receipt. States must identify gaps in levels of preparedness when applying and the Office of Grants and Training must evaluate all applications based on threat and risk before awards are made. The Committee also agrees that no less than 80 percent of these funds shall be passed by the State to local units of government within 60 days of the State receiving funds. None of the funds may be used for construction. Not to exceed three percent may be used for administrative expenses.

HIGH-THREAT, HIGH-DENSITY URBAN AREA GRANTS

The Committee recommends $750,000,000 for discretionary grants to high-threat, high-density urban areas, $88,000,000 below the President's request and $7,350,000 below the amounts provided in fiscal year 2006. The Committee expects the application kits to be made available within 45 days after enactment of this Act, that States will have 90 days to apply after the grant is announced, and the Office of Grants and Training will act within 90 days of its receipt. States must identify gaps in levels of preparedness when applying and the Office of Grants and Training must evaluate all applications based on risk and need. The Committee also agrees that no less than 80 percent of these funds shall be passed by the State to local units of government within 60 days of the State receiving funds. None of the funds may be used for construction. However, for those projects that specifically address enhanced security at critical infrastructure facilities, such as improved perimeter security, minor construction or renovation for necessary guard facilities, fencing, and related efforts, project construction or renovation not exceeding $1,000,000 is allowable, as deemed necessary by the Secretary. The Committee expects the Office of Grants and Training to continue the practice of reimbursing eligible overtime expenses as designated in ODP Information Bulletin No. 127, dated August 3, 2004. Not to exceed three percent may be used for administrative expenses.

BUFFER ZONE PROTECTION PROGRAM

The Committee recommends $50,000,000 for the Buffer Zone Protection Program, $500,000 above the amounts provided in fiscal year 2006. The President's request combined all infrastructure protection grants into a single Targeted Infrastructure Protection Program (TIPP). The Committee denies this request. The Committee directs the Office of Grants and Training to continue to work with Infrastructure Protection and Information Security to identify critical infrastructure, assess vulnerabilities at those sites, and direct funding to gaps in those vulnerabilities.

PORT SECURITY

The Committee recommends $200,000,000 for Port Security grants, $26,750,000 above the amount provided in fiscal year 2006, as part of the Committee's port, container, and cargo security funding initiative as outlined under Office of the Secretary and Executive Management Operations. The President's request combined all infrastructure protection grants into a single TIPP. The Committee denies this request. The Committee directs the Office of Grants and Training to ensure the coordination of all port security grants with the State, local port authority, and the Captain of the Port, to ensure all vested parties are involved and that the limited resources are maximized.

The Committee is concerned about the effectiveness of the port security grant program. The Department's Inspector General report (OIG–06–24) assessed the Department's actions to improve the port security grant program based on recommendations of an earlier IG report (OIG–05–10). The February 2006 report continues to criticize grant scoring and some award decisions. The Committee directs the Office of Grants and Training to work with the Infrastructure Protection and Information Security to determine the threat environment at individual ports and with the U.S. Coast Guard to evaluate each port's vulnerability. The Committee expects that funds will be directed at those ports with the highest risk and largest vulnerabilities.

RAIL AND TRANSIT SECURITY

The Committee recommends $150,000,000 for Rail and Transit Security grants, $1,500,000 above the amounts provided in fiscal year 2006. The President's request combined all infrastructure protection grants into a single TIPP. The Committee denies this request. The Committee encourages the Office of Grants and Training to continue to work with the Transportation Security Administration to develop a robust rail and transit security program, as well as with the Science and Technology Directorate on the identification of possible research and design requirements.

TRUCKING INDUSTRY SECURITY

The Committee recommends $5,000,000 for Trucking Security grants, $50,000 above the amounts provided in fiscal year 2006. The President's request combined all infrastructure protection grants into a single TIPP. The Committee denies this request. The Committee encourages the Office of Grants and Training to implement within the trucking industry security program an outbound

contact effort to assist with overall recruitment efforts and to enhance emergency and disaster information assistance.

INTERCITY BUS SECURITY

The Committee recommends $10,000,000 for Intercity Bus Security grants, $100,000 above the amounts provided in fiscal year 2006. The President's request combined all infrastructure protection grants into a single TIPP. The Committee denies this request.

COMMERCIAL EQUIPMENT DIRECT ASSISTANCE PROGRAM

The Committee recommends $75,000,000 for the Commercial Equipment Direct Assistance Program (CEDAP), $75,000,000 above the President's request and $25,500,000 above the amounts provided in fiscal year 2006. This program, formerly known as the Technology Transfer Program, provides basic technologies, which are immediately deployable to smaller local jurisdictions. These jurisdictions do not always benefit directly from other first responder grants, yet have the same need for basic technologies, such as interoperable communications, defensive protection equipment, and vulnerability assessment tools.

Phase I of the CEDAP program made available eight equipment choices, and Phase II of the program added 34 new pieces of equipment. CEDAP officials considered not only equipment available through the DHS Prepositioned Equipment Program and ONDCP's Technology Transfer Program but also through other government off-the-shelf equipment programs and commercial off-the-shelf equipment. These pieces of equipment were selected from criteria established by the Committee in its fiscal year 2005 report that defined equipment to include interoperable communications technology, defensive protective equipment for first responders, and vulnerability assessment technology appropriate to rural jurisdictions. The Committee understands that the selected equipment is continually evaluated. The Committee is pleased with the initial phases of the CEDAP program and supports an expansion from core direct assistance to grants for equipment and technical assistance not currently available through the CEDAP catalogue to jurisdictions of any size.

NATIONAL PROGRAMS

The Committee recommends $339,000,000 for National Programs, $5,837,000 below the amounts provided in fiscal year 2006. The President requested $175,559,000 for these programs under separate accounts.

NATIONAL DOMESTIC PREPAREDNESS CONSORTIUM

Of the funds recommended for National Programs, the Committee provides $135,000,000 for the National Domestic Preparedness Consortium, $45,649,000 above the President's request and $8,550,000 below the amounts provided in fiscal year 2006. Of this amount, the Committee provides $47,000,000 for the Center for Domestic Preparedness. The Committee directs that the remaining funds will be split evenly among the existing members.

NATIONAL EXERCISE PROGRAM

Of the funds recommended for National Programs, the Committee provides $49,000,000 for the National Exercise Program, $292,000 above the President's request and $2,480,000 below the amounts provided in fiscal year 2006.

The Committee has heard time and time again from different offices within the Department that disaster exercises, including Federal TOPOFF exercises, and State and local exercises are critical to ensuring the preparedness of our nation to respond to terrorist attacks and disasters. The Committee has also heard that the lessons learned from these exercises and the actions taken in response to the lessons learned are more important than the exercises themselves. Yet the Committee is unclear how the Department is ensuring that these lessons learned are comprehensively addressed and directs the Department to report by January 16, 2007 on its method for tracking the results of exercises. The Committee also encourages the Department to provide additional funding to those areas that participate in Federal TOPOFF exercises.

METROPOLITAN MEDICAL RESPONSE SYSTEM

Of the funds recommended for National Programs, the Committee provides $30,000,000 for the Metropolitan Medical Response System, $30,000,000 above the President's request and $300,000 above the amounts provided in fiscal year 2006.

DEMONSTRATION TRAINING GRANTS

Of the funds recommended for National Programs, the Committee provides $30,000,000 for Demonstration Training Grants, $30,000,000 above the President's request and $300,000 above the amounts provided in fiscal year 2006. The Committee agrees that these shall be peer reviewed competitive grants for first responder pilot and demonstration training projects, covering the local, regional, and national levels.

CONTINUING TRAINING GRANTS

Of the funds recommended for National Programs, the Committee provides $35,000,000 for Continuing Training Grants, $32,000,000 above the President's request and $10,250,000 above the amounts provided in fiscal year 2006. The Committee agrees that these grants shall be used to fund current first responder training programs. The Committee recommends full funding for the graduate-level homeland security education programs currently supported by the Department. The Committee is particularly supportive of programs that have consistently delivered homeland security curricula in the form of executive education programs for State Governors and other leaders and accredited Masters Degree education already vetted by the Department of Homeland Security. Such programs are the building blocks of our next generation of homeland security leaders. The Department is encouraged to leverage these existing programs that have proven curricula to meet the growing need for graduate-level education.

TECHNICAL ASSISTANCE

Of the funds recommended for National Programs, the Committee provides $25,000,000 for Technical Assistance, $13,500,000 above the President's request and $5,200,000 above the amounts provided in fiscal year 2006.

The fiscal year 2006 conference report encouraged ODP (now the Office of Grants and Training) to review the use of logistics centers, which would consolidate State and local assets, provide life-cycle management and maintenance of equipment, allow for easy identification and rapid deployment during an incident, and allow for the sharing of inventories across jurisdictions. The Committee acknowledges that an important component of increasing regional and local homeland security capacity is the application of modern day logistics practices to the movement of equipment and supplies during a catastrophic event. The Committee therefore directs the Office of Grants and Training to use no less than $5,000,000 to develop a demonstration program with regional and local governments in the formation of innovative public and private logistical partnerships and centers to improve readiness, increase response capacity, and maximize the management and impact of homeland security resources.

The Committee encourages the Department to continue the National Memorial Institute for the Prevention of Terrorism's Lessons Learned system and the Responder Knowledge Base. These two databases provide invaluable information on currently available equipment and procedures, and are a cost-effective way to improve national preparedness, and should be kept intact under the oversight of the Office of Grants and Training.

EVALUATIONS AND ASSESSMENTS

Of the funds recommended for National Programs, the Committee provides $23,000,000 for Evaluations and Assessments, the same as the budget request and $8,843,000 above the amounts provided in fiscal year 2006.

RURAL DOMESTIC PREPAREDNESS CONSORTIUM

Of the funds recommended for National Programs, the Committee provides $12,000,000 for the Rural Domestic Preparedness Consortium (RDPC), $12,000,000 above the President's request and $2,100,000 above the amounts provided in fiscal year 2006. The RDPC provides technical assistance and training for terrorism prevention, preparedness, response, and recovery in support of rural homeland security requirements. Rural communities pose unique training challenges for first responders and medical and government officials, such as the protection of critical infrastructure located in rural areas and the response to urban migration following an incident in an urban area. The Committee directs the Office of Grants and Training to continue the development of specialized and innovative training curricula for rural first responders and ensure the coordination of such efforts with existing Grants and Training partners.

TRANSPARENCY OF GRANT FUNDING DISTRIBUTION

At Committee hearings this year, the Under Secretary for Preparedness stated that his goal was to make DHS' risk based grant determinations and the factors that go into those determinations as transparent as possible for State and local officials. The Committee applauds this goal and directs the Preparedness Directorate to report by November 1, 2006, on the steps taken to make the methodology transparent.

GRANTS MANAGEMENT SYSTEM

The fiscal year 2006 conference report directed the Department to provide a report, no later than January 16, 2006, on the requirements, feasibility, and costs of an automated grants management system. The Committee has not yet received this report. However, the Committee is aware that the Office of Grants and Training and the Under Secretary for Management are working collaboratively on the identification of a system solution for all DHS non-disaster grants. The Committee is supportive of this effort and directs the Department to include, in its fiscal year 2008 budget request, a solution that facilitates the full life-cycle of grants management.

EMERGENCY MEDICAL SERVICES

The Committee is very concerned with the lack of first responder grant funding being provided to the Emergency Medical Services (EMS) community. The Committee directs the Office of Grants and Training to require in its grant guidance that State and local governments include EMS representatives in planning committees as an equal partner and to facilitate a nationwide EMS needs assessment. In addition, no later than January 16, 2007, the Department is to report to the House Committee on Appropriations and the House Committee on Homeland Security on the use of State and local, urban area security initiative, and firefighter assistance grant funds for EMS. Finally, no less than ten percent of State Homeland Security Grants and the High Threat, High Density Urban Area Grants must be provided to EMS providers to better train and equip them to provide critical life-saving assistance.

LOCAL GOVERNMENT PARTICIPATION IN STATE PROCESS

The Committee believes that the strong participation of local governments, including those of midsize and rural communities and counties and multi-county regional cooperatives, is essential to the development of sound homeland security plans within each State. The Committee expects that the Department will include outreach to localities as a required State/territorial action for fiscal year 2007 compliance in the fiscal year 2007 grant guidance.

RAPID DECONTAMINATION PREPAREDNESS

The Committee remains concerned with the lack of planning and preparation for a rapid decontamination response in the event of a large scale biological or chemical attack. The fiscal year 2006 conference report directed the Department to report, not later than February 10, 2006, on the feasibility and plan for establishing a regionally based, pre-positioned rapid response capability for the decontamination of biological and chemical agents based on tech-

nologies that meet the decontamination standards for those agents. The Committee is extremely concerned by the Department's inability to submit this report on time. The Committee expects this report by August 1, 2006.

FIRST RESPONDER INTEGRATED INFORMATION SYSTEM

The Committee is aware that Justice Information Exchange Modeling (JIEM) software is being used successfully by criminal justice agencies. The Committee expects that the Department of Homeland Security will investigate this software and, if appropriate, encourage and promote its use by first responders to build integrated information systems to effectuate the sharing of critical information among first responders and criminal justice agencies and between these agencies, the Department of Homeland Security and other appropriate federal agencies.

FIREFIGHTER ASSISTANCE GRANTS

Appropriation, fiscal year 2006	$648,450,000
Budget estimate, fiscal year 2007	293,450,000
Recommended in the bill	540,000,000
Bill compared with:	
Appropriation, fiscal year 2006	−108,450,000
Budget estimate, fiscal year 2007	+246,550,000

MISSION

Firefighter Assistance Grants provide grants to local fire fighting departments for the purpose of protecting the health and safety of the public and fire fighting personnel, including volunteers and emergency medical service personnel, against fire and fire-related hazards.

RECOMMENDATION

The Committee recommends $540,000,000 for Firefighter Assistance Grants, $246,550,000 above the President's request and $108,450,000 below the amounts provided in fiscal year 2006. Of this amount, $40,000,000 shall be for firefighter staffing, as authorized by section 34 of the Federal Fire Prevention and Control Act of 1974 (Staffing for Adequate Fire and Emergency Response—SAFER). The Committee directs the Office of Grants and Training to continue grant administrative practices in a manner identical to the current fiscal year, including a peer review process of applications, granting funds directly to local fire departments, and the inclusion of the United States Fire Administration during grant administration. The Committee does not agree to place priority on terrorism, and directs the Office of Grants and Training to maintain an all-hazards focus. The Committee also does not agree to limit the list of eligible activities. Not to exceed five percent may be used for administrative expenses. Funds are available until September 30, 2008.

EMERGENCY MANAGEMENT PERFORMANCE GRANTS

Appropriation, fiscal year 2006	$183,150,000
Budget estimate, fiscal year 2007	170,000,000
Recommended in the bill	186,000,000
Bill compared with:	
Appropriation, fiscal year 2006	+2,850,000
Budget estimate, fiscal year 2007	+16,000,000

MISSION

Emergency Management Performance Grant (EMPG) funds are used to support comprehensive emergency management at the State and local levels and to encourage the improvement of mitigation, preparedness, response, and recovery capabilities for all hazards. EMPG funds may also be used to support activities that contribute to the capability to manage consequences of acts of terrorism.

RECOMMENDATION

The Committee recommends $186,000,000 for Emergency Management Performance Grants (EMPGs), $16,000,000 above the President's request and $2,850,000 above the amount provided in fiscal year 2006. The Committee does not agree to transfer EMPGs to State and Local Programs, and continues to fund the EMPG program as a separate appropriation. The Committee also directs the Office of Grants and Training to continue grant administrative practices in a manner identical to the current fiscal year, including remaining focused on all-hazards and not limiting personnel expenses. Not to exceed three percent may be used for administrative expenses.

RADIOLOGICAL EMERGENCY PREPAREDNESS PROGRAM

Appropriation, fiscal year 2006	$ − 1,266,000
Budget estimate, fiscal year 2007	− 477,000
Recommended in the bill	− 477,000
Bill compared with:	
Appropriation, fiscal year 2006	+789,000
Budget estimate, fiscal year 2007	− − −

MISSION

The Radiological Emergency Preparedness (REP) program ensures that the public health and safety of citizens living around commercial nuclear power plants is adequately protected in the event of a nuclear power station accident and informs and educates the public about radiological emergency preparedness. The REP program responsibilities encompass only "offsite" activities—State and local government emergency preparedness activities that take place beyond the nuclear power plant boundaries.

RECOMMENDATION

The Committee provides for the receipt and expenditure of Radiological Emergency Preparedness Program fees collected as authorized by Public Law 105–276. The President's request estimates fee collections to exceed expenditures by $477,000 in fiscal year 2007.

UNITED STATES FIRE ADMINISTRATION AND TRAINING

Appropriation, fiscal year 2006	$44,499,000
Budget estimate, fiscal year 2007	46,849,000
Recommended in the bill	46,849,000
Bill compared with:	
Appropriation, fiscal year 2006	+2,350,000
Budget estimate, fiscal year 2007	– – –

MISSION

The mission of the United States Fire Administration is to reduce economic losses and loss of life due to fire and related emergencies through leadership, coordination, and support, and also to prepare the Nation's first responder and health care leaders through ongoing, and when necessary, expedited training regarding how to evaluate and minimize community risk, improve protection to critical infrastructure, and to be better prepared to react to all hazard and terrorism emergencies of all kinds.

RECOMMENDATION

The Committee recommends $46,849,000 for the U.S. Fire Administration and Training, the same as the President's request and $2,350,000 above the amount provided in fiscal year 2006. Of the amount provided, $5,962,000 is for the Noble Training Center.

INFRASTRUCTURE PROTECTION AND INFORMATION SECURITY

Appropriation, fiscal year 2006	$619,245,000
Budget estimate, fiscal year 2007	549,140,000
Recommended in the bill	549,140,000
Bill compared with:	
Appropriation, fiscal year 2006	– 70,105,000
Budget estimate, fiscal year 2007	– – –

MISSION

Infrastructure Protection and Information Security (IPIS) aims to reduce the vulnerability of the nation's critical infrastructures, key resources, information technology and telecommunications to terrorists and natural disasters and aid in the recovery of these resources after an event.

RECOMMENDATION

The Committee recommends $549,140,000 for Infrastructure Protection and Information Security (IPIS) programs, the same as the President's request and $70,105,000 below the amounts provided in fiscal year 2006.

A comparison of the budget estimate to the Committee recommended level by budget activity as follows:

	Budget estimate	Recommended
Management and Administration	$84,650,000	$84,650,000
Critical Infrastructure Outreach and Partnership	101,100,000	101,100,000
Critical Infrastructure Identification and Evaluation	71,631,000	71,631,000
National Infrastructure Simulation and Analysis Center	16,021,000	16,021,000
Biosurveillance	8,218,000	8,218,000
Protective Actions	32,043,000	32,043,000
Cyber Security	92,205,000	92,205,000
National Security/Emergency Preparedness Telecommunications	143,272,000	143,272,000

	Budget estimate	Recommended
Total, Infrastructure Protection and Information Security	549,140,000	549,140,000

BUDGET JUSTIFICATION

IPIS, created with the Department and reorganized the last year, continues to define itself and clarify its mission. One impediment to achieving mission clarity is providing rudimentary budget information for programs relative to the goals and activities of the programs. Unfortunately, the current account lines do not align with programs, making budgetary judgments difficult. For sound decisions to be made in the appropriations process, timely and detailed programmatic and budgetary information is needed. Components of the Department provide such information slowly, if at all. The Committee expects IPIS, as a newly organized component of the Department, to provide more detailed supporting information to support its budgetary request; the Committee will not accept incomplete, vague or inaccurate submissions and expects IPIS will provide timely and complete information to the Committee. The Committee directs the Department, in consultation with the Committee, to submit its fiscal year 2008 budget and justification with budget lines that align with the operational divisions and programs of IPIS.

PROGRAM TRANSFERS

The Committee notes that the IPIS request reflects a number of program "transfers" within IPIS and between IPIS and other components that are poorly justified or not discussed within the budget at all. While reorganizations can reflect sound management and reprioritization of programs, such action must be clearly documented and in compliance with the Committee's reprogramming and transfer requirements. Therefore, the Committee directs the Department to fully describe all program transfers in future budget submissions, including where the program has been transferred to and reasons for program changes.

ANALYSIS CENTERS

The Committee believes that IPIS analysis centers have the potential to provide valuable insights to other programs, enabling better judgments about where grant monies should be directed. Though these programs are not large, they can influence the spending of billions of dollars, so their value should not be underestimated. While IPIS continues to redefine itself after the Second Stage Review and retools itself to address the needs of national priorities such as supporting implementation of the National Infrastructure Protection Plan, it must sustain and strengthen the basic analytic services it provides to other departmental functions and outside groups. The Committee supports the work of IPIS with the Protective Security Analysis Center to provide a more accurate, comprehensive, and real-time common operating picture. The Committee encourages IPIS to continue this effort to enable the targeted deployment of improved protective actions. The Committee directs IPIS to report on organizational placement, status and activities of its various analysis centers no later than January 16, 2007.

NATIONAL INFRASTRUCTURE PROTECTION PLAN (NIPP)

The Committee approves the $35,000,000 requested for the creation of the National Infrastructure Protection Plan program to aid in the implementation of a framework to establish national priorities, goals and requirements for infrastructure protection. The White House's "The Federal Response to Hurricane Katrina: Lessons Learned" lists infrastructure protection as one of seventeen "critical challenges" and recommends finalization of the National Infrastructure Protection Plan as a major step toward addressing that challenge. Despite repeated promises, the Department has not yet released the NIPP. Therefore, the Committee makes $20,000,000 of the sums provided for Management and Administration unavailable for obligation until DHS finalizes the National Infrastructure Protection Plan to help address weaknesses discussed in the White House report.

OPERATION ARCHANGEL

The Committee recognizes the work that DHS has done through Operation Archangel to provide a national model for protecting critical infrastructure and encourages DHS to continue such activities.

COMPREHENSIVE REVIEW

The Committee notes IPIS has made progress on the Comprehensive Review of commercial nuclear reactors and associated spent fuel storage facilities, including development of a standardized process to assess functions of the site, local law enforcement, and emergency response agencies in protecting and securing nuclear facilities. The Committee is pleased with IPIS' plans to expand the comprehensive review to other nuclear sector segments and expects to be kept apprised of any conclusions drawn from the process, especially as they relate to spent nuclear fuel or emerging weaknesses in protecting these facilities.

HOMELAND INFRASTRUCTURE THREAT ANALYSIS AND RISK CENTER (HITRAC)

The Committee is pleased to learn that IPIS has established the Homeland Infrastructure Threat and Analysis Center (HITRAC) in partnership with Intelligence and Analysis, which some consider the first successful bridge between the infrastructure community and the intelligence community. The Government Accountability Office and others have pointed out that a lack of information sharing was the single greatest failure of government in the lead-up to the 9/11 attacks. The Committee encourages such partnerships and other activities that lead to enhanced information sharing between the intelligence community and those who will take action on it.

PROTECTIVE SECURITY FIELD OPERATIONS

The Committee is pleased with ongoing training and deployment of Protective Security Advisors (PSAs) and Field Security Detachments (FSDs). These individuals and teams are essential for carrying out the Department's nationwide critical infrastructure protection efforts. The Committee directs IPIS to continue its quarterly report summarizing the status of the implementation of the PSA and FSD programs, including the number and locations of

field personnel, the number of site assistance visits, buffer zone protection plans, and site verification and assistance visits that have been completed. These reports should be provided no later than 30 days after the end of each quarter.

CHEMICAL SITE SECURITY

The Committee is deeply concerned by recent statements from the Secretary indicating the chemical industry and the nation are held "hostage to those few [chemical companies] who do not undertake the responsibility that they have to make sure security is at an appropriate level." Further, despite testimony from the Director of Central Intelligence that the chemical industrial infrastructure is vulnerable to a terrorist attack, no federal security measures have been established for the chemical sector. Finally, the Department has concluded that, from a regulatory perspective, the existing patchwork of authorities does not permit the effective regulation of the chemical industry.

While the Administration requests $10,000,000 for establishment of the new Chemical Site Security program to help facilitate the security and safety of chemical sites, the request is poorly justified and it is unclear what this money will be used for. Ideally, this request would have been accompanied by separate legislation requesting authority for the Department to properly regulate chemical site security. No legislation has been sent for consideration. Further, as part of the fiscal year 2006 conference report, the Secretary was directed to submit a report to the Committees on Appropriations by February 10, 2006, on the resources needed to implement mandatory security requirements for the Nation's chemical sector and to create a system for auditing and ensuring compliance with security standards. The report was to include a description of security requirements and any reasons why the requirements should differ from those already in place for chemical facilities that operate in a port zone. This report has not been received.

The Committee recommends fully funding the $10,000,000 request for the Chemical Site Security program, but directs the Department to provide the Committee a spend plan showing how these resources will be used. The Committee also includes a provision to make $10,000,000 of the sums provided for IPIS Management and Administration unavailable for obligation until DHS submits the national security strategy for the chemical sector.

CYBER SECURITY

The Committee recommends $92,205,000 for Cyber Security, $211,000 less than amounts provided in fiscal year 2006. Cyber Security functions as the Federal government coordination point, bridging public and private institutions, to advance computer security preparedness and the response to cyber attacks and incidents through the United States Computer Emergency Readiness Team (US–CERT). Additionally, the Cyber Security program studies the interconnection of cyber assets to identify critical points in our Nation's cyber infrastructure that could be exploited by malicious persons. The Committee is encouraged by US–CERT advisories issued recently and is hopeful that this proactive approach will continue to prevent cyber threats.

INFORMATION SHARING AND ANALYSIS CENTERS (ISACS)

The Committee understands ISACs were developed after the issuance of Presidential Directive 63 to share important information about vulnerabilities, threats, intrusions, and anomalies within and between industry sectors and the National Infrastructure Protection Center. The Committee recognizes the positive work the Multi-State ISAC has accomplished to monitor for cyber intrusions so systems can respond more quickly to these threats and supports this ongoing work.

FEDERAL EMERGENCY MANAGEMENT AGENCY

ADMINISTRATIVE AND REGIONAL OPERATIONS

Appropriation, fiscal year 2006	$236,228,000
Budget estimate, fiscal year 2007	255,499,000
Recommended in the bill	254,499,000
Bill compared with:	
Appropriation, fiscal year 2006	+18,271,000
Budget estimate, fiscal year 2007	−1,000,000

MISSION

FEMA manages and coordinates the federal response to major domestic disasters and emergencies of all types in accordance with the Robert T. Stafford Disaster Relief and Emergency Assistance Act. It ensures the effectiveness of emergency response providers at all levels of government in responding to terrorist attacks, major disasters, and other emergencies. FEMA also administers public assistance and hazard mitigation programs to prevent or to reduce the risk to life and property from floods and other hazards. Finally, FEMA leads all federal incident management preparedness and response planning by building a comprehensive National Incident Management System (NIMS) that incorporates federal, State, Tribal, and local government personnel, agencies, and regional authorities.

Administrative and Regional Operations includes the salaries and expenses required to provide executive direction and administrative staff support for all agency programs in both the headquarters and field offices. This account funds both program support and executive direction activities.

RECOMMENDATION

The Committee recommends $254,499,000 for Administrative and Regional Operations, $1,000,000 less than the President's request and $18,271,000 above the amount provided in fiscal year 2006. The President's request includes funding for 1,115 FTEs, an increase of 83 FTEs. As of March 2006, the Department only had 754 FTEs on board. The Committee is concerned about this high level of vacancy, and is particularly concerned about the number of senior management positions that are in an acting capacity. While the Committee understands that the number of staff vacancies is being reduced through the Acting Director's hiring push, and that a few senior management positions were nominated on April 6, 2006, the Committee remains concerned about the lack of personnel and leadership. Therefore the Committee has reduced funding for Administrative and Regional Operations by $1,000,000 and

directs the Department to provide a comprehensive staffing strategic plan for FEMA within 30 days of enactment. This strategic plan shall include recruitment and training needs and identify resources required. The Committee expects that all Regional and Division Directors will be on board by the start of fiscal year 2007.

CONGRESSIONAL BUDGET JUSTIFICATIONS

FEMA's Congressional budget justifications do not address the needs of the Congress in its role of reviewing and allocating federal budgetary resources. The Committee directs the Secretary to submit the fiscal year 2008 budget justifications based on the specific budget activities within the divisions.

IMPROVING PUBLIC ALERT AND WARNING

The Committee is aware of an innovative project in which the Department of Homeland Security and Public Television have successfully demonstrated the capability of public television stations to provide critical public warning information over their digital broadcast transmission facilities. The project is designed to begin the build out of a national network that enables the American public to receive timely and critical alerts via a range of technologies, such as cell-phones, personal digital assistants, lap tops, pagers, televisions, radios, satellite radio and cable and wireless networks. This technology uses the digital broadcast transmission infrastructure of public television stations as the backbone for the reception, relay and retransmission of emergency alerts in the system.

The first phase of the pilot focused primarily on technology demonstration and proved that digital broadcasts to media and telecommunications service providers will significantly improve and enhance the ability of Federal, State and local governments to provide critical, lifesaving emergency messages to the public. The second phase expanded the number of participants and lays the foundation for a digitally-based federal public safety alert and warning system. This system will supplement the current Emergency Alert System to provide the President and other designated officials the capability to speak to the American public in periods of national emergency. The Committee directs the Department to finish the national build-out and to provide for origination of emergency alert messages from authorized local and state officials.

READINESS, MITIGATION, RESPONSE, AND RECOVERY

Appropriation, fiscal year 2006	$202,017,000
Budget estimate, fiscal year 2007	233,499,000
Recommended in the bill	238,199,000
Bill compared with:	
Appropriation, fiscal year 2006	+36,182,000
Budget estimate, fiscal year 2007	+4,700,000

MISSION

The Readiness, Mitigation, Response, and Recovery activity provides for the development and maintenance of an integrated, nationwide operational capability to prepare for, mitigate against, respond to, and recover from the consequences of disasters and emergencies, regardless of their cause, in partnership with other federal

agencies, State and local governments, volunteer organizations, and the private sector.

RECOMMENDATION

The Committee recommends $238,199,000 for Readiness, Mitigation, Response, and Recovery activities, $4,700,000 above the President's request and $36,182,000 above the amounts provided in fiscal year 2006.

HURRICANE KATRINA LESSONS LEARNED

Consistent with other areas of this report, the Committee expects the Department to vigorously correct failures identified by Hurricane Katrina. The House Bipartisan Committee on Katrina, the White House's "The Federal Response to Hurricane Katrina—Lessons Learned", and investigative results from the Government Accountability Office and the Office of Inspector General point to changes that should be made to programs and responsibilities of the Federal Emergency Management Administration (FEMA). The Committee directs that, with the funds provided for fiscal year 2007, FEMA will implement recommended improvements, with particular emphasis on measures outlined below.

Incident Management.—The investigations into Hurricane Katrina found that management capabilities were insufficient at both the headquarters and field levels. To strengthen incident management, the White House's "The Federal Response to Hurricane Katrina—Lessons Learned" recommends the establishment of a National Operations Center to replace the situational awareness mission of the Homeland Security Operations Center (HSOC) and FEMA's National Response Coordination Center (NRCC). The Committee understands that FEMA is developing protocols to improve operations between the NRCC and the HSOC, including upgrading equipment and installing software to improve the interface, coordination, and exchange of information. The Committee directs the Department to improve operations so that the NRCC can function as a true interagency command center. Below the headquarters level, the Committee directs FEMA to identify and train field personnel to fill the roles of future Principal Federal Official and Joint Field Office staffs. The Committee commends the Department's April 26 predesignation of 28 federal officials to coordinate the federal government's role in the 2006 storm season. The Department is directed to define the roles of these officials and fully train these officials before the start of the 2006 hurricane season. FEMA is directed to report no later than July 1, 2006, on the status of these teams and the Department's efforts to identify and train field personnel.

Logistics.—All States affected by Katrina have reported they could not rely on FEMA to provide the commodities requested and that federal and State managers had trouble determining what resources were available and where and when they were needed. The White House's "Lessons Learned" recommends that FEMA develop a modern, flexible logistics system. The Committee understands that FEMA is developing a new commodity tracking initiative (Total Asset Visibility: Phase I) that will provide FEMA with an improved ability to manage its inventory of certain commodities and to track the location of trailers carrying commodities. The

Committee understands that, within the funds provided, FEMA will continue its efforts to expand this tracking system to encompass all logistics centers. FEMA is directed to report on the status of these efforts no later than July 1, 2006.

Evacuations.—More than 70,000 individuals failed to evacuate New Orleans before Hurricane Katrina hit, resulting in catastrophe when it did. The White House's "Lessons Learned" found that, when local evacuations fail, the federal government must be prepared to fulfill this task. The Committee concurs with the recommendation that FEMA work with the Department of Transportation to plan and exercise mass evacuations. A related issue to mass evacuation is the resultant dislocated population needing temporary shelter. The Committee concurs with the "Lessons Learned" recommendation that the Department must maintain awareness of the movement of shelter and temporary housing for residents. The Committee understands that FEMA is working with its nonprofit partners to improve the ability to meet temporary housing needs and the registration process and directs FEMA to report on the status of these efforts no later than July 1, 2006.

Debris Removal.—The estimated 118 million cubic yards of debris caused by Hurricane Katrina were unprecedented. The Committee recognizes that FEMA has revised its debris removal policy to ensure consistent cost-sharing for federal contracting (through the U.S. Army Corps of Engineers) and local government contracting. Further, FEMA is establishing a nationwide list of debris removal contractors that can help States and local communities better plan for, and more rapidly respond to, debris removal requirements in times of disaster. FEMA is directed to notify the Committee of any changes to current debris removal policies prior to implementing these changes.

HURRICANE KATRINA FRAUD AND ABUSE

The Committee is concerned by widespread reports of fraud and abuse associated with victim assistance programs for the 2005 Gulf Coast hurricanes. GAO found in (GAO–06–403T, "Expedited Assistance for Victims of Hurricanes Katrina and Rita") significant flaws in the process for registering disaster victims that leave the federal government vulnerable to fraud and abuse of Expedited Assistance payments. While the Committee recognizes the importance of providing aid as quickly as possible to disaster victims, FEMA must have in place basic controls to ensure that assistance goes to only those in need and affected by a disaster. The Committee directs FEMA to revise the validating and authenticating processes as recommended in the February GAO statement. The Committee concurs with the GAO—once fraudulent registrations are made and money is disbursed, recouping those funds is a costly and cumbersome process. The controls must be in place up front through validation of identities and addresses and enhanced use of automated system verification intended to prevent fraudulent disbursements. FEMA shall report on instituting revisions to its identity validation process no later than July 1, 2006, and provide an update of implemented reforms by January 16, 2007. The Committee directs the Department to provide a specific line item by program, project, and activity in its fiscal year 2008 budget submission requesting necessary funds to implement revisions to the registration

processes that will safeguard taxpayer dollars from fraud and abuse.

CATASTROPHIC PLANNING

While support for planning has largely moved to the Preparedness Directorate, there continues to be a role for FEMA in this area. The Preparedness Directorate is responsible for providing assistance to State and local governments to carry out their planning efforts while FEMA remains responsible for planning the Federal-level effort required for effective catastrophic disaster response operations. The Committee provided $5,300,000 in fiscal year 2005, $20,000,000 in fiscal year 2006, and recommends $20,000,000 in fiscal year 2007 for catastrophic planning, as requested by the President. The $25,300,000 previously appropriated are "no-year" funds which remain available until expended. These appropriations indicate the Committee's support for catastrophic planning. However, the Committee remains concerned about the lack of detailed plans on the use of these funds and notes that FEMA is four months late in submitting the report on the status of catastrophic planning required in fiscal year 2006. The Committee includes bill language withholding from obligation the $20,000,000 provided in fiscal year 2007 until FEMA develops and provides a detailed catastrophic planning expenditure plan. This plan shall include: a schedule of catastrophic planning events; exercises of the NRP's Catastrophic Incident Supplement; and cost estimates, schedule milestones, and expected performance goals for each planning event. This detailed expenditure plan is in addition to the report requested in fiscal year 2006 due February 10, 2006, which the Committee expects no later than August 1, 2006.

NATIONAL RESPONSE PLAN AND NATIONAL INCIDENT MANAGEMENT SYSTEM

The fiscal year 2007 President's request for Readiness, Mitigation, Response, and Recovery (RMRR) included $5,300,000 to initiate improvements to the National Response Plan. The Committee has included these funds in the pending fiscal year 2006 supplemental appropriations bill to accelerate the revision process, and therefore does not include the $5,300,000 in the amounts recommended for fiscal year 2007. The Federal response to Hurricane Katrina revealed several areas for revision in the NRP. The Committee recommends the following improvements: (1) clarify what constitutes an Incident of National Significance to eliminate the confusion and academic debate that surrounds this issue; (2) clarify the roles, authorities and responsibilities between the PFO and FCO; and (3) require that all Federal signatories to the NRP train deployable disaster response personnel. Of the funds provided for RMRR, $30,000,000 is included for the National Incident Management System (NIMS). The Committee directs FEMA to use no less than $10,000,000 to continue to implement NIMS nationwide, with a focus specifically on standards identification, testing and evaluation of equipment, and gap and lessons learned identification.

NATIONAL CENTER FOR MISSING AND EXPLOITED CHILDREN

The Committee commends the National Center for Missing and Exploited Children (NCMEC) for its laudable contributions to Hurricane Katrina relief efforts. In the six months that followed the 2005 Gulf Coast hurricanes, NCMEC recovered and reunited all of the 5,192 children reported as missing. While NCMEC has traditionally served the law enforcement community, the Committee views NCMEC as a unique national resource that has the potential to fill a critical need within DHS' response programs. The Committee is aware of ongoing discussions between FEMA and NCMEC that would include NCMEC in disaster relief operations. The Committee is extremely supportive of this relationship and encourages FEMA to examine how NCMEC can best contribute to the National Response Plan.

PREPOSITIONED EQUIPMENT PROGRAM AND LOGISTICS CENTERS

The Committee includes $7,000,000 as requested for further equipment purchase, maintenance, deployment, training and outreach for the Prepositioned Equipment Program. The Committee has learned that four of the nine Prepositioned Equipment Program Pods have been released. The Committee understands that, in some instances, this was because the Pods were housed in non-government buildings scheduled for closure or demolition. However, the Committee understands that instead of leasing new space for the Pods in a nearby location, the Department has moved the equipment to FEMA logistics centers. The Committee directs the Department to provide, by July 1, 2006, the strategic or business plan that guided the site selection for the relocation of the materials housed in the four recently released Pods including the risk based methodology used to position the equipment. The Committee directs the Department to provide the strategy behind co-locating the Pod equipment with logistics centers, as well as the original methodology used to select the locations of the logistics centers. As part of this plan, the Committee directs the Department to provide an accounting of the actions taken to date to extend the West Coast Logistics Center.

The Committee is aware of failures in providing temporary housing structures in a reasonable time following Hurricane Katrina and of more than 14,945 hastily ordered, purchased, and now unused mobile homes. The Committee strongly recommends FEMA consider acquiring and storing at logistics centers temporary, stackable, and reusable emergency structures that can be expanded during assembly to increase useable space. The structures should also be suitable to address other infrastructure needs including offices, schools, and medical centers. The Committee believes these multiple reuse and expandable structures will result in cost-savings as well as provide immediate assets for improving delivery times, service, and enhance response capabilities.

The Committee directs FEMA to consider prepositioning portable water purification systems and meals-ready-to-eat (MREs) near known natural disaster and other critical emergency response areas.

URBAN SEARCH AND RESCUE

In 2005, the Department reported that the current 28 Urban Search and Rescue teams have the capacity to meet the Stafford Act urban search and rescue needs of this country. The Committee notes that the country has again been well served by the Urban Search and Rescue teams. Three days before Hurricane Katrina hit landfall, three Urban Search and Rescue Teams were initially deployed, and ultimately all 28 teams were deployed, to assist in rescue efforts in heavily impacted areas in Louisiana and Mississippi. The Committee is extremely impressed by the work of the teams, which consist of local emergency services personnel who helped 6,582 people reach safety in the hours and days immediately after Hurricane Katrina, and searched for trapped victims in 22,313 structures in New Orleans alone. The Committee is concerned that the personnel of the 28 existing teams worked around the clock from August 27, 2005, through September 30, 2005, and encourages FEMA to expand the numbers of teams and to request appropriate funds to support additional teams in the fiscal year 2008 budget.

LEVEE RECERTIFICATION

The Committee directs FEMA, in working with the Corps of Engineers, to provide a status report by January 16, 2007 on any levee inventories including the number and location of federal levees that require recertification, the estimated costs of recertification, and, a description of the Administration's policy on how these cost requirements should be met.

EMERGENCY PREPAREDNESS DEMONSTRATION PROGRAM

The Committee understands that the emergency preparedness demonstration program is in the information collection phase. The Committee directs FEMA to expand this pilot demonstration project so that information from Hurricane Katrina victims can be added to this study. The Committee recognizes that this may cause the time of the study to lengthen and directs that FEMA provide an interim report to the committee by March 31, 2007.

PUBLIC HEALTH PROGRAMS

Appropriation, fiscal year 2006	$33,660,000
Budget estimate, fiscal year 2007	33,885,000
Recommended in the bill	33,885,000
Bill compared with:	
Appropriation, fiscal year 2006	+225,000
Budget estimate, fiscal year 2007	– – –

MISSION

The Public Health Program account provides for the coordination of much of the federal health, medical, and mental health response to major emergencies, federally declared disasters and terrorist acts. This nationwide response capacity supplements State and local medical resources during disasters and emergencies.

RECOMMENDATION

The Committee recommends $33,885,000 for Public Health Programs, the same as the budget request and $225,000 above the amounts provided in fiscal year 2006.

DISASTER RELIEF

Appropriation, fiscal year 2006	$1,750,800,000
Budget estimate, fiscal year 2007	1,941,390,000
Recommended in the bill	1,662,891,000
Bill compared with:	
Appropriation, fiscal year 2006	−87,909,000
Budget estimate, fiscal year 2007	−278,499,000

MISSION

The Federal Emergency Management Agency is responsible for administering disaster assistance programs and coordinating the federal response in Presidential disaster declarations. Major activities under the Disaster Relief program are: human services which provides aid to families and individuals; infrastructure which supports the efforts of State and local governments to take emergency protective measures, clear debris and repair infrastructure damage; hazard mitigation that sponsors projects to diminish effects of future disasters; and disaster management, including disaster field office staff and automated data processing support.

RECOMMENDATION

The Committee recommends $1,662,891,000 for the Disaster Relief Fund, $278,499,000 below the President's request and $89,409,000 below the amount provided in the regular fiscal year 2006 bill.

The Committee has appropriated $35,000,000,000 in Emergency Funds to the Disaster Relief Fund since September, 2005, and has recommended an additional $9,550,000,000 in the pending Supplemental bill. These funds remain available until expended for declared disasters and emergencies. Of these emergency funds provided in fiscal year 2005, Hurricane Katrina, almost $778,000,000 were expended to purchase 21,322 mobile homes, 14,945 of which have not been used. The Committee expects that these homes will be used for housing needs for the upcoming hurricane seasons, thereby reducing estimated needs for the Disaster Relief Fund.

DISASTER ASSISTANCE DIRECT LOAN PROGRAM ACCOUNT

ADMINISTRATIVE EXPENSES

Appropriation, fiscal year 2006	$561,000
Budget estimate, fiscal year 2007	569,000
Recommended in the bill	569,000
Bill compared with:	
Appropriation, fiscal year 2006	+8,000
Budget estimate, fiscal year 2007	– – –

LIMITATION ON DIRECT LOANS

Appropriation, fiscal year 2006	$25,000,000
Budget estimate, fiscal year 2007	25,000,000
Recommended in the bill	25,000,000
Bill compared with:	
Appropriation, fiscal year 2006	– – –
Budget estimate, fiscal year 2007	– – –

MISSION

Beginning in 1992, loans made to States under the cost sharing provisions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act were funded in accordance with the Federal Credit Reform Act of 1990. The Disaster Assistance Direct Loan Program Account, which was established as a result of the Federal Credit Reform Act, records the subsidy costs associated with the direct loans obligated beginning in 1992 to the present, as well as administrative expenses of this program.

RECOMENDATION

The Committee recommends $25,000,000 for the limitation on direct loans from the Disaster Assistance Direct Loan Program pursuant to section 319 of the Stafford Act, and $569,000 for administrative expenses of the program, the same as the budget request.

FLOOD MAP MODERNIZATION FUND

Appropriation, fiscal year 2006	$198,000,000
Budget estimate, fiscal year 2007	198,980,000
Recommended in the bill	198,980,000
Bill compared with:	
Appropriation, fiscal year 2006	+980,000
Budget estimate, fiscal year 2007	– –

MISSION

The mission of the Flood Map Modernization Program is to modernize and digitize the inventory of over 100,000 flood maps. These flood maps are used to determine appropriate risk-based premium rates for the National Flood Insurance Program, complete hazard determinations required for the nation's lending institutions, and to develop appropriate disaster response plans for federal, State, and local emergency management personnel.

RECOMMENDATION

The Committee recommends $198,980,000 for the Flood Map Modernization Fund, the same as the President's request and $980,000 above amounts provided in fiscal year 2006. The Committee directs FEMA to continue funding ongoing flood mapping projects at those levels identified in the statement of managers accompanying P.L. 108–7. The Committee further directs FEMA to provide funding to update the flood maps of the following: Independence County in Arkansas; Flint River in Albany, Georgia; Pike and Bell Counties in Kentucky; Hearne and Abilene, Texas; Brazos and Robertson Counties in Texas. Not to exceed three percent may be used for administrative expenses. Funds are available until expended.

The Committee is concerned the Flood Map Modernization Program is using data that is outdated and inaccurate to produce its maps. The Committee therefore directs FEMA to use newly collected elevation data produced by using the best available technologies being utilized by other Federal agencies, such as the National Oceanic and Atmospheric Administration, the National Geospatial Intelligence Agency, and the Department of Defense. This should include consultation and coordination with, at a minimum, the U.S. Geological Survey and the Army Corps of Engineers.

NATIONAL FLOOD INSURANCE FUND

(INCLUDING TRANSFER OF FUNDS)

Appropriation, fiscal year 2006	$123,854,000
Budget estimate, fiscal year 2007	128,588,000
Recommended in the bill	128,588,000
Bill compared with:	
Appropriation, fiscal year 2006	+4,734,000
Budget estimate, fiscal year 2007	– – –

MISSION

The Flood Disaster Protection Act of 1973 requires the purchase of insurance in communities where it is available as a condition for receiving various forms of federal financial assistance for acquisition and construction of buildings or projects within special flood hazard areas identified by the Federal Emergency Management Agency. All existing buildings and their contents in communities where flood insurance is available, through either the emergency or regular program, are eligible for a first layer of coverage of subsidized premium rates.

Full risk actuarial rates are charged for new construction or substantial improvements commenced in identified special flood hazard areas after December 31, 1974, or after the effective date of the flood insurance rate map issued to the community, whichever is later. For communities in the regular program, a second layer of flood insurance coverage is available at actuarial rates on all properties, and actuarial rates for both layers apply to all new construction or substantial improvements located in special flood hazard areas. The program operations are financed with premium income augmented by Treasury borrowings.

RECOMMENDATION

The Committee has included bill language for salaries and expenses to administer the National Flood Insurance Fund, not to exceed $38,230,000, the same as the budget request. The Committee has included bill language that not to exceed $50,000,000 for severe repetitive loss property mitigation expenses under section 1361A of the National Flood Insurance Act of 1968 and a repetitive loss property mitigation pilot program under section 1323 of the Act shall remain available until expended. Not to exceed $90,358,000 is available for flood mitigation activities, of which $31,000,000 is available under section 1366 of the Act for transfer to the National Flood Mitigation Fund. Flood mitigation funds are available until September 30, 2008. Total funding of $128,588,000 is offset by premium collections.

NATIONAL FLOOD MITIGATION FUND

(INCLUDING TRANSFER OF FUNDS)

Appropriation, fiscal year 2006	$28,000,000
Budget estimate, fiscal year 2007	31,000,000
Recommended in the bill	31,000,000
Bill compared with:	
Appropriation, fiscal year 2006	+3,000,000
Budget estimate, fiscal year 2007	– – –

MISSION

The National Flood Mitigation Fund assists States and communities in implementing measures to reduce or eliminate the long-term risk of flood damage to buildings, manufactured homes, and other structures insurable under the National Flood Insurance Program (NFIP).

RECOMMENDATION

The Committee recommends $31,000,000 for the National Flood Mitigation Fund, the same as the President's request and $3,000,000 below the amounts provided in fiscal year 2006, to be derived by transfer from the National Flood Insurance Program. Funds are available until September 30, 2008.

NATIONAL PRE-DISASTER MITIGATION FUND

Appropriation, fiscal year 2006	$49,500,000
Budget estimate, fiscal year 2007	149,978,000
Recommended in the bill	100,000,000
Bill compared with:	
Appropriation, fiscal year 2006	+50,500,000
Budget estimate, fiscal year 2007	–49,978,000

MISSION

The National Pre-Disaster Mitigation Fund assists State and local governments (to include Indian Tribal governments) in implementing cost-effective hazard mitigation activities that complement a comprehensive mitigation program. All applicants must be participating in the National Flood Insurance Program (NFIP) if they have been identified through the NFIP as having a Special Flood Hazard Area (a Flood Hazard Boundary Map or Flood Insurance Rate Map has been issued). In addition, the community must not be suspended or on probation from the NFIP.

RECOMMENDATION

The Committee recommends $100,000,000 for the National Pre-Disaster Mitigation Fund, $49,978,000 below the President's request and $50,000,000 above amounts provided in fiscal year 2006. In addition to the funds recommended for fiscal year 2007, the Committee understands that FEMA has approximately $75,000,000 in carryover funding from previous fiscal years. Further, the President's budget assumed an increase in aviation passenger fees in order to fund this program at the requested levels. Authorization of this fee is not within the jurisdiction of the Committee on Appropriations and the Committee has adjusted its fiscal year 2007 recommendation accordingly.

EMERGENCY FOOD AND SHELTER

Appropriation, fiscal year 2006	$151,470,000
Budget estimate, fiscal year 2007	151,470,000
Recommended in the bill	151,470,000
Bill compared with:	
Appropriation, fiscal year 2006	– – –
Budget estimate, fiscal year 2007	– – –

MISSION

The Emergency Food and Shelter National Board Program was created in 1983 to supplement the work of local social service organizations within the United States, both private and governmental, to help people in need of emergency assistance. This collaborative effort between the private and public sectors has disbursed over $2.4 billion in Federal funds during its 23-year history.

RECOMMENDATION

The Committee recommends $151,470,000 for the Emergency Food and Shelter program, the same as the budget request and as the amounts provided in fiscal year 2006. Not to exceed 3.5 percent may be used for administrative expenses. Funds are available until expended.

TITLE IV—RESEARCH AND DEVELOPMENT, TRAINING, AND SERVICES

UNITED STATES CITIZENSHIP AND IMMIGRATION SERVICES

Appropriation, fiscal year 2006	$113,850,000
Budget estimate, fiscal year 2007	181,990,000
Recommended in the bill	161,990,000
Bill compared with:	
Appropriation, fiscal year 2006	+48,140,000
Budget estimate, fiscal year 2007	−20,000,000

MISSION

The mission of U.S. Citizenship and Immigration Services (CIS) is to process all immigrant and non-immigrant benefits provided to visitors to the United States, naturalization requests, promote national security as it relates to immigration issues, eliminate immigration adjudications backlogs, and implement solutions to improve immigration customer services. While essentially a service organization, CIS maintains substantial records and data relevant to both individuals who seek immigration benefits, as well as for law enforcement and other homeland security purposes.

RECOMMENDATION

The Committee recommends $161,990,000 for Citizenship and Immigration Services, a decrease of $20,000,000 below the President's request and $48,140,000 above the amount provided in fiscal year 2006. This includes $47,000,000 to support business system and information technology transformation; $24,500,000 to fully fund the Systematic Alien Verification for Entitlements (SAVE) program and expand it to meet requirements of the REAL ID Act; and $90,490,000 to expand the Employment Eligibility Verification (EEV) program. As noted earlier in this report, these investments are critical to the ultimate success of the SBI and immigration re-

form, while providing immediate efficiency and security benefits for current operations. The Committee reduced the overall discretionary funding for the EEV program from that requested due to the assumption in the President's budget of an increase in aviation passenger fees to fund this program at the requested levels. This fee is not within the jurisdiction of the Committee on Appropriations and the Committee has adjusted its fiscal year 2007 recommendation for this account accordingly.

The following table specifies funding by program, project, and activity, and includes both direct appropriation and estimated collections:

Direct appropriations	Budget estimate	Recommended
Business and IT Transformation	$47,000,000	$47,000,000
Systematic Alien Verification for Entitlements (SAVE)	24,500,000	24,500,000
Employment Eligibility Verification (EEV) program	110,490,000	90,490,000
Subtotal, Direct Appropriations	181,990,000	161,990,000
Adjudication Services (Immigration Examination Fee Account):		
Pay and Benefits	624,600,000	624,600,000
District Operations	385,400,000	385,400,000
Service Center Operations	267,000,000	267,000,000
Asylum, Refugee and International Operations	75,000,000	75,000,000
Records Operations	67,000,000	67,000,000
Subtotal, Adjudication Services	1,419,000,000	1,419,000,000
Information and Customer Services (Immigration Examination Fee Account):		
Pay and Benefits	81,000,000	81,000,000
National Customer Service Center	48,000,000	48,000,000
Information Services	15,000,000	15,000,000
Subtotal, Information and Customer Service	144,000,000	144,000,000
Administration (Immigration Examination Fee Accounts):		
Pay and Benefits	45,000,000	45,000,000
Operating Expenses	196,000,000	196,000,000
Subtotal, Administration	241,000,000	241,000,000
Subtotal, Immigration Examination Fee Account	1,760,000,000	1,760,000,000
Fraud Prevention and Detection Fee Account	31,000,000	31,000,000
H–1B Non-Immigrant Petitioner Fee Account	13,000,000	13,000,000
Total, U.S. Citizenship and Immigration Services	1,985,990,000	1,965,990,000

USER FEE FUNDED PROGRAMS

Current estimates of fee collections, which constitute the majority of CIS offsetting resources, are $1,804,000,000. These will support adjudication of applications for immigration benefits and fraud prevention activities, and be derived from fees collected from persons applying for immigration benefits. Within the $1,760,000,000 of immigration examination fees collected, the Committee directs CIS to provide not less than $48,000,000 to support the National Customer Service Center operations, and not to exceed $5,000 shall be available for official reception and representation expenses.

OFFSETTING FEE COLLECTIONS

CIS operations depend on a variety of fees to offset operations, particularly the Immigration Examination Fee. The potential fluctuation of these fees can adversely affect operations if spending is not appropriately prioritized. The Committee directs CIS to ensure

that it fully funds current, ongoing base operations that are fee-supported before undertaking new initiatives.

INFORMATION TECHNOLOGY AND BUSINESS SYSTEM TRANSFORMATION

The Committee is convinced that CIS must dramatically upgrade its business operations, which are chained to anachronistic paper processes, to avoid future backlogs in processing, particularly in the event a temporary worker program or some significant demand for benefits or naturalization should arise. Of perhaps greater concern, the need to access and share CIS data by law enforcement and national security agencies will continue to be frustrated until such information can be digitized and standardized. The Committee therefore strongly supports the President's request for information technology and business system transformation, and provides $47,000,000 in fiscal year 2007. In order to ensure that this effort is consistent with best practices, the Committee makes this funding unavailable for obligation until CIS submits to the Committee, and the Committee approves, a strategic transformation plan that has been reviewed by the Secretary and the Government Accountability Office. The Committee directs that CIS submit with this plan a detailed breakout of costs associated with its business and information technology transformation effort in fiscal year 2007. The Committee also directs that CIS include in the report materials reflecting the alignment of the transformation process with Departmental architecture, as well as details on expected project performance and deliverables.

The Committee is concerned that CIS may have changed its plans for the use of fiscal year 2006 funding provided for information transformation and digitization efforts. If so, the Committee directs CIS to submit a new expenditure plan for approval by the Committee before obligating these funds.

EMPLOYER COMPLIANCE

Ensuring that CIS can respond to State and employer requests for information on immigration status is key to preventing illegal aliens from using fraud or counterfeit identity documents to gain credentials for employment and public services—the "magnets" that drive illegal immigration. The Committee fully supports development of SAVE and EEV systems. Because of budget constraints, the Committee reduces EEV funding by $20,000,000, with the expectation that this should not seriously delay investment in EEV.

One element of IT and business system transformation relates to electronic communications with the State Department. The Committee is disappointed that it has not received the report on this information exchange, as required in the fiscal year 2006 Committee report, and directs that report be provided as soon as possible.

SECURITY AND INTERNAL AFFAIRS

The Committee is aware of reports that CIS may be vulnerable to significant security lapses. One concern is that, because the Office of Security and Investigations (OSI) has a significant case backlog, critical enforcement action may be delayed—for example, were it later discovered that immigration benefits had been grant-

ed inappropriately. Another is that CIS adjudicators may lack necessary security clearances, with the result that immigration benefits or naturalization may have been granted without adequate background or watch list checks—for which such security clearances may be required. At the same time, the Committee applauds the CIS Director for his declaration that security is the top priority for CIS—not maximizing output. The Committee strongly urges CIS to work closely with Immigration and Customs Enforcement and the Office of the Inspector General to resolve any outstanding security gaps, and to keep the Committee fully informed of progress in this effort.

BACKGROUND CHECKS

The Committee understands some individuals have been waiting over two years for the Federal Bureau of Investigation (FBI) to complete adjudication of their background checks. The Committee further understands the FBI has recognized this problem and is devoting additional resources to resolve these background checks. The Committee directs CIS to ensure those cases that have been held up the longest and those with the most compelling need are given priority in this process.

IMMIGRATION SERVICES

The Committee encourages CIS to continue to expand its immigration service programs throughout the country in areas with high immigrant populations.

AVAILABILITY OF OFFICIAL FILES

The Committee recognizes the importance of ensuring asylum applicants receive copies of their DHS files to prepare for their cases in immigration court, where this is appropriate. The Committee is concerned that, due to a backlog at the National Records Center, few, if any, asylum applicants who file FOIA requests for their files shortly after being served with a notice to appear in immigration court receive those files in time to prepare for their hearings. The Committee directs CIS to develop a plan to ensure that such requests are filled expeditiously, when appropriate, and to submit the plan to the Committee not later than January 16, 2007.

U-VISA

The Committee is concerned that CIS has yet to issue regulations on the U-visa for immigrant victims of crime. This visa was established pursuant to the Trafficking Victims Protection Act of 2000, but few victims have applied in the last six years, as only interim relief exists. The Committee directs CIS to report not later than January 16, 2007, on its plan for issuing U-visa regulations.

FEDERAL LAW ENFORCEMENT TRAINING CENTER

SALARIES AND EXPENSES

Appropriation, fiscal year 2006	$192,060,000
Budget estimate, fiscal year 2007	202,310,000
Recommended in the bill	210,507,000
Bill compared with:	
Appropriation, fiscal year 2006	+18,447,000
Budget estimate, fiscal year 2007	+8,197,000

MISSION

The Federal Law Enforcement Training Center (FLETC) provides the necessary facilities, equipment, and support services to conduct advanced, specialized, and refresher training for federal law enforcement personnel. Specifically, FLETC serves as an interagency law enforcement training organization for 75 federal agencies with personnel located throughout the United States and its territories. FLETC also provides services to State, local, and international law enforcement agencies, and on a space available basis, other federal agencies with related law enforcement missions.

FLETC is headquartered in Glynco, Georgia with facilities in Artesia, New Mexico and Charleston, South Carolina. Each of these facilities is designed primarily for residential training operations. There is a fourth training center for officers and agents in the Washington, D.C. area.

RECOMMENDATION

The Committee recommends $210,507,000 for FLETC, an increase of $8,197,000 above the President's request and $18,447,000 above the amounts provided in fiscal year 2006. This increase supports the increased training needs of the Border Patrol and Immigration and Customs Enforcement. The Committee includes bill language and $300,000 as requested for compensation to recipients receiving law enforcement accreditation, and language permitting FLETC to hire retired Federal employees as instructors.

The Committee encourages FLETC to explore the use of high fidelity interactive simulators to practice and assess critical incident preparedness skills. This would provide an authentic physics-based dynamic disaster environment to train decision makers and first responders, without the high costs or risks associated with live exercises.

ACQUISITION, CONSTRUCTION, IMPROVEMENTS, AND RELATED EXPENSES

Appropriation, fiscal year 2006	$87,474,000
Budget estimate, fiscal year 2007	42,246,000
Recommended in the bill	42,246,000
Bill compared with:	
Appropriation, fiscal year 2006	−45,228,000
Budget estimate, fiscal year 2007	− − −

MISSION

This account provides for the acquisition, construction, improvements, equipment, furnishings, and related costs for expansion and maintenance of facilities of the Federal Law Enforcement Training

Center, to include its facilities in Georgia, South Carolina, Maryland, and New Mexico.

RECOMMENDATION

The Committee recommends $42,246,000 for FLETC Acquisition, Construction, Improvements, and Related Expenses, the same as the President's request and $45,228,000 below the amounts provided in fiscal year 2006. The decrease is due to one time facility construction costs funded in fiscal year 2006.

SCIENCE AND TECHNOLOGY

MANAGEMENT AND ADMINISTRATION

Appropriation, fiscal year 2006	$80,288,000
Budget estimate, fiscal year 2007	195,901,000
Recommended in the bill	180,901,000
Bill compared with:	
Appropriation, fiscal year 2006	+100,613,000
Budget estimate, fiscal year 2007	−15,000,000

MISSION

The Management and Administration (M&A) appropriation provides for the salaries and expenses of federal employees of the Science and Technology Directorate (S&T).

RECOMMENDATION

The Committee recommends $180,901,000 for Management and Administration, $15,000,000 below the President's request and $100,613,000 above amounts provided in fiscal year 2006. The request reflects $112,013,000 in administrative costs previously funded in the Research, Development, Acquisition, and Operations (RDA&O) account in order to better account for resources S&T devotes to research, as distinguished from resources applied to administrative overhead.

HIRING

The Committee has reduced M&A funding by $10,000,000 due to the large number of vacancies within this office that are estimated to continue through the remainder of fiscal year 2006 and into fiscal year 2007.

COMMUNICATIONS

The Committee is very disappointed by S&T's poor response to Congressional requests for information, including a failure to provide congressionally directed reports. After three years, there has been no measurable improvement in this area, which is unacceptable. Therefore, the Committee's recommendation reflects a $5,000,000 reduction to the M&A account for lack of responsiveness.

BUDGET JUSTIFICATIONS

Only with great difficulty has the Committee been able to gather basic budgetary information in support of the President's fiscal year 2007 request for S&T. This is disconcerting, since a budget should be built upon sound, mission-oriented planning and fiscal

analysis rather than simply being cobbled together. In particular, inadequate justification was given for S&T administrative overhead funding, and how it would be employed. The Committee therefore makes $98,000,000 unavailable for obligation until S&T provides an expenditure plan with sufficient detail on how it developed its cost estimates, and explains the differences between the fiscal year 2007 congressional justification and S&T's projected plans for using these resources.

ADMINISTRATIVE COST ASSESSMENTS

The Committee is extremely disappointed to learn S&T has adopted the practice of assessing significant fractions of S&T activities' appropriated funds to cover Directorate overhead costs. This has resulted in hiding true costs and a diminishment of resources aimed at critical initiatives. In addition, the method employed by S&T for such assessments is baffling—some programs are assessed less than ten percent, others more than 20 percent, with no clear reason for the difference. This practice must stop. The Committee directs S&T to identify and report any future assessments of a program within RDA&O to the Committee, and ensure that no assessment may exceed five percent of the total program appropriation. Any exception to the five percent cap must be approved by the Committee in accordance with section 503 of this Act.

LEADERSHIP

The Committee directs the Department to expedite the naming of a new Under Secretary. To its credit, acting management has begun to provide the Committee with better information on the operations of S&T programs and priorities. Nevertheless, regardless of the competency of the acting Under Secretary and staff, S&T has a need for permanent leadership to take responsibility for corrective changes, be accountable for policy decisions, and set a clear agenda for the organization.

RESEARCH, DEVELOPMENT, ACQUISITION, AND OPERATIONS

Appropriation, fiscal year 2006	$1,406,787,000
Budget estimate, fiscal year 2007	806,370,000
Recommended in the bill	775,370,000
Bill compared with:	
Appropriation, fiscal year 2006	−631,417,000
Budget estimate, fiscal year 2007	−31,000,000

MISSION

The mission of the Science and Technology Directorate is to develop and deploy technologies and capabilities to secure our homeland. This directorate conducts, stimulates, and enables research, development, test, evaluation, and the timely transition of homeland security capabilities to federal, State, and local operational end-users. This activity includes investments in both evolutionary and revolutionary capabilities with high payoff potential; early deployment of off-the-shelf, proven technologies to provide for initial defense capability; near-term utilization of emerging technologies to counter terrorist threats; and development of new capabilities to thwart future and emerging threats.

RECOMMENDATION

The Committee recommends $775,370,000 for Research, Development, Acquisition and Operations (RDA&O), $31,000,000 below the President's request and $631,417,000 below amounts provided in fiscal year 2006. The President's budget assumed an increase in aviation passenger fees in order to fund this program at the requested levels. This fee is not within the jurisdiction of the Committee on Appropriations and the Committee has adjusted its fiscal year 2007 recommendation for this account accordingly. Decreases include $38,000,000 from the Chemical Countermeasures program; $10,000,000 from the Explosives Countermeasures program; $7,000,000 from the Regional Technology Integration (RTI) program and $3,000,000 from the Response and Recovery activities, both within Conventional Missions Support. These decreases correspond to areas of research where other governmental agencies are taking the lead. The Committee directs S&T to work with the Department of Defense on its ongoing Chemical and Explosives Countermeasures activities and leverage those much larger programs to benefit the safety and security of the homeland. Further, the Department is directed to work with the Office of Grants and Training to assume a greater share of any RTI-type activities the Department wishes to pursue. Finally, S&T is directed to work with the Environmental Protection Agency on Chemical Response and Recovery activities.

A comparison of the budget estimate to the Committee recommended level by budget activity is as follows:

	Budget estimate	Recommended
Biological Countermeasures	$337,200,000	$337,200,000
Chemical Countermeasures	83,092,000	45,092,000
Explosives Countermeasures	86,582,000	76,582,000
Threat Awareness	39,851,000	39,851,000
Conventional Missions	88,622,000	85,622,000
Standards	22,131,000	22,131,000
Emergent and Prototypical Technologies	19,451,000	19,451,000
Critical Infrastructure Protection	15,413,000	35,413,000
University Programs Fellowship Programs	51,970,000	51,970,000
Counter MANPADS	4,880,000	4,880,000
SAFETY Act	4,710,000	4,710,000
Cyber Security	22,733,000	22,733,000
Interoperability and Compatibility	29,735,000	29,735,000
Total, Research, Development, Acquisition, and Operations	806,370,000	775,370,000

BUSINESS MODEL

The Committee continues to be concerned about the ability of S&T to advance the use of science and technology in battling terrorism and against other hazards related to homeland security. Despite its promise, S&T has failed to adequately convey its role or how it supports missions of DHS component agencies. Vendors continue to complain that S&T is slow to evaluate potentially valuable tools, and many DHS components express skepticism or even ignorance about the value of S&T in serving their agencies. Until recently, S&T has failed to explain how it is using resources appropriated in prior years, or even how it derived its request for fiscal year 2007. Reports on activities have been left undone and progress

on ongoing reports has ceased when responsible staff left the Department.

The Department is directed to report to the House Committee on Appropriations, the House Homeland Security Committee and the House Science Committee no later than 180 days after enactment of this Act on the status of its efforts to develop and implement a business model to enable it to: employ its countermeasure activities to combat weapons of mass destruction; lead and coordinate homeland security research and cultivate the next generation of scientists; provide research and consulting services to the component agencies; deliver new, validated technologies to first responders and those who need them most; and other activities deemed necessary by the Secretary.

FINANCIAL MANAGEMENT

The Committee is disappointed to learn DHS's independent financial auditors reported that during fiscal year 2005 S&T had financial reporting deficiencies, including serious difficulties maintaining accurate financial records related to obligations and disbursements. In addition, S&T was unable to provide breakdowns of funds obligated to private and public sector facilities, used multiple systems to track contracts, and lacked an automated system to provide information about obligations and unexpended obligations associated with contracts. Until these financial management challenges are addressed, uncertainty about the reliability of S&T's reported financial data may prevent DHS from resolving financial reporting deficiencies and raises questions about the fiscal year 2007 budget formulation. Therefore, the Committee makes $400,000,000 unavailable for obligation until the Committee receives and approves a report prepared by the Under Secretary that describes its progress to address financial management deficiencies; improve its management controls; and implement performance measures and conduct independent evaluations to assess the scope, quality and effectiveness of its research and development programs.

DNDO TRANSFER

The proposed transfer of the Domestic Nuclear Detection Office (DNDO) from S&T is puzzling since all other DHS Countermeasures activities are located within S&T. This is particularly unusual given most of the DNDO budget is specifically directed toward research and development. Furthermore, the Department has failed to explain why such a move was necessary. While the Committee is dissatisfied with this, it recognizes the critical importance of the DNDO mission, and the liability it would face by remaining in a leaderless Directorate. The Committee therefore approves the transfer of DNDO.

However, the Committee is concerned that, if DNDO is housed outside the primary research and development body of DHS, it may encounter unexpected hurdles in achieving its research aims. The Committee directs S&T to work with DNDO and support the R&D related needs of this new office. In addition, the Committee is aware DNDO does not have certain grant making and contracting authority; the Committee includes a new general provision (Sec. 531) providing this authority.

BIOLOGICAL COUNTERMEASURES

The Biological Countermeasures program develops and implements an integrated systems approach to reducing the probability and potential consequences of a biological attack on this nation's civilian population, infrastructure, or agricultural system. The Committee recommends $337,200,000 for Biological Countermeasures as requested by the President. The Committee notes that the current deployed technologies are labor intensive, costly and detect a limited range of pathogens. The Committee supports the requested BioWatch Gen 2 enhancements and expects S&T to proceed expeditiously in the development and deployment of Gen 3 instruments. The Committee notes that operational costs of the currently deployed systems that require personnel to manually extract samples daily are substantial and that fully autonomous Gen 3 systems currently in development will lead to decreased operational costs while increasing specificity and sensitivity.

BIOLOGICAL COUNTERMEASURES STRATEGIC PLAN

The Committee notes the Department's other major weapons of mass destruction countermeasure program, DNDO, has made efforts to develop an "architecture" to distinguish its efforts from those of other federal Departments, to coordinate those Departments' activities, and to chart its future activities and goals. Given the serious consequences of a successful biological attack and the disparate number of agencies working on the issue (e.g., the Centers for Disease Control, U.S. Department of Agriculture, and Food and Drug Administration) the Biological Countermeasures program should pursue a similar coordinating effort, as soon as practicable. The Committee directs S&T, in coordination with the DHS Chief Medical Officer and other related federal departments, to develop a similar strategic plan and to report not later than January 16, 2007 to the House Committee on Appropriations, the House Homeland Security Committee and the House Science Committee on DHS' roles and responsibilities, its framework for deploying sensors, its scope of activities, including how detector alerts would be managed, how it plans to enhance advance animal vaccine research and other agro-terrorism defense efforts, overall fulfillment of the Department's obligations under HSPD–10, and how other activities of this portfolio relate to such efforts by other government agencies.

MATERIAL THREAT ASSESSMENTS

The Committee is concerned with the lack of progress on completing the Material Threat Assessments authorized under the Public Health Service Act. These assessments are a vital component of the national preparedness posture and are essential for identifying the risks for which the Department of Health and Human Services (HHS) must develop countermeasures. The Committee urges the Department, in coordination with HHS, to finish all necessary assessments of chemical, biological, radiological, and nuclear agents capable of significantly affecting national security as quickly as possible. The Committee directs S&T to report on its plan for completing these assessments by January 16, 2007.

URBAN DISPERSION

The Committee supports S&T's ongoing Urban Dispersion Program to provide urban first responders information they will need during a radiological, biological or chemical attack and recommends continued funding of this program.

CHEMICAL COUNTERMEASURES

The Chemical Countermeasures program focuses on characterizing and reducing the vulnerability posed by toxic industrial materials in use, storage or transport within the nation as well as providing countermeasures to emerging chemical threats. The Committee recommends $45,092,000 for Chemical Countermeasures, $48,958,000 below the amounts provided in fiscal year 2006. The Committee believes that ongoing work by other federal departments can be leveraged to benefit protecting the homeland. Of the amount provided, the Committee recommends $18,800,000 for the Chemical Countermeasures detection program. The Committee directs the Under Secretary for S&T to work with the Assistant to the Secretary of Defense for Nuclear, Chemical and Biological Defense Programs to help leverage DOD research toward the protection of the homeland where practicable. Included in the Committee's recommendations is $7,600,000 for the Chemical Countermeasures response and recovery activity. The Committee directs the Under Secretary to coordinate with the Environmental Protection Agency on its ongoing activities to prevent duplication of effort.

EXPLOSIVE COUNTERMEASURES

The Explosive Countermeasures program provides the science and technology needed to significantly increase the probability of interdicting an explosives attack on buildings, critical infrastructure, and this nation's civilian population. The Committee recommends $76,582,000 for Explosive Countermeasures $33,022,000 above the amounts provided in fiscal year 2006. Of the amount provided, the Committee recommends $4,200,000 for the Explosive Countermeasures suicide bomb detection program and $4,300,000 for the vehicle bomb program. The Committee directs the Under Secretary for S&T to work with the Assistant to the Secretary of Defense for Nuclear, Chemical and Biological Defense Programs to help leverage DOD research toward the protection of the homeland where practicable.

MANHATTAN II

The Committee is very interested in the progress and outcomes of the Manhattan II project and has provided $13,500,000 in fiscal year 2007. This ongoing long-term research and development program focuses on developing highly efficient and fast next-generation explosive detection systems. This program, commenced by TSA, has been transferred to the Science and Technology Directorate.

With the "proof of concept" phase now completed, the Committee expects S&T to release its next broad area announcement and begin the next phase of development as quickly as possible and to award funding to participants with capability to transition tech-

nology to the marketplace and who will likely be able to produce cost effective machines once in production. The Committee supports the program's efforts to reduce false alarm positives, increase throughput, reduce manpower costs, enhance resolution, and improve reliability and operating efficiencies.

AREA 300

The Committee is aware S&T is working with the Department of Energy on replacement facilities at Area 300 of the Pacific Northwest National Laboratories, but no reference to this activity was in the budget justification. The Committee directs the Department to fully fund its obligations and characterize its efforts at this site in the fiscal year 2008 budget submission.

THREAT AWARENESS

The Committee recommends $39,851,000 for Threat Awareness, the same as the President's request and $2,719,000 below the amount provided in fiscal year 2006. Within the Threat Awareness Portfolio, S&T has created the knowledge management architecture known as Analysis, Dissemination, Visualization, Insight, Synthesis, and Enhancement (ADVISE) to integrate various information capabilities. The Committee remains unclear of the Department's plans for ADVISE and directs S&T to submit a program plan, including goals and costs to the Committee by November 3, 2006.

CONVENTIONAL MISSIONS IN SUPPORT OF THE DEPARTMENT

The Committee recommends $85,622,000 for Conventional Missions, $6,422,000 above amounts provided in fiscal year 2006. The Committee recommends $3,500,000 for the Regional Technology Integration (RTI) program and $6,200,000 for the Response and Recovery activities within Conventional Missions Support. As noted previously in this report, the Committee is concerned that component managers seem unaware that S&T is performing work on their behalf. The Committee believes that component needs should be incorporated into Conventional Missions activities to provide customer-oriented, requirements-based research. The Committee directs S&T to include such criteria in the business model described previously in this report.

The Committee believes new technologies may significantly help the Department as it seeks to secure our homeland. The Committee endorses the Department's plans to assess technologies such as infrared illumination systems, laser radar sensors, and aerial imaging technologies.

CARGO AND CONTAINER SECURITY

The Committee is aware that S&T, in cooperation with the Transportation Security Administration and Customs and Border Protection (CBP), has a number of initiatives underway concerning the security of containers, including the detection of materials within the container and the security of the container itself. The Committee believes that unsecured containers pose a significant threat to the homeland since terrorists could exploit the nation's open commerce and transport a weapon of mass destruction or

themselves to this country. As described in the Office of the Secretary and Executive Management, the Committee recommends aggressive support of port, container, and cargo security. Within this account, the Committee recommends $23,000,000 for Border and Transportation Cargo Security, an increase of $7,100,000 over the amount requested. The Committee directs S&T, in partnership with CBP, to use these resources to pilot test, if appropriate, and accelerate development of Container Security Devices, Advanced Container Security Devices and other ongoing Department initiatives.

STANDARDS COORDINATION

The Committee recommends $22,131,000 for the Standards program, the same as the President's request. The Committee also recommends that the program be renamed Standards Coordination. Setting standards is vital. For example, without appropriate standards, interoperability of radios will never be achievable, money cannot be wisely spent on the best safety product, and manufacturers' claims cannot be verified. However, setting standards is not S&T's role, and this program has no authority to do so. Rather, it supports the development and adoption of standards to help public safety agencies select equipment and tools that are safe, effective, and reliable. The current name and frequent communications from the Department lead many to believe DHS has this authority and ability—and leaves S&T vulnerable to criticism. However, within its mission space, S&T should encourage the rapid development of standards for technologies and training programs and be certain they are designed and validated to ensure that they perform as needed.

EMERGENT AND PROTOTYPICAL TECHNOLOGIES

The Committee recommends $19,451,000, for Emergent and Prototypical Technologies, the same as the President's request and $17,300,000 below the combined amount provided to Emerging Threats and Rapid Prototyping in fiscal year 2006. The Committee supports the President's request for the Public Safety and Security Institute for Technology (PSITEC) to continue to implement the centralized technology clearinghouse for federal, State and local governments and for the development and execution of programs that assist DHS in implementing Section 313 of the Homeland Security Act. This includes programs to: provide assistance in assessing technology needs and establish requirements for the development of new technologies; facilitate the transfer of technologies to end users; and test and evaluate new technologies. The Committee understands there are other related activities within other components that, if properly linked to PSITEC, could bring synergies to end users. The Committee directs the Department to make information and databases of other DHS websites and portals integrated into the centralized Clearinghouse.

CRITICAL INFRASTRUCTURE PROTECTION

The Critical Infrastructure Protection program conducts vulnerability, consequence and risk analyses to identify the best approaches to protecting the nation's infrastructure, allowing prior-

ities to be established based on a rational process, and resources to be invested with the highest payoff of risk reduction and damage mitigation. The Committee recommends $35,413,000 for Critical Infrastructure Protection $20,000,000 above the President's request, and $4,979,000 below the amounts provided in fiscal year 2006. The Committee recommends $20,000,000 to support existing work in research and development and application of technology for community based critical infrastructure protection efforts.

UNIVERSITY PROGRAMS/FELLOWSHIP PROGRAMS

The Committee recommends $51,970,000 for University Programs/Fellowship Programs, the same as the President's request and $10,400,000 below the amounts provided in fiscal year 2006. The Committee is concerned that this program has an unobligated balance of $67,399,000 halfway through the fiscal year and reduces funds below fiscal year 2006 accordingly. S&T is encouraging universities to become centers of multi-disciplinary research, including long-term research, through its Centers of Excellence activities and fostering the development of the next generation of scientists through its Scholars and Fellows Program. The Committee continues to support S&T efforts to interest and educate the next generation of researchers, and notes the continued intense interest from universities with proposals to perform homeland security activities. The Committee directs S&T to report on activities funded under this appropriation by January 16, 2007.

COUNTER-MANPADS

The Counter-MANPADS program is focused on identifying, developing, and testing a cost-effective capability to protect the nation's commercial aircraft against the threat of man-portable air defense systems (MANPADS), commonly called anti-aircraft missiles. The Committee recommends $4,880,000 for the Counter-MANPADS program, the same as the President's request and $104,020,000 below the amounts provided in fiscal year 2006. The Committee notes that the request reflects the completion of Phase 3 testing in fiscal year 2006, which will provide the Administration and Congress information about the applicability, reliability, and cost of airborne counter-MANPADS currently being evaluated. The Committee directs S&T to complete and report on this testing as quickly as practicable.

SAFETY ACT

The "Support Anti-terrorism by Fostering Effective Technologies Act of 2002", (SAFETY Act) facilitates the development of homeland security technologies that otherwise would not be deployed because of the risk of liability. Companies can apply to have their products and services deemed "qualified anti-terrorism technologies". The Committee recommends $4,710,000 for the SAFETY Act program, the same as the President's request and $2,220,000 below amounts provided in fiscal year 2006.

The Committee is encouraged by the progress S&T has made in reducing the processing time for SAFETY Act applications. The Committee directs S&T to explore new ways to expedite the SAFETY Act process, including: developing a procedure to identify active

procurements that are eligible under the SAFETY Act and invite the vendors to apply for designation and certification; aligning SAFETY Act criteria for utility and effectiveness with procurement criteria where possible; and avoiding repeat technical reviews of anti-terrorism technology that other government agencies have conducted.

SAFECOM

The Committee notes that SAFECOM has worked diligently within its mission space and is pleased with its efforts to enhance and accelerate communications interoperability for the nation's emergency responders. The Committee supports the continuation of the development and implementation of tools such as the Statewide Communications Interoperability Planning tools and is encouraged by results of regional planning efforts. The Committee supports the joint work of SAFECOM and the Office of Grants and Training (G&T) in continuing the Rapidcom initiative, and in overseeing the implementation of the grant guidance provided to State, regional and local jurisdictions. The Committee directs SAFECOM to work with G&T to assess the success of Rapidcom and the grant guidance, and to recommend steps to enhance the use of that guidance.

The Committee directs OIC to test and report findings on the performance specifications of Internet-Protocol (IP) based interoperability solutions and corresponding transmission equipment. SAFECOM guidelines should then be amended to clarify that, for purposes of providing near-term interoperability, funding requests to improve interoperability need not be limited to the purchase of new radios, but can also fund the purchase of these successfully tested Internet-Protocol (IP) based interoperability solutions that connect existing and future radios over an IP interoperability network. Likewise, funding requests for successfully tested transmission equipment to construct mutual aid channels and upgrade such channels with IP connectivity will also be considered, so long as P–25 and other digital radios utilizing the public safety portions of the 700 MHz band can operate over an IP interoperability network.

RISK ASSESSMENT

The Committee acknowledges the Department's assertion that the fiscal year 2007 budget request was formulated based on "risk". In a world with limited resources, a department tasked with missions that range from finding persons lost at sea to detecting renegade nuclear weapons, prioritizing spending based on mitigating the greatest risk is not only proper budgeting, but the best means to save lives and protect property. Without a relative risk scale ranking the greatest dangers to society, decisionmaking can become arbitrary and lead to the use of resources for the most frightening threats rather than ones most likely to harm us. Unfortunately, the fiscal year 2007 budget request offers no details of how risk assessment was used in its formulation or even which DHS agency was tasked with prioritizing risks and assigning them resources.

The Committee is aware of the work of the Risk Assessment Policy (RAP) Group and is pleased with the RAP Group approach to addressing conflicting risk assessment methodologies. The Com-

mittee directs DHS to report by January 16, 2007, on the direction that will be taken to make certain all elements of the Department involved in risk assessment activities are using compatible risk assessment methodologies including risks from all hazards and are coordinated with each other. The Committee also directs the RAP Group to work with the Office of Grants and Training and the Office of Infrastructure Protection and Information Security to develop grant guidance for all grant programs within DHS establishing common risk assessments to be used by all grantees.

DOMESTIC NUCLEAR DETECTION OFFICE

Appropriation, fiscal year 2006 [1]	$(314,834,000)
Budget estimate, fiscal year 2007	535,788,000
Recommended in the bill	500,000,000
Bill compared with:	
Appropriation, fiscal year 2006	+185,166,000
Budget estimate, fiscal year 2007	−35,788,000

[1] The Domestic Nuclear Detection Office was part of Science and Technology's Research, Development, Acquisition and Operations account in fiscal year 2006. This figure is shown for comparison purposes only.

MISSION

The Domestic Nuclear Detection Office (DNDO) leads the Department's efforts to prevent nuclear or radiological terrorism by improving the nation's capability to detect unauthorized possession of radiological material.

RECOMMENDATION

The Committee recommends $500,000,000 for the Domestic Nuclear Detection Office, $35,788,000 below the President's request and $185,166,000 above the amounts provided in fiscal year 2006. The President's budget assumed an increase in aviation passenger fees in order to fund this program at the requested levels. This fee is not within the jurisdiction of the Committee on Appropriations and the Committee has adjusted its fiscal year 2007 recommendation for this account accordingly. The Committee does not recommend funding the proposed SURGE program and proposes the transformational research activities be funded at $85,200,000. While the Committee recommends reductions to the budget request, it notes that this still represents an increase of 59 percent over the amounts provided in fiscal year 2006. The Committee is impressed with the aggressive efforts and focus of this new organization. Though only a year old, DNDO has provided timely and accurate information, worked with Congress to clarify its important mission, and appears well on its way to greatly expanding domestic capability for detection of illicit nuclear materials. A comparison of the budget estimate to the Committee recommended level by budget activity is as follows:

	Budget estimate	Recommended
Management and administration	$30,468,000	$30,468,000
Research, development, and operations	327,320,000	291,532,000
Systems acquisition	178,000,000	178,000,000
Total, Office of the Chief Information Officer	535,788,000	500,000,000

CONTAINER SECURITY

As described under the Office of the Secretary and Executive Management, the Committee recommends aggressive support of port, container, and cargo security. As part of the Department's strategic plan, Customs and Border Protection (CBP) and DNDO are required to double the percentage of in-bound, containerized cargo that is screened, with January 1, 2006 as a baseline.

RADIATION PORTAL MONITOR DEPLOYMENT

GAO recently found that CBP's delays in deployment of radiation portal monitors (RPMs) were caused by DHS' lengthy review process and negotiations with seaport operators on the placement of the equipment. The Committee directs CBP and DNDO to streamline the RPM deployment process so that seaport placement plans are developed in advance and DHS does not delay the number of monitors that can be deployed within the funding available.

ADVANCED SPECTROSCOPIC PORTALS (ASP)

The Committee is concerned over the lack of a quantitative analysis which demonstrates the increased effectiveness of sodium-iodide based Advanced Spectroscopic Portal monitors compared to the current generation RPMs. DNDO shall not expend any funds provided in this Act to create a Sodium-Iodide Manufacturing Program until DNDO demonstrates that Advanced Spectroscopic Portal monitors will significantly speed up commerce, reduce the costs of secondary inspection or significantly increase sensitivity over current generation RPMs. Until this assessment is completed, the current monitors should be deployed in an expeditious manner. The Committee directs DNDO to conduct a cost-benefit analysis to compare the benefits of ASP deployment to that of current RPMs and report to the Committee on the results of this analysis no later than July 1, 2006.

RED TEAMING

The Committee is concerned that GAO recently succeeded in smuggling nuclear material into the country during a red team exercise (GAO–06–389, "Combating Nuclear Smuggling, DHS Has Made Progress Deploying Radiation Detection Equipment at U.S. Ports-of-Entry, but Concerns Remain"). While the RPM detected the radioactive source, CBP failed to verify proper documentation transporting radioactive material. The Committee is also aware that DNDO proposes to begin red teaming activities to test the portions of the architecture over the coming years. The Committee cautions DNDO to not only test the technological component of the architecture, but to also explore administrative and bureaucratic weaknesses. The Committee directs DNDO to submit a report on red team exercises and any recommendations made by January 16, 2007.

SECOND LINE OF DEFENSE

The Committee is pleased DNDO has been working closely with DOE's Second Line of Defense program—the first layer of defense in the global nuclear architecture to detect illicit nuclear materials. While DNDO's efforts focus on protecting the homeland and DOE's

program focuses overseas, the Committee urges DNDO to continue to work closely with this parallel program to share intelligence, technology and best practices.

INTELLIGENCE

The Committee believes that there is value in deploying technologies to potentially detect a nuclear weapon or dirty bomb. However, simply because technology has been deployed to ports and border crossings does not mean the nation is safe from a smuggled radiological weapon. Since we have not been confronted with a smuggled device to date, lessons may be drawn from looking at other types of smuggling or ways to develop a radiological weapon with common materials that exist in the United States already. Of most importance is the power of intelligence in leading to seizures. The Committee directs DNDO to strengthen its links to the intelligence community and to account for this aspect in its planning.

TITLE V—GENERAL PROVISIONS—THIS ACT

Section 501. The Committee continues a provision that no part of any appropriation shall remain available for obligation beyond the current year unless expressly provided.

Section 502. The Committee continues a provision that unexpended balances of prior appropriations may be merged with new appropriation accounts and used for the same purpose, subject to reprogramming guidelines.

Section 503. The Committee continues a provision that provides authority to reprogram funds within an account and not to exceed 5 percent transfer authority between appropriations accounts with the requirement for a 15-day advance Congressional notification. A detailed funding table identifying each Congressional control level for reprogramming purposes is included at the end of this Report. These reprogramming guidelines shall be complied with by all agencies funded by the Department of Homeland Security Appropriations Act, 2007.

Section 504. The Committee continues a provision that not to exceed 50 percent of unobligated balances remaining at the end of fiscal year 2007 from appropriations made for salaries and expenses shall remain available through fiscal year 2008 subject to reprogramming guidelines.

Section 505. The Committee continues a provision that funds for intelligence activities are deemed to be specifically authorized during fiscal year 2007 until the enactment of an Act authorizing intelligence activities for fiscal year 2007.

Section 506. The Committee continues a provision directing the Federal Law Enforcement Training Center to lead the Federal law enforcement training accreditation process.

Section 507. The Committee continues a provision requiring notification of the Committees on Appropriations three days before any grant allocation, discretionary grant award, discretionary contract award, or letter of intent totaling $1,000,000 or more is made or announced by the Department.

Section 508. The Committee continues a provision that no agency shall purchase, construct, or lease additional facilities for federal

law enforcement training without advance approval of the Committees on Appropriations.

Section 509. The Committee continues a provision requiring the Director of the Federal Law Enforcement Training Center to ensure that all training facilities are operated at optimal capacity throughout the fiscal year.

Section 510. The Committee continues a provision that none of the funds may be used for any construction, repair, alteration, and acquisition project for which a prospectus, if required by the Public Buildings Act of 1959, has not been approved.

Section 511. The Committee continues a provision that none of the funds may be used in contravention of the Buy American Act.

Section 512. The Committee continues a provision authorizing the Department of Homeland Security to conduct background investigations for certain employees.

Section 513. The Committee continues and modifies a provision regarding Secure Flight.

Section 514. The Committee continues a provision prohibiting the use of funds to amend the oath of allegiance required by section 337 of the Immigration and Nationality Act (8 U.S.C. 1448).

Section 515. The Committee continues a provision regarding OMB Circular A–76.

Section 516. The Committee continues a provision prohibiting the use of funds to maintain the United States Secret Service as anything but a distinct entity within the Department of Homeland Security and shall not be used to merge the United States Secret Service with any other department function, cause any personnel and operational elements of the United States Secret Service to report to an individual other than the Director of the United States Secret Service, or cause the Director to report directly to any individual other than the Secretary of Homeland Security.

Section 517. The Committee continues a provision prohibiting the use of funds in this or previous appropriations Acts for the protection of the head of a Federal agency other than the Secretary of Homeland security unless the Secret Service is fully reimbursed.

Section 518. The Committee continues a provision regarding standards and protocols for increasing the use of explosive detection equipment to screen air cargo.

Section 519. The Committee continues and modifies a provision requiring the Transportation Security Administration to utilize existing checked baggage explosive detection equipment and screeners to screen cargo carried on passenger aircraft to the greatest extent practicable at each airport. The Committee also requires the quarterly submission of air cargo inspection statistics. If the quarterly report is delayed, the appropriation for Aviation Security is reduced by $100,000 per day.

Section 520. The Committee continues and modifies a provision prohibiting the obligation of funds for the transportation worker identification credential program using a decentralized personalization system or card production capability that does not utilize an existing government card production facility.

Section 521. The Committee continues and modifies a provision rescinding unexpended balances within the United States Coast Guard "Acquisition, Construction, and Improvements" account.

Section 522. The Committee continues a provision that directs that only the privacy officer, appointed pursuant to section 222 of the Homeland Security Act of 2002, may alter, direct that changes be made to, delay or prohibit the transmission of a privacy officer report to Congress.

Section 523. The Committee continues a provision prohibiting the use of funds made available in this or previous Appropriations Acts to pay the salary of any employee serving as a contracting officer's technical representative (COTR) who has not received COTR training.

Section 524. The Committee continues and modifies a provision that directs that any funds appropriated or transferred to TSA "Aviation Security" and "Administration" in fiscal years 2004, 2005 and 2006, which are recovered or deobligated, shall be available only for procurement and installation of explosive detection systems for air cargo, baggage and checkpoint screening systems, subject to section 503 of this Act.

Section 525. The Committee continues and modifies a provision regarding Sensitive Security Information.

Section 526. The Committee continues and modifies a provision extending the authorization of the Working Capital Fund.

Section 527. The Committee continues and modifies a provision rescinding prior year balances from the Counterterrorism Fund.

Section 528. The Committee continues a provision regarding weekly reporting requirements for the Disaster Relief Fund, as required by Public Law 109–62.

Section 529. The Committee includes a new provision requiring the Secretary to submit, within 45 days after the close of each month, a monthly budget execution report for each Departmental component and the Working Capital Fund at the level of detail shown in the table of detailed funding recommendations included in this report.

Section 530. The Committee includes a new provision authorizing the United States Secret Service to apply proceeds from undercover operations to further investigations.

Section 531. The Committee includes a new provision giving the Domestic Nuclear Detection Office grant making authority identical to that of Science and Technology.

Section 532. The Committee includes a new provision regarding the importation of prescription drugs.

Section 533. The Committee includes a new provision rescinding previously appropriated funds for the Transportation Security Administration "Aviation Security" and "Headquarters Administration."

Section 534. The Committee includes a new provision regarding the Stafford Disaster Relief and Emergency Assistance Act for building purposes.

Section 535. The Committee includes a new provision regarding funds for Disaster Assistance for Unmet Needs for specific purposes.

Section 536. The Committee includes a new provision providing the Secretary the authority to issue an interim final rule regarding chemical facility security.

APPROPRIATIONS CAN BE USED ONLY FOR THE PURPOSES FOR WHICH MADE

Title 31 of the United States Code makes clear that appropriations can be used only for the purposes for which they were appropriated as follows:

Section 1301. Application.

(a) Appropriations shall be applied only to the objects for which the appropriations were made except as otherwise provided by law.

HOUSE OF REPRESENTATIVES REPORT REQUIREMENTS

The following items are included in accordance with various requirements of the Rules of the House of Representatives.

TRANSFER OF FUNDS

Pursuant to clause 3(f)(2), rule XIII of the Rules of the House of Representatives, the following is submitted describing the transfer of funds provided in the accompanying bill.

The table shows, by title, department and agency, the appropriations affected by such transfers:

APPROPRIATION TRANSFERS RECOMMENDED IN THE BILL

Account to which transfer is to be made	Amount	Account from which transfer is to be made	Amount
National Flood Mitigation Fund	$31,000,000	National Flood Insurance Fund.	$31,000,000

RESCISSION OF FUNDS

In compliance with clause 3(f)(2) of rule XIII of the Rules of the House of Representatives, the Committee reports that it recommends the following rescissions:

[In thousands of dollars]

U.S. Coast Guard, Fast Response Cutter	−$79,347
Counter Terrorism Fund	−16,000
Transportation Security Administration	−4,776

CONSTITUTIONAL AUTHORITY

Clause 3(d)(1) of rule XIII of the Rules of the House of Representatives states that:

> Each report of a committee on a bill or joint resolution of a public character, shall include a statement citing the specific powers granted to the Congress in the Constitution to enact the law proposed by the bill or joint resolution.

The Committee on Appropriations bases its authority to report this legislation from Clause 7 of Section 9 of Article I of the Constitution of the United States of America that states:

> No money shall be drawn from the Treasury but in consequence of Appropriations made by law * * *

Appropriations contained in this Act are made pursuant to this specific power granted by the Constitution.

COMPLIANCE WITH RULE XIII, CL. 3 (RAMSEYER RULE)

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in italic and existing law in which no change is proposed is shown in roman):

2002 SUPPLEMENTAL APPROPRIATIONS ACT FOR FURTHER RECOVERY FROM AND RESPONSE TO TERRORIST ATTACKS ON THE UNITED STATES

(Public Law 107–206)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2002, and for other purposes, namely:

TITLE I—SUPPLEMENTAL APPROPRIATIONS

* * * * * * *

CHAPTER 12

* * * * * * *

GENERAL PROVISIONS—THIS CHAPTER

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SEC. 1202. (a) The Federal Law Enforcement Training Center may, for a period ending not later than [5 years after the date of the enactment of this Act] *December 31, 2009*, appoint and maintain a cadre of up to [250] *350* Federal annuitants: (1) without regard to any provision of title 5, United States Code, which might otherwise require the application of competitive hiring procedures; and (2) who shall not be subject to any reduction in pay (fro annuity allocable to the period of actual employment) under the provisions of section 8344 or 8468 of such title 5 or similar provision of any other retirement system for employees. A reemployed Federal annuitant as to whom a waiver of reduction under paragraph (2) applies shall not, for any period during which such waiver is in effect, be considered an employee for purposes of subchapter III of chapter 83 or chapter 84 of title 5, United States Code, or such other retirement system (referred to in paragraph (2)) as may apply.

* * * * * * *

FINANCIAL ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

In accordance with section 308(a)(1)(C) of the Congressional Budget Act of 1974 (Public Law 93–344), as amended, the financial assistance to state and local governments is as follows:

[In millions of dollars]

FY 2007 new budget authority	$4,816
FY 2007 outlays resulting therefrom	10,685

COMPARISON WITH BUDGET RESOLUTION

Clause 3(c)(2) of Rule XIII of the Rules of the House of Representatives requires an explanation of compliance with section 308(a)(1)(A) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93–344), as amended, which requires that the report accompanying a bill providing new budget authority contain a statement detailing how the authority compares with the reports submitted under section 302 of the Act for the most recently agreed to concurrent resolution on the budget for the fiscal year from the Committee's section 302(a) allocation. This information follows:

[In millions of dollars]

Comparison with Allocation	302(b) allocation		This bill	
	Budget Authority	Outlays	Budget Authority	Outlays
General Purpose Discretionary	$32,080	$38,730	$32,080	$38,711
Mandatory	1,017	1,014	1,017	1,014
Total	33,097	39,744	33,097	39,725

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of Rule XIII of the Rules of the House of Representatives, the following is a statement of general performance goals and objectives for which this measure authorizes funding:

The Committee on Appropriations considers program performance, including a program's success in developing and attaining outcome-related goals and objectives, in developing funding recommendations.

[In millions of dollars]

Outlays:	
2007	$20,406
2008	6,904
2009	3,554
2010	1,362
2011 and beyond	569

FIVE YEAR OUTLAY PROJECTIONS

In compliance with section 308(a)(1)(B) of the Congressional Budget Act of 1974 (Public Law 93–344), as amended, the following table contains five-year projections associated with the budget authority provided in the accompanying bill:

COMPLIANCE WITH RULE XIII, CLAUSE 3(f)(1)

Pursuant to clause 3(f)(1) of rule XIII of the Rules of the House of Representatives, the Committee has inserted at the appropriate place in the report a description of the effects of provisions proposed in the accompanying bill which may be considered, under certain circumstances, to change the application of existing law, either directly or indirectly.

The bill provides, in some instances, for funding of agencies and activities where legislation has not yet been finalized. In addition, the bill carries language, in some instances, permitting activities

not authorized by law. Additionally, the Committee includes a number of general provisions.

TITLE I—DEPARTMENT MANAGEMENT AND OPERATIONS

OFFICE OF THE SECRETARY AND EXECUTIVE MANAGEMENT

The Committee includes language providing funds for reception and representation expenses. The Committee also restricts funds available for obligation until certain reporting requirements are satisfied.

OFFICE OF THE UNDER SECRETARY FOR MANAGEMENT

The Committee includes language providing funds for reception and representation expenses and for costs necessary to consolidate headquarters operations at the Nebraska Avenue Complex, including tenant improvements and relocation costs.

OFFICE OF THE CHIEF FINANCIAL OFFICER

The Committee includes language providing funds for the Chief Financial Officer, including $18,000,000 for the eMerge2 program.

The Committee also restricts funds available for obligation until monthly reporting requirements in general provisions are met.

OFFICE OF THE CHIEF INFORMATION OFFICER

The Committee includes language providing funds for the Chief Information Officer (CIO) and for the development and acquisition of information technology equipment, software, services, and related activities and prohibits the use of funds to augment other automated systems.

ANALYSIS AND OPERATIONS

The Committee includes language providing funds for information analysis and operations coordination activities, as authorized by title II of the Homeland Security Act of 2002, including $5,000 for official representation expenses.

OFFICE OF THE FEDERAL COORDINATOR FOR GULF COAST REBUILDING

The Committee includes language providing funds for the Office of the Federal Coordinator for Gulf Coast Rebuilding and restricts funds for obligation until the Federal Coordinator submits a report on Federal rebuilding efforts.

OFFICE OF THE INSPECTOR GENERAL

The Committee includes language providing funds for certain confidential operational expenses, including the payment of informants.

TITLE II—SECURITY, ENFORCEMENT, AND INVESTIGATIONS

UNITED STATES VISITOR AND IMMIGRANT STATUS INDICATOR TECHNOLOGY

The Committee includes language making funds available until expended for the US–VISIT program and includes language requiring the submission of an expenditure plan prior to the obligation of funds.

CUSTOMS AND BORDER PROTECTION

SALARIES AND EXPENSES

The Committee includes language making funds available for border security, immigration, customs, and agricultural inspections and regulatory activities; acquisition, lease, maintenance and operation of aircraft; purchase of vehicles; contracting with individuals for personal services; Harbor Maintenance Fee collections; official reception and representation expenses; inspection and surveillance technology, and equipment for the Container Security Initiative; Customs User Fee collections; payment of rental space in connection with pre-clearance operations; compensation of informants; and contractual or reimbursable agreements with State and local law enforcement agencies. The Committee includes provisions regarding average overtime limitations, Border Patrol checkpoints in the Tucson sector, and a restriction on the obligation of funds until a SBInet expenditure plan is submitted and approved.

AUTOMATION MODERNIZATION

The Committee includes language making funds available until expended for automated systems and includes language requiring the submission of an expenditure plan prior to the obligation of funds.

CBP AIR AND MARINE INTERDICTION, OPERATIONS, MAINTENANCE, AND PROCUREMENT

The Committee includes language making funds available for the operation, maintenance and procurement of aircraft, marine vessels, and other equipment; travel; rental payments for facilities; and assistance to other law enforcement agencies and humanitarian efforts. The Committee includes language prohibiting the transfer of aircraft and related equipment out of the Customs and Border Protection unless certain conditions are met. The Committee includes language restricting the obligation of funds until a report on the crash of an unmanned aerial vehicle is submitted.

CONSTRUCTION

The Committee includes language making funds available until expended for the planning, construction, renovating, equipping, and maintaining of buildings and facilities.

IMMIGRATION AND CUSTOMS ENFORCEMENT

SALARIES AND EXPENSES

The Committee includes language making funds available for enforcement of immigration and customs laws, detention and removals, and investigations; purchase of replacement vehicles; special operations; official reception and representation expenses; compensation to informants; promotion of public awareness of the child pornography tipline; Project Alert; and reimbursement of other Federal agencies for certain costs. The Committee includes language regarding overtime compensation and forced child labor laws.

FEDERAL PROTECTIVE SERVICE

The Committee includes language making funds available until expended for the operations of the Federal Protective Service.

CONSTRUCTION

The Committee includes language making funds available until expended for the planning, constructing, renovating, equipping, and maintaining of buildings and facilities.

TRANSPORTATION SECURITY ADMINISTRATION

AVIATION SECURITY

The Committee includes language making funds available until expended for civil aviation security; and establishing conditions under which security fees are collected and credited. The Committee includes language limiting screener staffing levels to 45,000 full time equivalents. The Committee includes language that limits the federal share of any letter of intent to 75 percent for any medium or large airport and no more than 90 percent for any other airport and permits appropriations authorized for aviation security to be distributed in any manner necessary to ensure aviation security and fulfill the government's cost share under existing letters of intent. The Committee includes language on reimbursement of security services for general aviation at Ronald Reagan Washington National Airport. The Committee includes language on an air cargo security action plan. The Committee also includes language providing funds for reception and representation expenses.

SURFACE TRANSPORTATION SECURITY

The Committee includes language providing funds for surface transportation security programs of the Transportation Security Administration.

TRANSPORTATION THREAT ASSESSMENT AND CREDENTIALING

The Committee includes language on the development and implementation of screening programs.

TRANSPORTATION SECURITY SUPPORT

The Committee includes language providing funds for transportation security support programs of the Transportation Security Administration. The Committee includes language requiring the

submission of a detailed spending plan for explosive detection systems refurbishment, procurement and installation prior to the obligation of funds.

FEDERAL AIR MARSHALS

The Committee includes language providing funds for the Federal Air Marshals.

UNITED STATES COAST GUARD

OPERATING EXPENSES

The Committee includes a provision regarding passenger motor vehicles and the Oil Spill Liability Trust Fund, and prohibits the use of funds for yacht documentation except under certain circumstances and for administrative expenses in connection with shipping commissioners in the United States. The Committee also includes language on reception and representation expenses.

ENVIRONMENTAL COMPLIANCE AND RESTORATION

The Committee includes language providing funds for environmental compliance and restoration of the Coast Guard.

RESERVE TRAINING

The Committee includes language providing funds for the Coast Guard reserve, including maintenance and operation of the reserve program, personnel and training costs, equipment and services.

ACQUISITIONS, CONSTRUCTION AND IMPROVEMENTS

The Committee includes a provision requiring a capital investment plan for future appropriations years with certain conditions. The Committee includes language requiring that the Commandant of the Coast Guard submit revisions to the acquisition schedule of the Deepwater program with the fiscal year 2008 budget request, as well as other Deepwater related reporting requirements. Also, the Committee includes language requiring the submission of a vessel subsystem plan for Rescue 21 prior to the obligation of funds.

ALTERATION OF BRIDGES

The Committee includes a provision specifying certain conditions for the availability of funds for bridge alteration projects.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

The Committee includes language providing funds for applied scientific research, development, test, and evaluation; and for maintenance, rehabilitation, lease and operation of facilities and equipment. The Committee includes language allowing funds to remain available until expended; authorizing funds to be derived from the Oil Spill Liability Trust Fund; and authorizing funds received from State and local governments, other public authorities, private sources, and foreign countries to be credited to this account and used for certain purposes.

RETIRED PAY

The Committee includes language providing funds for retired pay and medical care for the Coast Guard's retired personnel and their dependents.

UNITED STATES SECRET SERVICE

PROTECTION, ADMINISTRATION AND TRAINING

The Committee includes language that provides funds for the purchase and replacement of vehicles; the hire of aircraft; services of expert witnesses; purchase of motorcycles; rental of certain buildings; improvements to buildings as may be necessary for protective missions; per diem and subsistence allowances; firearms matches; presentation of awards; protective travel; research and development; grants for behavioral research; official reception and representation expenses; technical assistance and equipment to foreign law enforcement organizations; advance payment for commercial accommodations; and uniforms. The Committee provides for two year availability of funds for protective travel. The Committee authorizes the obligation of funds in anticipation of reimbursements for training, under certain conditions. The Committee also makes funds unavailable for obligation until a workload re-balancing report is submitted.

INVESTIGATIONS AND FIELD OPERATIONS

The Committee includes language providing funds for investigative operations including office space and services of expert witnesses as may be necessary. The Committee includes language limiting funds that can be provided to provide technical assistance and equipment to foreign law enforcement organizations in counterfeit investigations. The Committee also includes language making funds available for investigations of missing and exploited children, including grants.

SPECIAL EVENT FUND

The Committee includes language providing funds for the extraordinary costs associated with Presidential campaigns and National Special Security Events and makes these funds available until expended.

ACQUISITION, CONSTRUCTION, IMPROVEMENTS, AND RELATED EXPENSES

The Committee includes language providing funds for the acquisition, construction, improvement, and related expenses of Secret Service facilities and makes these funds available until expended. The Committee also makes funds unavailable for obligation until a revised James J. Rowley Training Center master plan is submitted.

TITLE III—PREPAREDNESS AND RECOVERY

PREPAREDNESS

UNDER SECRETARY FOR PREPAREDNESS

The Committee includes language providing funds for the Office of the Under Secretary for Preparedness, the Office of the Chief Medical Officer, and the Office of National Capital Region Coordination, including funds for the National Preparedness Integration Program. The Committee also includes language providing funds for official reception and representation expenses. The Committee also makes funds unavailable for obligation until the Secretary submits the final National Preparedness Goal.

OFFICE OF GRANTS AND TRAINING

STATE AND LOCAL PROGRAMS

The Committee includes language that provides funds for grants, contracts, cooperative agreements, other activities, including grants to State and local governments for terrorism prevention. The Committee also includes a provision identifying the amount of funds available for formula-based grants; law enforcement terrorism prevention grants; high-threat, high-density urban area grants; rail and transit security grants; port security grants; trucking security grants; intercity bus security grants; buffer zone protection grants; training, exercises, technical assistance, and other programs; and the Commercial Equipment Direct Assistance Program. The Committee includes language specifying the conditions under which both applications and grants are made to certain grants made in the Act. The Committee also includes language specifying the conditions for distribution of certain grants. The Committee also includes language that limits the availability of funds for construction, except for port security, rail and transit security, and buffer zone grants; allows for law enforcement terrorism prevention grants and high-threat, high-density urban area grants to be used for operational expenses such as overtime in certain situations; and directs grantees to report on use of funds as deemed necessary by the Secretary.

FIREFIGHTER ASSISTANCE GRANTS

The Committee includes language providing that not to exceed five percent of the total is available for program administration.

EMERGENCY MANAGEMENT PERFORMANCE GRANTS

The Committee includes language providing that not to exceed three percent of the total appropriation is available for administrative costs.

RADIOLOGICAL EMERGENCY PREPAREDNESS PROGRAM

The Committee includes a provision regarding charges assessed for the radiological emergency preparedness program, including conditions and methodology for the assessment and collection of fees.

INFRASTRUCTURE PROTECTION AND INFORMATION SECURITY

The Committee includes language making funds available until September 30, 2008 and includes language requiring submission of an expenditure plan prior to obligating certain funds.

FEDERAL EMERGENCY MANAGEMENT AGENCY

ADMINISTRATION AND REGIONAL OPERATIONS

The Committee includes language that provides funds for administrative and regional operations. The Committee also includes a provision providing funds for reception and representation expenses.

READINESS, MITIGATION, RESPONSE, AND RECOVERY

The Committee includes language that provides funds for readiness, mitigation, response, and recovery activities, including funds for Urban Search and Rescue Teams and administrative costs. The Committee also restricts funds until FEMA provides a catastrophic planning expenditure plan.

DISASTER RELIEF

The Committee includes language making funds available until expended.

DISASTER ASSISTANCE DIRECT LOAN PROGRAM ACCOUNT

The Committee includes a provision limiting gross obligations for direct loans; includes a provision regarding the cost of modifying loans; and provides for administrative expenses of the direct loan program.

FLOOD MAP MODERNIZATION FUND

The Committee includes provisions regarding non-Federal sums for cost-shared mapping activities and limiting total administrative costs to 3 percent of the total appropriation. The Committee also includes language making funds available until expended.

NATIONAL FLOOD INSURANCE FUND

The Committee includes language limiting funds available for salaries and expenses; language making funds available for flood hazard mitigation available until September 30, 2008; and language authorizing the transfer of funds to the National Flood Mitigation Fund. The Committee includes provisions limiting operating expenses; for interest on Treasury borrowings; for agents' commissions and taxes; and for flood mitigation activities associated with sections 1361A and 1323 of the National Flood Insurance Act of 1968. The Committee includes language making funds for mitigation activities available until expended. The Committee includes language providing that not to exceed three percent of the total appropriation is available for administrative costs.

NATIONAL FLOOD MITIGATION FUND

The Committee includes language regarding authorized activities and authorizing the transfer of funds from the National Flood In-

surance Fund. The Committee also includes language making funds available until September 30, 2008.

NATIONAL PRE-DISASTER MITIGATION FUND

The Committee includes language authorizing grant awards to be made on a competitive basis without reference to State allocations, quotas, or other formula-based allocation of funds. The Committee includes a provision limiting total administrative costs to 3 percent of the total appropriation. The Committee also includes language making funds available until expended.

EMERGENCY FOOD AND SHELTER

The Committee includes language making funds available until expended and limiting total administrative costs to 3.5 percent of the total appropriation.

TITLE IV—RESEARCH AND DEVELOPMENT, TRAINING, AND SERVICES

CITIZEN AND IMMIGRATION SERVICES

The Committee includes language making funds available for citizenship and immigration services and makes funds unavailable for obligation until a strategic transformation plan is submitted.

FEDERAL LAW ENFORCEMENT TRAINING CENTER

SALARIES AND EXPENSES

The Committee includes language making funds available for official representation expenses; purchase of police type pursuit vehicles; student athletic and related recreational activities; conducting and participating in firearms matches; public awareness and community support; marketing; room and board; services; services authorized by 5 U.S.C. 3109; law enforcement accreditation; reimbursements for certain mobile phone expenses. The Committee includes language authorizing the training of certain law enforcement personnel; authorizes the use of appropriations and reimbursements for such training and establishes a cap on total obligations. The Committee also includes language authorizing funds for the compensation of accreditation costs for participating agencies; and authorizing the hiring of retired Federal employees until 2009.

ACQUISITION, CONSTRUCTION, IMPROVEMENTS AND RELATED EXPENSES

The Committee includes language making funds available until expended for real property and facilities and authorizes reimbursement from government agencies requesting construction of special use facilities.

SCIENCE AND TECHNOLOGY

MANAGEMENT AND ADMINISTRATION

The Committee includes language providing funds for reception and representation expenses and includes language requiring submission of an expenditure plan prior to obligating certain funds.

RESEARCH, DEVELOPMENT, ACQUISITION AND OPERATIONS

The Committee includes language making funds available until expended.

DOMESTIC NUCLEAR DETECTION OFFICE

RESEARCH, DEVELOPMENT, ACQUISITION, AND OPERATIONS

The Committee includes language making funds available to the Domestic Nuclear Detection Office, including nuclear detection research, development, testing and evaluation, acquisition, operations, management and administration. Language is included making funds available until expended and providing funds for the purchase and deployment of radiation detection equipment; transformational research and development; and management and administration.

TITLE V—GENERAL PROVISIONS

Section 501. The Committee continues a provision that no part of any appropriation shall remain available for obligation beyond the current year unless expressly provided.

Section 502. The Committee continues a provision that unexpended balances of prior appropriations may be merged with new appropriation accounts and used for the same purpose, subject to reprogramming guidelines.

Section 503. The Committee continues a provision that provides authority to reprogram funds within an account and not to exceed 5 percent transfer authority between appropriations accounts with the requirement for a 15-day advance Congressional notification.

Section 504. The Committee continues a provision that not to exceed 50 percent of unobligated balances remaining at the end of fiscal year 2007 from appropriations made for salaries and expenses shall remain available through fiscal year 2008 subject to reprogramming guidelines.

Section 505. The Committee continues a provision that funds for intelligence activities are deemed to be specifically authorized during fiscal year 2007 until the enactment of an Act authorizing intelligence activities for fiscal year 2007.

Section 506. The Committee continues a provision directing the Federal Law Enforcement Training Center to lead the Federal Law Enforcement training accreditation process.

Section 507. The Committee continues a provision requiring notification of the Committees on Appropriations three days before any grant allocation, discretionary grant award, discretionary contract award, or letter of intent totaling $1,000,000 or more is made or announced by the Department.

Section 508. The Committee continues a provision that no agency shall purchase, construct, or lease additional facilities for federal law enforcement training without advance approval of the Committees on Appropriations.

Section 509. The Committee continues a provision requiring the Director of the Federal Law Enforcement Training Center to ensure that all training facilities are operated at optimal capacity throughout the fiscal year.

Section 510. The Committee continues a provision that none of the funds may be used for any construction, repair, alteration, and acquisition project for which a prospectus, if required by the Public Buildings Act of 1959, has not been approved.

Section 511. The Committee continues a provision that none of the funds may be used in contravention of the Buy American Act.

Section 512. The Committee continues a provision authorizing the Department of Homeland Security to conduct background investigations for certain employees.

Section 513. The Committee modifies a provision regarding Secure Flight.

Section 514. The Committee continues a provision prohibiting the use of funds to amend the oath of allegiance required by section 337 of the Immigration and Nationality Act (8 U.S.C. 1448).

Section 515. The Committee continues a provision regarding OMB Circular A–76.

Section 516. The Committee continues a provision prohibiting the use of funds to maintain the United States Secret Service as anything but a distinct entity within the Department of Homeland Security and shall not be used to merge the United States Secret Service with any other department function, cause any personnel and operational elements of the United States Secret Service to report to an individual other than the Director of the United States Secret Service, or cause the Director to report directly to any individual other than the Secretary of Homeland Security.

Section 517. The Committee continues a provision prohibiting the use of funds in this or previous appropriations Acts for the protection of the head of a Federal agency other than the Secretary of Homeland security unless the Secret Service is fully reimbursed.

Section 518. The Committee continues a provision regarding standards and protocols for increasing the use of explosive detection equipment to screen air cargo.

Section 519. The Committee continues and modifies a provision regarding screening of air cargo.

Section 520. The Committee continues and modifies a provision prohibiting the obligation of funds for the transportation worker identification credential program using a decentralized personalization system or card production capability that does not utilize an existing government card production facility.

Section 521. The Committee continues and modifies a provision rescinding unexpended balances within the United States Coast Guard "Acquisition, Construction, and Improvements" account.

Section 522. The Committee continues a provision regarding the DHS privacy officer reporting to Congress.

Section 523. The Committee continues a provision prohibiting the paying of the salary of any employee serving as a contracting officer's technical representative (COTR) who has not received COTR training.

Section 524. The Committee continues and modifies a provision that directs that any funds appropriated or transferred to TSA "Aviation Security" and "Administration" in fiscal years 2004, 2005 and 2006, which are recovered or deobligated, shall be available only for procurement and installation of explosive detection systems for air cargo, baggage and checkpoint screening systems, subject to section 503 of this Act.

Section 525. The Committee continues and modifies a provision regarding Sensitive Security Information.

Section 526. The Committee continues and modifies a provision extending the authorization of the Working Capital Fund.

Section 527. The Committee continues and modifies a provision rescinding prior year balances from the Counterterrorism Fund.

Section 528. The Committee continues a provision regarding weekly reporting requirements for the Disaster Relief Fund, as required by Public Law 109–62.

Section 529. The Committee includes a new provision requiring the Secretary to submit a monthly budget execution.

Section 530. The Committee includes a new provision authorizing the United States Secret Service to apply proceeds from undercover operations to further investigations.

Section 531. The Committee includes a new provision giving the Domestic Nuclear Detection Office grant making authority identical to that of Science and Technology.

Section 532. The Committee includes a new provision regarding the importation of prescription drugs.

Section 533. The Committee includes a new provision rescinding previously appropriated funds for the Transportation Security Administration "Aviation Security" and "Headquarters Administration".

Section 534. The Commission includes a new provision regarding the Stafford Disaster Relief and Emergency Act for building purposes.

Section 535. The Commission includes a new provision regarding funds for Disaster Assistance for Unmet Needs for specific purposes.

Section 536. The Commission includes a new provision providing the Secretary the authority to issue an interim final rule regarding chemical facility security.

DETAILED EXPLANATIONS IN REPORT

It should be emphasized again that a more detailed statement describing the effect of the above provisions inserted by the Committee which directly or indirectly change the application of existing law may be found at the appropriate place in this report.

APPROPRIATIONS NOT AUTHORIZED BY LAW

Pursuant to clause 3(f)(1) of rule XIII of the House of Representatives, the following table lists the appropriations in the accompanying bill that are not authorized by law:

Appropriations Not Authorized by Law
pursuant to clause 3(f)(1) of Rule XIII of the House of Representatives

Agency/program	Last year of authorization	Authorization level	Appropriation in last year of authorization	Appropriations in this bill
Office of the Secretary and Executive Management	NA[1]	NA	NA	$95,884
Office of the Under Secretary for Management	NA	NA	NA	159,489
Office of Chief Financial Officer	NA	NA	NA	43,480
Office of the Chief Information Officer	NA	NA	NA	364,765
Office of the Federal Coordinator for Gulf Coast Rebuilding	NA	NA	NA	3,000
Office of Inspector General	NA	NA	NA	96,185
Customs and Border Protection, Salaries and Expenses[2]	2003[3]	3,254,000	4,468,000	5,435,310[4]
Customs and Border Protection, Salaries and Expenses	2004[5]	3,259,000	NA	5,435,310[6]
Customs and Border Protection, Salaries and Expenses	2004[7]	1,400,000	NA	5,435,310[8]
Customs and Border Protection, Salaries and Expenses	2004[9]	1,684,000	NA	5,435,310[10]
Customs and Border Protection, Salaries and Expenses	2003[11]	Such sums	1,610,000	5,435,310[12]

[1] NA indicates that although programs and activities are authorized, specific funding levels are not included in the authorization bills.
[2] Some activities are authorized under this appropriation, but no dollar amounts are specified. These include: 8 USC 1776 authorized appropriations for review, evaluation, revision of training for inspection of travel or identification documents, and provision of such training through 2009; and P.L. 108-458 directed the Secretary to increase the number of border patrol agents by 2,000 per year for each fiscal year 2006-2010, subject to the availability of appropriations for such purpose.
[3] For Salaries and Expenses of the Border Patrol, detention and removals, intelligence, investigations, inspections, and international enforcement within the former Immigration and Naturalization Service, and immigration functions at ports of entry.
[4] This is the total appropriation. Authorization only applied to prior organization and functional structure, some now in ICE or CIS.
[5] For Customs functions (border security, inspections and trade facilitation) at ports of entry.
[6] This is the total appropriation. Authorization only applied to legacy Customs functions and account structure.
[7] For Customs functions, noncommercial activities at ports of entry
[8] This is the total appropriation. Authorization only applied to legacy Customs noncommercial functions and account structure.
[9] For Customs functions, commercial activities at ports of entry.
[10] This is the total appropriation. Authorization only applied to legacy Customs commercial functions and account structure.

Agency/program	Last year of authorization	Authorization level	Appropriation in last year of authorization	Appropriations in this bill
Customs and Border Protection, Salaries and Expenses	No date[13]	Such sums	NA	5,435,310[14]
Customs and Border Protection, Salaries and Expenses	No date specified[15]	Such sums	NA	5,435,310[16]
Customs and Border Protection, Automation Modernization	2004,2005[17]	350,000	441,000	451,440[18]
CBP Air and Marine Interdiction, Operations, Maintenance, and Procurement	2004[19]	175,000	210,000	373,199
Customs and Border Protection, Construction	NA[20]	NA	NA	175,154
Immigration and Customs Enforcement, Salaries and Expenses[21]	2003[22]	4,131,000	3,590,000	3,843,257[23]
Immigration and Customs Enforcement, Salaries and Expenses	2004[24]	3,084,000	NA	3,843,257[25]
Immigration and Customs Enforcement, Construction	No year[26]	NA	NA	26,281
Transportation Security Administration, Aviation Security	2006[27]	Such sums	4,561,312	4,704,414
Transportation Security Administration, Surface Transportation Security	NA	NA	NA	37,200

[11] For Agriculture functions at ports of entry.
[12] This is the total appropriation. Authorization only applied to legacy Agriculture inspection functions and account structure.
[13] For plant inspection and related costs: 7 USC 1771 authorized such sums to carry out 7 USC Chapter 104, "Plant Protection".
[14] This is the total appropriation. Authorization applied to plant inspection costs pursuant to 7 USC 1771.
[15] P.L. 108-458, authorizes plan and pilot programs for Northern and Southwest Border surveillance
[16] This is the total appropriation. Authorization only applied to surveillance activities; may be viewed as authorizing part of the Secure Border Initiative.
[17] PL 107-210, section 311 (b)(2) for Automated Commercial Environment (ACE) only. 19 USC 58c(f)5(B) authorized $350,000,000 from a fee account for ACE.
[18] This is total Automation Modernization appropriation; authorization only applied to ACE portion, which is $316,800,000 in the bill.
[19] For Customs Service Air and Marine Operations transferred to Department of Homeland Security
[20] 8 USC 1712(b) authorizes "such sums as may be necessary" to the INS "as may be necessary to improve and expand facilities."
[21] Some activities are authorized under this appropriation, but no dollar amounts are specified. These include: 8 USC 1776 authorized appropriations for review, evaluation, revision of training for inspection of travel or identification documents, and provision of such training through 2009; and P.L. 108-458 directed the Secretary to increase the number of detention bed spaces by 8,000 per year, and the number of ICE investigators by 800 per year, for each fiscal year 2006-2010, subject to the availability of appropriations for such purpose.
[22] PL 107-273, sections 101-102; includes legacy INS activities now performed by CBP and CIS as well as ICE.
[23] This is the total appropriation; authorization applied to legacy INS activities, including some at CBP and ICE, and legacy commercial/non-commercial activities.
[24] PL 107-210 sections 311(a)-(b)(1); legacy Customs commercial and non-commercial activities. Not clear how this was included in ICE missions.
[25] This is the total appropriation; authorization applied to legacy INS activities, including some at CBP and ICE, and legacy commercial/non-commercial activities.
[26] 8 USC 1712(b) authorizes "such sums as may be necessary" to the INS "as may be necessary to improve and expand facilities."
[27] PL 108-458, sec 4029 extended existing authorization

Agency/program	Last year of authorization	Authorization level	Appropriation in last year of authorization	Appropriations in this bill
Transportation Security Administration, Transportation Threat Assessment and Credentialing	2005[28]	Such sums	70000	74,700
Transportation Security Support	NA	NA	NA	523,283
Coast Guard, Operating Expenses	2005	5,404,000	5,157,000	5,481,643
Coast Guard, Environmental Compliance and Restoration	2005	17,000	17,000	11,880
Coast Guard, Reserve Training	2005	117,000	113,000	122,348
Coast Guard, Acquisition, Construction and Improvement	2005	1,500,000	973,000	1,141,063
Coast Guard, Alteration of Bridges	2005	19,000	16,000	17,000
Coast Guard, Research, Development, Test, and Evaluation	2005	24,000	19,000	13,860
Health Care Fund Contributions	NA	NA	NA	278,704
Coast Guard, Retired Pay[29]	2005	1,085,000	1,085,000	1,063,323
U.S. Secret Service, Protection Administration and Training	2000[30]	15,000	667,000	954,399
U.S. Secret Service, Investigations and Field Operations	NA	NA	NA	312,499
U.S. Secret Service, Special Event Fund	NA	NA	NA	20,900
U.S. Secret Service, Acquisition, Construction, Improvements and Related Expenses	NA	NA	NA	3,725
Office of the Under Secretary for Preparedness	NA	NA	NA	39,468
Office of Grants and Training	2009, 2010[31]	2,194[32]	NA	3,244,000[33]
Infrastructure Protection and Information Security	2002, 2003[34]	35,000	80,900	549,140[35]

[28] Originally authorized under the Aviation Security program; no specific authorization for non-aviation modes.
[29] Mandatory
[30] PL 104-132 sec 816 authorizes Secret Service to augment White House security and expand Presidential Protection activities.
[31] PL 108-375, Title XXXVI for Assistance to Firefighters Grant program (FY 2009); PL 108-136, sec 1057, SAFER Grant program (FY 2010)
[32] $1,000,000 for Assistance to Firefighters Grant Program; $1,194,000 for SAFER grants
[33] This is total appropriation; authorization only applies to $2,194,000 in Firefighter and SAFER grants.
[34] PL 107-56, sec 1016(f) for National Infrastructure Simulation and analysis Center (2002) and PL 107-314, sections 201,301 for National Security /Emergency Preparedness (2003)

Agency/program	Last year of authorization	Authorization level	Appropriation in last year of authorization	Appropriations in this bill
FEMA, Administrative and Regional Operations	NA	NA	NA	254,499
FEMA, Readiness, Mitigation, Response and Recovery	NA	NA	NA	238,199
FEMA, Public Health Programs	2006	Such sums	37,000	33,885
FEMA, Disaster Relief	NA	NA	NA	1,662,891
FEMA, Flood Map Modernization Fund	NA	Such sums	5,000	198,980
FEMA, Emergency Food and Shelter Program	1994	188,000	130,000	151,470
Citizenship and Immigration Services, Salaries and Expenses	2003[36]	89,000	NA	161,990
Citizenship and Immigration Services, Salaries and Expenses	2009[37]	Such Sums	NA	161,990[38]
Citizenship and Immigration Services, Salaries and Expenses	No year[39]	Such Sums	NA	161,990[40]
Federal Law Enforcement Training Center, Salaries and Expenses	1991[41]	50,000	40,000	210,507
Federal Law Enforcement Training Center, Acquisition, Construction, Improvements, and Related Expenses	NA	NA	NA	42,246
Science and Technology, Management and Administration	2003	Such sums	NA	180,901
Science and Technology, Research, Development, Acquisition, and Operations	2003	Such sums	NA	775,370
Domestic Nuclear Detection Office	NA	NA	NA	500,000

[35] This is total appropriation. Authorization only applied to NISAC and National Security/Emergency Preparedness.
[36] PL 107-273, sec 102(11)(B) -- authorized funding for INS immigration services; PL 99-603 required State and local governments to verify immigration status for aliens applying for certain public assistance, and for employers to verify eligibility of employees, PL 104-208 established Basic Pilot program.
[37] 8 USC 1776 authorized appropriations for review, evaluation, revision of training for inspection of travel or identification documents, and provision of such training through 2009.
[38] This is the total appropriation. Authorization only applied to training for inspection of travel or identification documents under 8 USC 1776.
[39] 8 USC 1573 authorized Attorney General to make improvements in processing of immigration of immigration benefit applications and in infrastructure.
[40] This is the total appropriation. Authorization applied to legacy INS immigration benefit processing and related infrastructure improvements.
[41] PL 100-690 section 6164.

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 3(b) of rule XIII of the House of Representatives, the results of each roll call vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

ROLL CALL NO. 1

Date: May 17, 2006
Measure: Department of Homeland Security Appropriations Bill, FY 2007
Motion by: Mr. Obey
Description of Motion: To increase funding by $3,500,000,000 for Customs Border Protection, Immigration and Customs Enforcement, the Transportation Security Administration, the Coast Guard, Preparedness, FEMA, the Federal Law Enforcement Training Center, and the Domestic Nuclear Detection Office; funds are offset by a reduction to tax cuts for certain income groups.
Results: Rejected 25 yeas to 33 nays.

Members Voting Yea

Mr. Berry
Mr. Bishop
Mr. Boyd
Mr. Clyburn
Mr. Cramer
Ms. DeLauro
Mr. Dicks
Mr. Edwards
Mr. Farr
Mr. Fattah
Mr. Hinchey
Mr. Hoyer
Mr. Jackson
Ms. Kaptur
Ms. Kilpatrick
Mr. Mollohan
Mr. Moran
Mr. Obey
Mr. Olver
Mr. Price
Mr. Rothman
Ms. Roybal-Allard
Mr. Sabo
Mr. Serrano
Mr. Visclosky

Members Voting Nay

Mr. Aderholt
Mr. Alexander
Mr. Bonilla
Mr. Carter
Mr. Crenshaw
Mr. Culberson
Mr. Doolittle
Mrs. Emerson
Mr. Frelinghuysen
Ms. Granger
Mr. Hobson
Mr. Istook
Mr. Kingston
Mr. Knollenberg
Mr. Kolbe
Mr. LaHood
Mr. Latham
Mr. Lewis
Mrs. Northup
Mr. Peterson
Mr. Regula
Mr. Rehberg
Mr. Rogers
Mr. Sherwood
Mr. Simpson
Mr. Taylor
Mr. Tiahrt
Mr. Walsh
Mr. Wamp
Dr. Weldon
Mr. Wicker
Mr. Wolf
Mr. Young

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 3(b) of rule XIII of the House of Representatives, the results of each roll call vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

ROLL CALL NO. 2

Date: May 17, 2006
Measure: Department of Homeland Security Appropriations Bill, FY 2007
Motion by: Mr. Obey
Description of Motion: To increase funding by $2,100,000,000 for Customs and Border Protection, Immigration and Customs Enforcement, the Federal Law Enforcement Training Center, and the Domestic Nuclear Detection Office; funds are designated as an emergency requirement.
Results: Rejected 25 yeas to 33 nays.

Members Voting Yea	*Members Voting Nay*
Mr. Berry	Mr. Aderholt
Mr. Bishop	Mr. Bonilla
Mr. Boyd	Mr. Carter
Mr. Clyburn	Mr. Crenshaw
Mr. Cramer	Mr. Culberson
Ms. DeLauro	Mr. Doolittle
Mr. Dicks	Mrs. Emerson
Mr. Edwards	Mr. Frelinghuysen
Mr. Farr	Ms. Granger
Mr. Fattah	Mr. Hobson
Mr. Hinchey	Mr. Istook
Mr. Hoyer	Mr. Kingston
Mr. Jackson	Mr. Knollenberg
Ms. Kaptur	Mr. Kolbe
Ms. Kilpatrick	Mr. LaHood
Mr. Mollohan	Mr. Latham
Mr. Moran	Mr. Lewis
Mr. Obey	Mrs. Northup
Mr. Olver	Mr. Peterson
Mr. Price	Mr. Regula
Mr. Rothman	Mr. Rehberg
Ms. Roybal-Allard	Mr. Rogers
Mr. Sabo	Mr. Sherwood
Mr. Serrano	Mr. Simpson
Mr. Visclosky	Mr. Sweeney
	Mr. Taylor
	Mr. Tiahrt
	Mr. Walsh
	Mr. Wamp
	Dr. Weldon
	Mr. Wicker
	Mr. Wolf
	Mr. Young

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 3(b) of rule XIII of the House of Representatives, the results of each roll call vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

ROLL CALL NO. 3

Date: May 17, 2006
Measure: Department of Homeland Security Appropriations Bill, FY 2007
Motion by: Ms. Kaptur
Description of Motion: To establish a Select Committee to investigate fraud, waste and abuse related to contracts for Hurricanes Katrina and Rita rebuilding efforts.
Results: Rejected 24 yeas to 33 nays.

Members Voting Yea	*Members Voting Nay*
Mr. Berry	Mr. Aderholt
Mr. Bishop	Mr. Bonilla
Mr. Boyd	Mr. Carter
Mr. Clyburn	Mr. Crenshaw
Mr. Cramer	Mr. Culberson
Ms. DeLauro	Mr. Doolittle
Mr. Dicks	Mrs. Emerson
Mr. Edwards	Mr. Frelinghuysen
Mr. Farr	Mr. Goode
Mr. Fattah	Ms. Granger
Mr. Hinchey	Mr. Hobson
Mr. Hoyer	Mr. Istook
Ms. Kaptur	Mr. Kingston
Ms. Kilpatrick	Mr. Kirk
Mr. Mollohan	Mr. Knollenberg
Mr. Moran	Mr. Kolbe
Mr. Obey	Mr. LaHood
Mr. Olver	Mr. Lewis
Mr. Price	Mrs. Northup
Mr. Rothman	Mr. Peterson
Ms. Roybal-Allard	Mr. Regula
Mr. Sabo	Mr. Rehberg
Mr. Serrano	Mr. Rogers
Mr. Visclosky	Mr. Sherwood
	Mr. Simpson
	Mr. Sweeney
	Mr. Taylor
	Mr. Tiahrt
	Mr. Walsh
	Mr. Wamp
	Dr. Weldon
	Mr. Wolf
	Mr. Young

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2006
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2007
(Amounts in thousands)

	FY 2006 Enacted	FY 2007 Request	Bill	Bill vs. Enacted	Bill vs. Request
TITLE I - DEPARTMENTAL MANAGEMENT AND OPERATIONS					
Departmental Operations					
Office of the Secretary and Executive Management:					
Immediate Office of the Secretary	2,369	3,148	2,648	+279	-500
Immediate Office of the Deputy Secretary	1,121	1,648	1,248	+127	-400
Chief of Staff	2,221	2,901	5,642	+3,421	+2,741
Office of Counternarcotics Enforcement	1,841	2,878	---	-1,841	-2,878
Executive Secretary	4,090	5,001	5,001	+911	---
Office of Policy	20,506	31,093	27,093	+6,587	-4,000
Secure Border Initiative Program Executive Office	---	---	5,000	+5,000	+5,000
Office of Public Affairs	8,229	6,808	6,000	-2,229	-808
Office of Legislative and Intergovernmental Affairs	6,262	6,479	5,700	-562	-779
Office of General Counsel	11,154	14,065	14,065	+2,911	---
Office of Civil Rights and Liberties	12,870	13,125	13,125	+255	---
Citizenship and Immigration Services Ombudsman	3,615	5,927	5,927	+2,312	---
Privacy Officer	4,337	4,435	4,435	+98	---
Supplemental appropriations (P.L. 109-148)					
Avian Flu (emergency)	47,283	---	---	-47,283	---
Subtotal, Office of the Secretary and Executive Management	125,898	97,508	95,884	-30,014	-1,624
Appropriations	(78,615)	(97,508)	(95,884)	(+17,269)	(-1,624)
Emergency appropriations	(47,283)	---	---	(-47,283)	---
Office of Screening Coordination and Operations	3,960	3,960	---	-3,960	-3,960

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2006
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2007
(Amounts in thousands)

	FY 2006 Enacted	FY 2007 Request	Bill	Bill vs. Enacted	Bill vs. Request
Office of the Under Secretary for Management:					
Under Secretary for Management	1,670	2,012	2,012	+342	---
Office of Security	50,765	58,514	51,914	+1,149	-6,600
Business Transformation Office	1,861	2,017	1,317	-544	-700
Office of the Chief Procurement Officer	8,930	16,895	16,895	+7,965	---
Office of the Chief Human Capital Officer:					
Salaries and expenses	8,811	9,827	9,227	+416	-600
MAX - HR System	29,700	71,449	29,700	---	-41,749
Subtotal, Office of the Chief Human Capital Officer	38,511	81,276	38,927	+416	-42,349
Office of the Chief Administrative Officer:					
Salaries and expenses	39,600	40,218	40,218	+618	---
Nebraska Avenue Complex (NAC-DHS Headquarters)	25,809	8,206	8,206	-17,603	---
Subtotal, Office of the Chief Administrative Officer	65,409	48,424	48,424	-16,985	---
Subtotal, Office of the Under Secretary for Management	167,146	209,138	159,489	-7,657	-49,649
Office of the Chief Financial Officer	19,211	44,380	43,480	+24,269	-900
Office of the Chief Information Officer:					
Salaries and expenses	74,999	79,521	79,521	+4,522	---
Information technology services	82,609	61,013	61,013	-21,596	---
Security activities	18,810	64,139	105,139	+86,329	+41,000
Wireless program	85,140	86,438	86,438	+1,298	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2006
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2007
(Amounts in thousands)

	FY 2006 Enacted	FY 2007 Request	Bill	Bill vs. Enacted	Bill vs. Request
Homeland Secure Data Network (HSDN)	32,699	32,654	32,654	-45	---
Subtotal, Office of the Chief Information Officer	294,257	323,765	364,765	+70,508	+41,000
Analysis and Operations	252,940	298,663	298,663	+45,723	---
Total, Departmental Operations	863,412	977,414	962,281	+98,869	-15,133
Appropriations	(816,129)	(977,414)	(962,281)	(+146,152)	(-15,133)
Emergency appropriations	(47,283)	---	---	(-47,283)	---
Office of the Federal Coordinator for Gulf Coast Rebuilding	---	---	3,000	+3,000	+3,000
Office of Inspector General					
Operating expenses	82,187	96,185	96,185	+13,998	---
Total, title I, Departmental Management and Operations	945,599	1,073,599	1,061,466	+115,867	-12,133
Appropriations	(898,316)	(1,073,599)	(1,061,466)	(+163,150)	(-12,133)
Emergency appropriations	(47,283)	---	---	(-47,283)	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2006
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2007
(Amounts in thousands)

	FY 2006 Enacted	FY 2007 Request	Bill	Bill vs. Enacted	Bill vs. Request
TITLE II - SECURITY, ENFORCEMENT, AND INVESTIGATIONS					
U.S. Visitor and Immigrant Status Indicator Technology	336,600	399,494	362,494	+25,894	-37,000
Customs and Border Protection					
Salaries and expenses:					
Headquarters, Management, and Administration:					
Management and administration, border security inspections and trade facilitation.....	648,450	663,943	658,943	+10,493	-5,000
Management and administration, border security and control between port of entry.....	584,100	594,446	589,446	+5,346	-5,000
Subtotal, Headquarters, Mgt, & Admin.....	1,232,550	1,258,389	1,248,389	+15,839	-10,000
Border security inspections and trade facilitation:					
Inspections, trade, and travel facilitation at ports of entry.....	1,249,648	1,282,102	1,282,102	+32,454	---
Harbor maintenance fee collection (trust fund)	3,000	3,026	3,026	+26	---
Container security initiative.....	137,402	139,312	139,312	+1,910	---
Other international programs.....	8,543	8,701	8,701	+158	---
Customs trade partnership against terrorism/ Free and Secure Trade (FAST) NEXUS/SENTRI...	74,515	75,909	91,009	+16,494	+15,100
Inspection and detection technology investments.....	62,394	94,317	94,317	+31,923	---
Automated targeting systems.....	27,970	27,298	27,298	-672	---
National Targeting Center.....	16,530	23,635	23,635	+7,105	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2006
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2007
(Amounts in thousands)

	FY 2006 Enacted	FY 2007 Request	Bill	Bill vs. Enacted	Bill vs. Request
Other technology investments, including information technology	1,008	1,027	1,027	+19	---
Training	24,107	24,564	24,564	+457	---
Subtotal, Border security inspections and trade facilitation	1,605,117	1,679,891	1,694,991	+89,874	+15,100
Border security and control between ports of entry:					
Border security and control	1,725,547	2,243,619	2,176,679	+451,132	-66,940
Border technology	30,971	131,559	---	-30,971	-131,559
Secure Border Initiative Technology and Tactical Infrastucture (SBInet)	---	---	115,000	+115,000	+115,000
Training	21,981	45,688	37,275	+15,294	-8,413
Subtotal, Border security and control between ports of entry	1,778,499	2,420,866	2,328,954	+550,455	-91,912
CBP Air and Marine Personnel Compensation and Benefits	161,924	159,876	162,976	+1,052	+3,100
Supplemental appropriations:					
Salaries and expenses (P.L.109-148, emergency)	24,100	---	---	-24,100	---
Subtotal, Salaries and expenses	4,802,190	5,519,022	5,435,310	+633,120	-83,712
Appropriations	(4,775,090)	(5,515,996)	(5,432,284)	(+657,194)	(-83,712)
Emergency appropriations	(24,100)	---	---	(-24,100)	---
Trust fund	(3,000)	(3,026)	(3,026)	(+26)	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2006
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2007
(Amounts in thousands)

	FY 2006 Enacted	FY 2007 Request	Bill	Bill vs. Enacted	Bill vs. Request
Automation modernization:					
Automated commercial environment/International Trade Data System (ITDS)	316,800	318,490	316,800	---	-1,690
Automated commercial system and legacy IT costs	134,640	142,717	134,640	---	-8,077
Subtotal, Automation modernization	451,440	461,207	451,440	---	-9,767
CBP Air and Marine Interdiction, Operations, Maintenance, and Procurement:					
Operations and maintenance	260,323	265,966	301,466	+41,143	+35,500
Unmanned aerial vehicles	10,078	10,353	10,353	+275	---
Procurement	125,827	61,380	61,380	-64,447	---
Subtotal, Air and marine interdiction, operations, maintenance, and procurement	396,228	337,699	373,199	-23,029	+35,500
Construction:					
Construction (Border patrol)	267,300	255,954	175,154	-92,146	-80,800
(P.L. 109-148, emergency)	10,400	---	---	-10,400	---
Subtotal, Construction	277,700	255,954	175,154	-102,546	-80,800
Total, Direct appropriations	5,927,558	6,573,882	6,435,103	+507,545	-138,779
Fee accounts:					
Immigration inspection user fee	(464,816)	(529,300)	(529,300)	(+64,484)	---
Immigration enforcement fines	(6,403)	(1,724)	(1,724)	(-4,679)	---
Land border inspection fee	(29,878)	(28,071)	(28,071)	(-1,807)	---
COBRA passenger inspection fee	(334,000)	(387,804)	(387,804)	(+53,804)	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2006
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2007
(Amounts in thousands)

	FY 2006 Enacted	FY 2007 Request	Bill	Bill vs. Enacted	Bill vs. Request
APHIS inspection fee	(204,000)	(214,287)	(214,287)	(+10,287)	---
Puerto Rico collections	(97,815)	(97,815)	(97,815)	---	---
Small airport user fees	(5,234)	(6,230)	(6,230)	(+996)	---
Subtotal, fee accounts	(1,142,146)	(1,265,231)	(1,265,231)	(+123,085)	---
Total, Customs and Border Protection	(7,069,704)	(7,839,113)	(7,700,334)	(+630,630)	(-138,779)
Appropriations	(5,893,058)	(6,573,882)	(6,435,103)	(+542,045)	(-138,779)
Emergency apropriations	(34,500)	---	---	(-34,500)	---
(Fee accounts)	(1,142,146)	(1,265,231)	(1,265,231)	(+123,085)	---
Immigration and Customs Enforcement					
alaries and expenses:					
Headquarters Management and Administration (non-Detention and Removal Operations):					
Personnel compensation and benefits, service and other costs	122,364	---	131,287	+8,923	+131,287
Headquarters managed IT investment	131,773	---	134,015	+2,242	+134,015
Subtotal, Headquarters management and administration	254,137	---	265,302	+11,165	+265,302
Legal proceedings	128,879	206,511	187,353	+58,474	-19,158
Investigations:					
Domestic	1,183,100	1,456,650	1,317,992	+134,892	-138,658
International	100,899	104,744	105,181	+4,282	+437

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2006
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2007
(Amounts in thousands)

	FY 2006 Enacted	FY 2007 Request	Bill	Bill vs. Enacted	Bill vs. Request
Subtotal, Investigations	1,283,999	1,561,394	1,423,173	+139,174	-138,221
Intelligence:					
Intelligence	50,460	57,932	51,379	+919	-6,553
Subtotal, Intelligence	50,460	57,932	51,379	+919	-6,553
Detention and removal operations:					
Custody Operations	1,003,196	1,432,702	1,291,220	+288,024	-141,482
Fugitive operations	101,852	173,784	199,853	+98,001	+26,069
Criminal Alien program	93,029	110,250	105,357	+12,328	-4,893
Alternatives to detention	28,212	42,702	46,145	+17,933	+3,443
Transportation and removal program	133,650	317,016	273,475	+139,825	-43,541
Subtotal, Detention and removal operations	1,359,939	2,076,454	1,916,050	+556,111	-160,404
Salaries and expenses (P.L.109-148, emergency)	13,000	---	---	-13,000	---
Subtotal, Salaries and expenses	3,090,414	3,902,291	3,843,257	+752,843	-59,034
Appropriations	(3,077,414)	(3,902,291)	(3,843,257)	(+765,843)	(-59,034)
Emergency appropriations	(13,000)	---	---	(-13,000)	---
Federal protective service:					
Basic security	109,235	123,310	123,310	+14,075	---
Building specific security (including capital equipment replacement/acquisition)	377,765	392,701	392,701	+14,936	---
Subtotal	487,000	516,011	516,011	+29,011	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2006
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2007
(Amounts in thousands)

	FY 2006 Enacted	FY 2007 Request	Bill	Bill vs. Enacted	Bill vs. Request
Offsetting fee collections	-487,000	-516,011	-516,011	-29,011	---
Automation modernization:					
ATLAS	39,749	---	---	-39,749	---
Construction	26,281	26,281	26,281	---	---
Total, Direct appropriations	3,156,444	3,928,572	3,869,538	+713,094	-59,034
Fee accounts:					
Immigration inspection user fee	(100,000)	(108,000)	(108,000)	(+8,000)	---
Breached bond/detention fund	(87,000)	(90,000)	(90,000)	(+3,000)	---
Student exchange and visitor fee	(66,552)	(54,349)	(54,349)	(-12,203)	---
Subtotal, fee accounts	(253,552)	(252,349)	(252,349)	(-1,203)	---
Subtotal, Immigration and Customs Enforcement (gross)	(3,896,996)	(4,696,932)	(4,637,898)	(+740,902)	(-59,034)
Offsetting fee collections	(-487,000)	(-516,011)	(-516,011)	(-29,011)	---
Total, Immigration and Customs Enforcement	(3,409,996)	(4,180,921)	(4,121,887)	(+711,891)	(-59,034)
Appropriations	(3,143,444)	(3,928,572)	(3,869,538)	(+726,094)	(-59,034)
Emergency appropriations	(13,000)	---	---	(-13,000)	---
(Fee accounts)	(253,552)	(252,349)	(252,349)	(-1,203)	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2006
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2007
(Amounts in thousands)

	FY 2006 Enacted	FY 2007 Request	Bill	Bill vs. Enacted	Bill vs. Request
Transportation Security Administration					
Aviation security:					
Screener operations:					
Screener workforce:					
Privatized screening	138,257	148,600	148,600	+10,343	---
Passenger screener - personnel, compensation, and benefits	1,504,800	1,556,226	---	-1,504,800	-1,556,226
Baggage screener - personnel, compensation, and benefits	875,160	913,974	---	-875,160	-913,974
Passenger & Baggage screener - personnel, compensation, and benefits	---	---	2,470,200	+2,470,200	+2,470,200
Subtotal, Sceener workforce	2,518,217	2,618,800	2,618,800	+100,583	---
Screening training and other:					
Passenger screeners, other	23,514	23,352	---	-23,514	-23,352
Baggage screeners, other	133,446	133,114	---	-133,446	-133,114
Screener training	87,124	88,000	---	-87,124	-88,000
Subtotal, Screening training and other	244,084	244,466	---	-244,084	-244,466
Screening Training and Other	---	---	244,466	+244,466	+244,466
Human resource services	205,162	207,234	207,234	+2,072	---
Checkpoint support	163,350	173,366	173,366	+10,016	---
EDS/ETD Systems:					
EDS Purchase	173,250	91,000	136,000	-37,250	+45,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2006
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2007
(Amounts in thousands)

	FY 2006 Enacted	FY 2007 Request	Bill	Bill vs. Enacted	Bill vs. Request
EDS Installation	44,550	94,000	94,000	+49,450	---
EDS/ETD Maintenance	198,000	234,000	234,000	+36,000	---
EDS/ETD Refurbishment	---	---	10,000	+10,000	+10,000
Operation integration	22,770	23,000	23,000	+230	---
Subtotal, EDS/ETD Systems	438,570	442,000	497,000	+58,430	+55,000
Subtotal, Screening operations	3,569,383	3,685,866	3,740,866	+171,483	+55,000
ition security direction and enforcement:					
Aviation regulation and other enforcement	220,192	217,516	217,516	-2,676	---
Airport management, IT, and support	679,172	666,032	666,032	-13,140	---
FFDO and flight crew training	30,195	30,470	25,000	-5,195	-5,470
Air cargo	54,450	55,000	55,000	+550	---
Airport perimeter security	4,950	---	---	-4,950	---
Foreign repair stations	2,970	---	---	-2,970	---
Subtotal, Aviation direction and enforcement	991,929	969,018	963,548	-28,381	-5,470
ition security capital fund	(250,000)	(250,000)	(250,000)	---	---
Subtotal, Aviation security (gross)	4,561,312	4,654,884	4,704,414	+143,102	+49,530
Offsetting fee collections (non-mandatory)	-1,990,000	-3,650,000	-2,420,000	-430,000	+1,230,000
Aviation security capital fund	(250,000)	(250,000)	(250,000)	---	---
Total, Aviation security (net)	2,571,312	1,004,884	2,284,414	-286,898	+1,279,530

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2006
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2007
(Amounts in thousands)

	FY 2006 Enacted	FY 2007 Request	Bill	Bill vs. Enacted	Bill vs. Request
Surface transportation security:					
Staffing and operations	23,760	24,000	24,000	+240	---
Hazardous materials truck tracking/training	3,960	---	---	-3,960	---
Rail security inspectors and canines	7,920	13,200	13,200	+5,280	---
Subtotal, Surface transportation security	35,640	37,200	37,200	+1,560	---
Transportation Threat Assessment and Credentialing:					
SecureFlight	56,129	40,000	40,000	-16,129	---
Crew vetting	13,167	14,700	14,700	+1,533	---
Screening administration and operations	4,950	---	---	-4,950	---
Transpo Worker Id Credential (TWIC) - Direct Aprop	---	---	20,000	+20,000	+20,000
Registered Traveler Program fees	(20,000)	(35,101)	(35,101)	(+15,101)	---
TWIC fees	(100,000)	(20,000)	(20,000)	(-80,000)	---
Hazardous materials fees	(50,000)	(19,000)	(19,000)	(-31,000)	---
Alien Flight School (by transfer from DOJ) - fees	(10,000)	(2,000)	(2,000)	(-8,000)	---
Subtotal, Transportation Threat Assessment and Credentialing (Gross)	(254,246)	(130,801)	(150,801)	(-103,445)	(+20,000)
Fee Funed Programs	(180,000)	(76,101)	(76,101)	(-103,899)	---
Subtotal, Transportation Threat Assessment and Credentialing (net)	74,246	54,700	74,700	+454	+20,000
Transportation security support:					
Administration:					
Headquarters administration	276,597	296,191	292,191	+15,594	-4,000
Information technology	207,991	210,092	210,092	+2,101	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2006
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2007
(Amounts in thousands)

	FY 2006 Enacted	FY 2007 Request	Bill	Bill vs. Enacted	Bill vs. Request
Subtotal, Administration	484,588	506,283	502,283	+17,695	-4,000
Intelligence	20,790	21,000	21,000	+210	---
Subtotal, Transportation security support	505,378	527,283	523,283	+17,905	-4,000
Federal Air Marshals:					
Management and Administration	607,266	628,494	628,494	+21,228	---
Travel and Training	70,092	70,800	70,800	+708	---
Air-to-ground communications	1,980	---	---	-1,980	---
Subtotal, Federal Air Marshals	679,338	699,294	699,294	+19,956	---
Total, Transportation Security Administration (gross)	6,285,914	6,299,462	6,364,992	+79,078	+65,530
Offsetting fee collections	-1,990,000	-3,650,000	-2,420,000	-430,000	+1,230,000
Aviation security capital fund	(250,000)	(250,000)	(250,000)	---	---
Fee accounts	(180,000)	(76,101)	(76,101)	(-103,899)	---
Total, Transportation Security Administration (net)	3,865,914	2,323,361	3,618,891	-247,023	+1,295,530
United States Coast Guard					
Operating expenses:					
Military pay and allowances	2,974,770	2,788,276	2,788,276	-186,494	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2006
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2007
(Amounts in thousands)

	FY 2006 Enacted	FY 2007 Request	Bill	Bill vs. Enacted	Bill vs. Request
Civilian pay and benefits	526,182	569,434	569,434	+43,252	---
Training and recruiting	175,359	180,876	180,876	+5,517	---
Operating funds and unit level maintenance	947,400	1,061,574	1,009,374	+61,974	-52,200
Centrally managed accounts	183,150	207,954	207,954	+24,804	---
Intermediate and depot level maintenance	630,547	710,729	710,729	+80,182	---
Port Security	---	---	15,000	+15,000	+15,000
Emergency appropriation (P.L. 109-148)	132,000	---	---	-132,000	---
Transfer from DOD, Operation Iraqi Freedom (P.L. 109-148)	(100,000)	---	---	(-100,000)	---
Rescission (Port Security Assessments, PL 108-11)	-15,104	---	---	+15,104	---
Rescission (P.L. 109-148)	-260,533	---	---	+260,533	---
Less adjustment for defense function	-1,188,000	-340,000	-340,000	+848,000	---
Defense function portion	1,188,000	340,000	340,000	-848,000	---
Subtotal, Operating expenses	5,293,771	5,518,843	5,481,643	+187,872	-37,200
Appropriations	(4,249,408)	(5,178,843)	(5,141,643)	(+892,235)	(-37,200)
Rescissions	(-275,637)	---	---	(+275,637)	---
Defense function portion	(1,188,000)	(340,000)	(340,000)	(-848,000)	---
Emergency appropriations	(132,000)	---	---	(-132,000)	---
(By transfer)	(100,000)	---	---	(-100,000)	---
Environmental compliance and restoration	11,880	11,880	11,880	---	---
Reserve training	117,810	123,948	122,348	+4,538	-1,600

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2006
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2007
(Amounts in thousands)

	FY 2006 Enacted	FY 2007 Request	Bill	Bill vs. Enacted	Bill vs. Request
Acquisition, construction, and improvements:					
Vessels:					
Response boat medium (41ft UTB and NSB replacement)	18,315	24,750	24,750	+6,435	---
Aircraft:					
Armed helicopter equipment (Phase I) (legacy asset)	9,900	---	---	-9,900	---
Covert surveillance aircraft	9,900	---	---	-9,900	---
HH-60 replacement	---	---	15,000	+15,000	+15,000
Subtotal, Aircraft	19,800	---	15,000	-4,800	+15,000
Other equipment:					
Automatic identification system	23,760	11,238	11,238	-12,522	---
National distress and response system modernization (Rescue 21)	40,590	39,600	39,600	-990	---
HF Recap	---	2,475	2,475	+2,475	---
National Capital Region Air Defense	---	48,510	48,510	+48,510	---
Counter Terrorism Training Infrastructure - shoothouse	---	1,683	---	---	-1,683
Subtotal, Other equipment	64,350	103,506	101,823	+37,473	-1,683
Personnel compensation and benefits:					
Core acquisition costs	495	500	500	+5	---
Direct personnel cost	72,270	80,500	80,500	+8,230	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2006
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2007
(Amounts in thousands)

	FY 2006 Enacted	FY 2007 Request	Bill	Bill vs. Enacted	Bill vs. Request
Subtotal, Personnel compensation and benefits	72,765	81,000	81,000	+8,235	---
Integrated deepwater systems:					
Aircraft:					
Aircraft, other	154,440	216,513	216,513	+62,073	---
HH-65 re-engining	131,769	32,373	32,373	-99,396	---
Subtotal, Aircraft	286,209	248,886	248,886	-37,323	---
Surface ships	504,108	498,366	466,786	-37,322	-31,580
C4ISR	43,560	60,786	60,786	+17,226	---
Logistics	18,612	42,273	32,062	+13,450	-10,211
Systems engineering and integration	36,630	35,145	35,145	-1,485	---
Government program management	34,650	48,975	48,975	+14,325	---
Subtotal, Integrated deepwater systems	923,769	934,431	892,640	-31,129	-41,791
Shore facilities and aids to navigation:					
Shore operational and support projects	---	2,600	2,600	+2,600	---
Shore construction projects	---	2,850	1,450	+1,450	-1,400
Renovate USCGA Chase Hall barracks, Phase I	14,850	2,000	2,000	-12,850	---
Coast Guard housing - Cordova, AK	---	5,500	5,500	+5,500	---
ISC Seattle Group, sector admin ops facility phase II	---	2,600	2,600	+2,600	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2006
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2007
(Amounts in thousands)

	FY 2006 Enacted	FY 2007 Request	Bill	Bill vs. Enacted	Bill vs. Request
Replace multi-purpose building - Group Long Island Sound	9,900	1,000	1,000	-8,900	---
Construct breakwater - Station Neah Bay	2,772	1,100	1,100	-1,672	---
Rebuild station and waterfront at Base Galveston phase I	---	5,200	5,200	+5,200	---
Waterways aids to navigation infrastructure	3,861	3,000	3,000	-861	---
Subtotal, Shore facilities and aids to navigation	31,383	25,850	24,450	-6,933	-1,400
P.L. 109-148 (emergency)	74,500	---	---	-74,500	---
Subtotal, Acquisition, construction, and improvements	1,204,882	1,169,537	1,139,663	-65,219	-29,874
Appropriations	(1,130,382)	(1,169,537)	(1,139,663)	(+9,281)	(-29,874)
Emergency appropriations	(74,500)	---	---	(-74,500)	---
Alteration of bridges	14,850	---	17,000	+2,150	+17,000
Research, development, test, and evaluation	17,573	13,860	13,860	-3,713	---
Health care fund contribution	---	278,704	278,704	+278,704	---
Subtotal, U.S. Coast Guard discretionary	6,660,766	7,116,772	7,065,098	+404,332	-51,674
Retired pay (mandatory)	1,014,080	1,063,323	1,063,323	+49,243	---
Total, United States Coast Guard	7,674,846	8,180,095	8,128,421	+453,575	-51,674
Appropriations	(7,743,983)	(8,180,095)	(8,128,421)	(+384,438)	(-51,674)
Emergency appropriations	(206,500)	---	---	(-206,500)	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2006
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2007
(Amounts in thousands)

	FY 2006 Enacted	FY 2007 Request	Bill	Bill vs. Enacted	Bill vs. Request
Rescissions	(-275,637)	---	---	(+275,637)	---
(By transfer)	(100,000)	---	---	(-100,000)	---
United States Secret Service					
Protection, Administration, and Training:					
Protection:					
Protection of persons and facilities	570,553	639,747	657,267	+86,714	+17,520
National special security event fund	2,475	---	---	-2,475	---
Protective intelligence activities	55,653	55,509	61,509	+5,856	+6,000
White House mail screening	16,201	16,201	16,201	---	---
Subtotal, Protection	644,882	711,457	734,977	+90,095	+23,520
Field operations:					
Domestic field operations	236,499	236,093	---	-236,499	-236,093
International field office administration and operations	20,758	21,616	---	-20,758	-21,616
Electronic crimes special agent program and electronic crimes task forces	39,204	44,079	---	-39,204	-44,079
Subtotal, Field operations	296,461	301,788	---	-296,461	-301,788
Administration:					
Headquarters, management and administration	201,200	169,370	169,370	-31,830	---
National Center for Missing and Exploited Children	7,810	7,811	---	-7,810	-7,811

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2006
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2007
(Amounts in thousands)

	FY 2006 Enacted	FY 2007 Request	Bill	Bill vs. Enacted	Bill vs. Request
Subtotal, Administration	209,010	177,181	169,370	-39,640	-7,811
Training:					
Rowley training center	45,874	50,052	50,052	+4,178	---
Emergency appropriations (P. L. 109-148)	3,600	---	---	-3,600	---
Subtotal, Protection, Admin and Training	1,199,827	1,240,478	954,399	-245,428	-286,079
Appropriations	(1,196,227)	(1,240,478)	(954,399)	(-241,828)	(-286,079)
Emergency appropriations	(3,600)	---	---	(-3,600)	---
Investigations and Field Operations:					
Domestic field operations	---	---	236,093	+236,093	+236,093
International field administration and operations	---	---	24,516	+24,516	+24,516
Electronic crimes special agent program and electronic crimes task forces	---	---	44,079	+44,079	+44,079
Forensic support and grants to NCMEC	---	---	7,811	+7,811	+7,811
Subtotal, Investigations and Field operations	---	---	312,499	+312,499	+312,499
Special Event Fund:					
National special security event fund	---	2,500	2,500	+2,500	---
Candidate nominee protection (equip and training)	---	18,400	18,400	+18,400	---
Subtotal, Special Event Fund	---	20,900	20,900	+20,900	---
Acquisition, construction, improvements and related expenses (Rowley training center)	3,662	3,725	3,725	+63	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2006
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2007
(Amounts in thousands)

	FY 2006 Enacted	FY 2007 Request	Bill	Bill vs. Enacted	Bill vs. Request
Total, United States Secret Service	1,203,489	1,265,103	1,291,523	+88,034	+26,420
Appropriations	(1,199,889)	(1,265,103)	(1,291,523)	(+91,634)	(+26,420)
Emergency appropriations	(3,600)	---	---	(-3,600)	---
Total, title II, Security, Enforcement, and Investigations	22,164,851	22,670,507	23,705,970	+1,541,119	+1,035,463
Appropriations	(22,182,888)	(22,670,507)	(23,705,970)	(+1,523,082)	(+1,035,463)
Emergency appropriations	(257,600)	---	---	(-257,600)	---
Rescission	(-275,637)	---	---	(+275,637)	---
(By transfer)	(100,000)	---	---	(-100,000)	---
(Fee Accounts)	(1,575,698)	(1,593,681)	(1,593,681)	(+17,983)	---
TITLE III - PREPAREDNESS AND RECOVERY					
Preparedness					
Under Secretary for Preparedness:					
Immediate Office of the Under Secretary	13,055	17,497	17,497	+4,442	---
Office of the Chief Medical Officer	1,980	4,980	4,980	+3,000	---
Office of National Capital Region Coordination	883	1,991	1,991	+1,108	---
National Preparedness Integration Coordination	---	50,000	15,000	+15,000	-35,000
Subtotal, Under Secretary for Preparedness	15,918	74,468	39,468	+23,550	-35,000
Grants and Training:					
Management and Administration	4,950	5,000	---	-4,950	-5,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2006
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2007
(Amounts in thousands)

	FY 2006 Enacted	FY 2007 Request	Bill	Bill vs. Enacted	Bill vs. Request
State and Local Programs:					
State Homeland Security Grant Program:					
State and Local Basic Formula Grants.....	544,500	633,000	545,000	+500	-88,000
Citizen Corps.....	---	35,000	---	---	-35,000
Subtotal, State Homeland Security Grant Program.....	544,500	668,000	545,000	+500	-123,000
Law enforcement terrorism prevention grants...	396,000	---	400,000	+4,000	+400,000
Discretionary grants:					
High-threat, high-density urban area.....	757,350	838,000	750,000	-7,350	-88,000
Targeted infrastructure protection.....	---	600,000	---	---	-600,000
Buffer zone protection program.....	49,500	---	50,000	+500	+50,000
Port security grants.....	173,250	---	200,000	+26,750	+200,000
Rail and transit security.....	148,500	---	150,000	+1,500	+150,000
Trucking security grants.....	4,950	---	5,000	+50	+5,000
Intercity bus security grants.....	9,900	---	10,000	+100	+10,000
Subtotal, Discretionary grants.....	1,143,450	1,438,000	1,165,000	+21,550	-273,000
Commercial equipment direct assistance program	49,500	---	75,000	+25,500	+75,000
National Programs:					
National Domestic Preparedness Consortium.	143,550	89,351	135,000	-8,550	+45,649
National exercise program.....	51,480	48,708	49,000	-2,480	+292
Technical assistance.....	19,800	11,500	25,000	+5,200	+13,500
Metropolitan Medical Response System.....	29,700	---	30,000	+300	+30,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2006
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2007
(Amounts in thousands)

	FY 2006 Enacted	FY 2007 Request	Bill	Bill vs. Enacted	Bill vs. Request
Demonstration training grants	29,700	---	30,000	+300	+30,000
Continuing training grants	24,750	3,000	35,000	+10,250	+32,000
Citizen Corps	19,800	---	---	-19,800	---
Evaluations and assessments	14,157	23,000	23,000	+8,843	---
Rural Domestic Preparedness Consortium	9,900	---	12,000	+2,100	+12,000
Subtotal, National Programs	342,837	175,559	339,000	-3,837	+163,441
Subtotal, State and Local Programs	2,476,287	2,281,559	2,524,000	+47,713	+242,441
Firefighter Assistance Grants:					
Grants	539,550	293,450	500,000	-39,550	+206,550
Staffing for Adequate Fire and Emergency Response (SAFER) Act	108,900	---	40,000	-68,900	+40,000
Subtotal, Firefighter Assistance Grants	648,450	293,450	540,000	-108,450	+246,550
Emergency management performance grants	183,150	170,000	186,000	+2,850	+16,000
Supplemental appropriations (PL 109-148,emergency)	10,300	---	---	-10,300	---
Subtotal, Grants and Training	3,323,137	2,750,009	3,250,000	-73,137	+499,991
Appropriations	(3,312,837)	(2,750,009)	(3,250,000)	(-62,837)	(+499,991)
Emergency appropriations	(10,300)	---	---	(-10,300)	---
Radiological Emergency Preparedness Program	-1,266	-477	-477	+789	---
U.S. Fire Administration and Training:					
United States Fire Administration	40,037	40,887	40,887	+850	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2006
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2007
(Amounts in thousands)

	FY 2006 Enacted	FY 2007 Request	Bill	Bill vs. Enacted	Bill vs. Request
Noble Training Center	4,462	5,962	5,962	+1,500	---
Subtotal, U.S. Fire Administration and Training	44,499	46,849	46,849	+2,350	---
Infrastructure Protection and Information Security					
Management and administration	82,509	84,650	84,650	+2,141	---
Critical infrastructure outreach and partnership	111,055	101,100	101,100	-9,955	---
Critical infrastructure identification and evaluation	67,815	71,631	71,631	+3,816	---
National Infrastructure Simulation and Analysis Center	19,800	16,021	16,021	-3,779	---
Biosurveillance	13,959	8,218	8,218	-5,741	---
Protective actions	90,485	32,043	32,043	-58,442	---
Cyber security	92,416	92,205	92,205	-211	---
National Security/Emergency Preparedness Telecommunications	141,206	143,272	143,272	+2,066	---
Subtotal, Infrastructure Protection and Information Security	619,245	549,140	549,140	-70,105	---
Total, Preparedness	4,001,533	3,419,989	3,884,980	-116,553	+464,991
Appropriations	(3,991,233)	(3,419,989)	(3,884,980)	(-106,253)	(+464,991)
Emergency appropriations	(10,300)	---	---	(-10,300)	---
Counterterrorism Fund					
Counterterrorism fund	1,980	---	---	-1,980	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2006
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2007
(Amounts in thousands)

	FY 2006 Enacted	FY 2007 Request	Bill	Bill vs. Enacted	Bill vs. Request
Federal Emergency Management Agency					
Administrative and regional operations	171,508	206,259	205,259	+33,751	-1,000
Defense function	47,520	49,240	49,240	+1,720	---
Supplemental appropriations (PL 109-148,emergency)	17,200	---	---	-17,200	---
Subtotal, Administrative and regional operations	236,228	255,499	254,499	+18,271	-1,000
Appropriations	(219,028)	(255,499)	(254,499)	(+35,471)	(-1,000)
Emergency appropriations	(17,200)	---	---	(-17,200)	---
Readiness, mitigation, response, and recovery:					
Operating activities	182,217	213,682	218,382	+36,165	+4,700
Urban search and rescue teams	19,800	19,817	19,817	+17	---
Subtotal, Readiness, mitigation, response, and recovery	202,017	233,499	238,199	+36,182	+4,700
Public health programs	33,660	33,885	33,885	+225	---
Disaster relief	1,752,300	1,941,390	1,662,891	-89,409	-278,499
Transfer out (emergency)	(-1,500)	---	---	(+1,500)	---
Subtotal, Disaster Relief	1,750,800	1,941,390	1,662,891	-87,909	-278,499
Rescission of emergency funding (P.L. 109-148)	-23,409,300	---	---	+23,409,300	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2006
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2007
(Amounts in thousands)

	FY 2006 Enacted	FY 2007 Request	Bill	Bill vs. Enacted	Bill vs. Request
Disaster assistance direct loan program account:					
Limitation on direct loans	(25,000)	(25,000)	(25,000)	---	---
Administrative expenses	561	569	569	+8	---
Transfer in (emergency)	(1,500)	---	---	(-1,500)	---
Flood map modernization fund	198,000	198,980	198,980	+980	---
National flood insurance fund:					
Salaries and expenses	36,496	38,230	38,230	+1,734	---
Flood hazard mitigation	87,358	90,358	90,358	+3,000	---
Offsetting fee collections	-123,854	-128,588	-128,588	-4,734	---
Transfer to National flood mitigation fund	(-28,000)	(-31,000)	(-31,000)	(-3,000)	---
National flood mitigation fund (by transfer)	(28,000)	(31,000)	(31,000)	(+3,000)	---
National pre-disaster mitigation fund	49,500	149,978	100,000	+50,500	-49,978
Emergency food and shelter	151,470	151,470	151,470	---	---
Total, FEMA (excluding resc of emerg approp)	2,623,736	2,965,270	2,640,493	+16,757	-324,777
Appropriations	(2,606,536)	(2,965,270)	(2,640,493)	(+33,957)	(-324,777)
Emergency appropriations	(17,200)	---	---	(-17,200)	---
Rescission of emergency appropriations	-23,409,300	---	---	+23,409,300	---
Total, title III, Preparedness and Recovery (excluding resc of emerg approp)	6,627,249	6,385,259	6,525,473	-101,776	+140,214
Appropriations	(6,599,749)	(6,385,259)	(6,525,473)	(-74,276)	(+140,214)
Emergency appropriations	(27,500)	---	---	(-27,500)	---
Rescission of emergency appropriations	-23,409,300	---	---	+23,409,300	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2006
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2007
(Amounts in thousands)

	FY 2006 Enacted	FY 2007 Request	Bill	Bill vs. Enacted	Bill vs. Request
(Limitation on direct loans)	(25,000)	(25,000)	(25,000)	---	---
(Transfer out) (including emergency)	(-29,500)	(-31,000)	(-31,000)	(-1,500)	---
(By transfer) (including emergency)	(29,500)	(31,000)	(31,000)	(+1,500)	---
TITLE IV - RESEARCH AND DEVELOPMENT, TRAINING, AND SERVICES					
U.S. Citizenship and Immigration Services					
Backlog reduction initiative:					
Contracting services	69,300	---	---	-69,300	---
Other	9,900	---	---	-9,900	---
Digitization and IT transformation	34,650	---	---	-34,650	---
Subtotal, Backlog reduction initiative	113,850	---	---	-113,850	---
Salaries and expenses:					
Business transformation and IT transformation	---	47,000	47,000	+47,000	---
Systematic Alien Verification for Entitlements (SAVE)	---	24,500	24,500	+24,500	---
Employment Eligibility Verification (EEV) program	---	110,490	90,490	+90,490	-20,000
Subtotal, Salaries and expenses	---	181,990	161,990	+161,990	-20,000
Adjudication services (fee account):					
Pay and benefits	(657,000)	(624,600)	(624,600)	(-32,400)	---
District operations	(349,000)	(385,400)	(385,400)	(+36,400)	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2006
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2007
(Amounts in thousands)

	FY 2006 Enacted	FY 2007 Request	Bill	Bill vs. Enacted	Bill vs. Request
Service center operations	(250,000)	(267,000)	(267,000)	(+17,000)	---
Asylum, refugee and international operations	(74,000)	(75,000)	(75,000)	(+1,000)	---
Records operations	(66,000)	(67,000)	(67,000)	(+1,000)	---
Subtotal, Adjudication services	(1,396,000)	(1,419,000)	(1,419,000)	(+23,000)	---
Information and customer services (fee account):					
Pay and benefits	(80,000)	(81,000)	(81,000)	(+1,000)	---
Operating expenses:					
National Customer Service Center	(47,000)	(48,000)	(48,000)	(+1,000)	---
Information services	(14,000)	(15,000)	(15,000)	(+1,000)	---
Subtotal, Information and customer services	(141,000)	(144,000)	(144,000)	(+3,000)	---
Administration (fee account):					
Pay and benefits	(44,000)	(45,000)	(45,000)	(+1,000)	---
Operating expenses	(193,000)	(196,000)	(196,000)	(+3,000)	---
Subtotal, Administration	(237,000)	(241,000)	(241,000)	(+4,000)	---
Total, U.S. Citizenship and Immigration Services	(1,887,850)	(1,985,990)	(1,965,990)	(+78,140)	(-20,000)
Appropriations	(113,850)	(181,990)	(161,990)	(+48,140)	(-20,000)
(Immigration Examination Fee Account)	(1,730,000)	(1,760,000)	(1,760,000)	(+30,000)	---
(Fraud prevention and detection fee account)	(31,000)	(31,000)	(31,000)	---	---
(H1B Non-Immigrant Petitioner fee account)	(13,000)	(13,000)	(13,000)	---	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2006
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2007
(Amounts in thousands)

	FY 2006 Enacted	FY 2007 Request	Bill	Bill vs. Enacted	Bill vs. Request
Federal Law Enforcement Training Center					
Salaries and expenses:					
Salaries and expenses	192,060	---	---	-192,060	---
Law enforcement training	---	201,020	209,217	+209,217	+8,197
Accreditation	---	1,290	1,290	+1,290	---
Subtotal, Salaries and expenses	192,060	202,310	210,507	+18,447	+8,197
Acquisition, Construction, Improvements, and Related expenses:					
Direct appropriation	87,474	42,246	42,246	-45,228	---
Total, Federal Law Enforcement Training Center	279,534	244,556	252,753	-26,781	+8,197
Science and Technology					
Management and administration:					
Office of the Under Secretary for Science and Technology	6,414	7,594	7,594	+1,180	---
Other salaries and expenses	73,874	188,307	173,307	+99,433	-15,000
Subtotal, Management and administration	80,288	195,901	180,901	+100,613	-15,000
Research, development, acquisition, and operations:					
Biological countermeasures:					
Operating expenses	23,067	---	---	-23,067	---
Defense function	353,133	337,200	337,200	-15,933	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2006
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2007
(Amounts in thousands)

	FY 2006 Enacted	FY 2007 Request	Bill	Bill vs. Enacted	Bill vs. Request
Subtotal, Biological countermeasures....	376,200	337,200	337,200	-39,000	---
Chemical countermeasures.....	94,050	83,092	45,092	-48,958	-38,000
Explosives countermeasures.....	43,560	86,582	76,582	+33,022	-10,000
Threat awareness.....	42,570	39,851	39,851	-2,719	---
Conventional missions in support of DHS.....	79,200	88,622	85,622	+6,422	-3,000
Rapid prototyping program.....	34,650	---	---	-34,650	---
Standards.....	34,650	22,131	22,131	-12,519	---
Emerging threats.....	7,920	---	---	-7,920	---
Emergent and prototypical technology.....	---	19,451	19,451	+19,451	---
Critical infrastructure protection.....	40,392	15,413	35,413	-4,979	+20,000
University programs/fellowship program.....	62,370	51,970	51,970	-10,400	---
Counter MANPADs.....	108,900	4,880	4,880	-104,020	---
Safety act.....	6,930	4,710	4,710	-2,220	---
Cyber security.....	16,533	22,733	22,733	+6,200	---
Office of interoperability and compatibility.....	26,235	29,735	29,735	+3,500	---
Research and development consolidation.....	98,898	---	---	-98,898	---
Radiological and nuclear countermeasures.....	18,895	---	---	-18,895	---
Domestic Nuclear Detection Office.....	314,834	---	---	-314,834	---
Subtotal, Research, development, acquisition, and operations.....	1,406,787	806,370	775,370	-631,417	-31,000
Total, Science and Technology.....	1,487,075	1,002,271	956,271	-530,804	-46,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2006
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2007
(Amounts in thousands)

	FY 2006 Enacted	FY 2007 Request	Bill	Bill vs. Enacted	Bill vs. Request
Domestic Nuclear Detection Office					
Management and administration	---	30,468	30,468	+30,468	---
Research, development, and operations	---	327,320	291,532	+291,532	-35,788
Systems acquisition	---	178,000	178,000	+178,000	---
Subtotal, Domestic Nuclear Detection Office	---	535,788	500,000	+500,000	-35,788
Total, title IV, Research and Development, Training, and Services	1,880,459	1,964,605	1,871,014	-9,445	-93,591
(Fee Accounts)	(1,774,000)	(1,804,000)	(1,804,000)	(+30,000)	---
TITLE V - GENERAL PROVISIONS					
Sec. 521:					
Rescission, Fast Reponse Cutter (P.L. 109-90)	---	---	-79,347	-79,347	-79,347
110ft Island Class Patrol Boat procurement or refurbishment	---	---	79,347	+79,347	+79,347
Sec. 527 (FY06):					
Rescission, 110-to-123 Conversions (P.L.108-11, P.L. 108-90 and P.L. 108-334)	-78,631	---	---	+78,631	---
110ft Island Class Patrol Boat procurement or refurbishment	77,845	---	---	-77,845	---
Sec 538: REAL ID Grants	39,600	---	---	-39,600	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2006
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2007
(Amounts in thousands)

	FY 2006 Enacted	FY 2007 Request	Bill	Bill vs. Enacted	Bill vs. Request
Rescissions, sec. 542 through 546:					
Sec. 542: Working Capital Fund	-15,000	---	---	+15,000	---
Sec. 543: Transportation Security Administration aviation security (P.L. 108-334)	-5,500	---	---	+5,500	---
Sec. 544: Coast Guard operating expenses and acquisition, construction, and improvements (P.L 105-277, 106-69, 107-87, and 108-90)	-6,369	---	---	+6,369	---
Sec. 545: Counterterroism Fund (P.L. 108-90)	-8,000	---	---	+8,000	---
Sec. 546: Science and technology research, development, acquisition, and operations (P.L. 108-334)	-20,000	---	---	+20,000	---
Subtotal, Rescissions, sec. 542 through 546	-54,869	---	---	+54,869	---
Sec 527:					
Rescission, Counter Terrorism Fund	---	-16,000	-16,000	-16,000	---
Sec. 533					
Rescission, TSA unobligated balances	---	---	-4,776	-4,776	-4,776
Total, title V, General Provisions	-16,055	-16,000	-20,776	-4,721	-4,776
Appropriations	(117,445)	---	(79,347)	(-38,098)	(+79,347)
Rescissions	(-133,500)	(-16,000)	(-100,123)	(+33,377)	(-84,123)
Grand total (including resc of emerg approp)	8,192,803	32,077,970	33,143,147	+24,950,344	+1,065,177
Appropriations	(31,678,857)	(32,093,970)	(33,243,270)	(+1,564,413)	(+1,149,300)
Emergency appropriations	(332,383)	---	---	(-332,383)	---

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2006
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2007
(Amounts in thousands)

	FY 2006 Enacted	FY 2007 Request	Bill	Bill vs. Enacted	Bill vs. Request
Rescissions	(-409,137)	(-16,000)	(-100,123)	(+309,014)	(-84,123)
Rescission of emergency appropriations	(-23,409,300)	---	---	(+23,409,300)	---
Fee funded programs	(3,349,698)	(3,397,681)	(3,397,681)	(+47,983)	---
(Limitation on direct loans)	(25,000)	(25,000)	(25,000)	---	---
(Transfer out) (including emergency)	(-29,500)	(-31,000)	(-31,000)	(-1,500)	---
(By transfer) (including emergency)	(129,500)	(31,000)	(31,000)	(-98,500)	---

ADDITIONAL VIEWS OF DAVID OBEY AND MARTIN OLAV SABO

Four and a half years after September 11th, America still has far too many vulnerabilities left wide open for terrorists to exploit. Last September, we also witnessed the terrible suffering and loss caused by inexcusable bureaucratic bungling in the response to a natural disaster.

The creation of the Department of Homeland Security was supposed to be the solution to these problems. Instead, it is plain to see that the Department's bureaucracy presents many high hurdles to effective terrorism prevention and disaster response. The Department has been underfunded and fractured—and far too focused on internal organization than on achieving results on our greatest security vulnerabilities. These handicaps undoubtedly contributed to the disgraceful response to Hurricane Katrina.

We are also concerned about allowing the Federal Emergency Management Agency to remain under the control of the Department of Homeland Security. History tends to repeat itself, and only fools ignore the lessons of history. President Clinton made FEMA a cabinet-level agency based on National Academy of Public Administration recommendations following the response to Hurricane Andrew in 1992. Hurricane Katrina taught similar lessons, but it appears that the federal government will not acknowledge them. Instead, this Administration and House Republicans seem intent on creating a new bureaucracy to deal with preparedness and response, when one lean, mean organization, like the Clinton-era FEMA, would do. We fear that once again, the American public will suffer the consequences.

We cannot afford not to learn from our past mistakes. We must be honest and proactive about addressing our remaining vulnerabilities. Leadership, proper funding and professional expertise are the keys to successfully meeting our nation's homeland security needs—whether in providing citizens with food and shelter after a disaster, or in shielding vulnerable targets from terrorist attack.

Our nation cannot afford to underfund homeland programs that are so critical to our health and security. Unfortunately, the Committee bill does just that. It provides $165 million less than the Administration's request, and the President's request was inadequate to meet our security and preparedness needs.

Given the total amount of funding provided by the Republican majority to homeland security, we do not disagree with many of the funding choices made in the Committee bill. However, we believe it is irresponsible to set an arbitrary cap which leaves many homeland security priorities poorly funded.

To address this gap, Democrats offered a fiscally responsible amendment in Committee to provide an additional $3.5 billion for

critical border, port, aviation and disaster preparedness and response programs. The amendment was part of a fiscally-balanced approach that would return Congressional budgeting to the principle of "pay-as-you-go", providing additional funding for key investments and reducing the deficit by scaling back supersized tax cuts for those making more than $1 million per year. The amendment would have reduced their tax savings from $114,172 to $104,503. Unfortunately, that amendment was defeated by a 33–25 party line vote.

BORDER SECURITY

A goal of the President's 2007 budget, submitted in February, was to gain operational control of 388 miles of our 5,000 mile border with Canada and Mexico. Just this week, the President sent Congress an Emergency Supplemental bill to address border security problems. He has called it a "comprehensive proposal," yet the Department of Homeland Security cannot tell us how many additional border miles will be controlled under this proposal.

The Democratic amendment, defeated in Committee, would have provided an additional $2.1 billion to enhance border security. It would have provided the funding to hire to the levels in the Intelligence Reform Act, by adding 1,800 border patrol agents, 9,000 detention beds, and 800 immigration investigators above the Committee bill. It would have provided the funding to purchase about 500 additional radiation portal monitors, so that some of our land border locations do not have to wait another four years to screen traffic for radiation. It would have provided funding for the fifth planned northern border air wing and increased air patrols of our borders, because "eyes in the sky" are important to directing resources on the ground.

How did we get here?

Border Patrol and Customs agents

To improve border security, we need more border agents and surveillance equipment. Yet, from September 11, 2001 to April 2006 only 1,641 new border patrol agents were hired, which is less than a 17 percent increase in 4½ years. Congress has repeatedly authorized border security improvements. The Patriot Act of 2001 called for the tripling of border agents and customs and immigration inspectors on our northern border. The Intelligence Reform Act, enacted in December 2004, called for 2,000 additional border agents, 800 additional immigration investigators, and 8,000 additional detention beds per year 2006 through 2010.

When Congress has provided additional border security resources, the Administration has dragged its feet in making the improvements. For example, to help meet the northern border hiring and equipment goals in the Patriot Act, Congress provided $308 million in 2002 to beef up northern border security with more agents, inspectors and equipment. The Bush Administration requested only one-third of this funding.

In 2006 Congress funded only half of the 2,000 additional border patrol agents authorized in the Intelligence Reform Act of 2004. Yet, even with the President's top priority of border control, as of the end of April, 2006, the Administration has brought on board

only 194 of these 1,000 additional border patrol agents. This 2007 appropriations bill continues the history of not funding the Intelligence Reform Act staffing mandates by providing for only 1,200 additional border patrol agents.

Seven times over the last four and a half years, Democrats have offered amendments that would have resulted in over 6,600 more border patrol agents, 14,000 more detention beds and 2,700 more immigration and customs agents than exist today. Every time, their efforts were rejected by the Republican majority. The Democratic amendment defeated in Committee would have funded 1,800 additional border patrol agents, meeting the Intelligence Reform Act mandates.

Congress undermines its credibility when we pass legislation dictating new homeland security mandates, but do not appropriate the necessary resources to meet them.

Detention beds

A similar story must be told for detention beds. Detention beds and detention alternatives are key to our success in removing those apprehended by our border agents. Yet, the detention office at Immigration and Customs Enforcement (ICE) has had three different leaders in the three years it has been in the Department of Homeland Security. It is without a permanent leader today.

ICE has been plagued by budget shortfalls since its formation: ICE was underfunded when DHS was created, and DHS leadership at all levels has failed to manage the budget. In 2003, 2004 and 2005 ICE faced a hiring freeze and a reduced number of detention beds due to poor management. The number of detention beds dropped from 19,801 in 2002 to 18,500 in 2005.

The DHS Inspector General has estimated that close to 35,000 detention beds are needed just to detain criminal and special interest aliens. Yet, the President requested only 27,516 detention beds and the Committee funded 25,670, 1,846 less than the President.

It is obvious that ICE lacks the resources necessary to be fully successful. Six times since September 11th, Democrats have offered amendments to increase detention bed space by 14,000, but were rejected on party-line votes. If those Democratic amendments had been successful, we would now have the number of detention beds recommended by the Inspector General. Instead, today we are close to 14,000 below that level and the Committee bill will leave us about 9,000 beds short of the IG recommended level. The Democratic amendment rejected in Committee would have provided these 9,000 additional beds.

Radiation portal monitors

A number of other border security programs are underfunded and ill-managed. This bill makes no great inroads in correcting these problems.

Many of our ports of entry lack radiation portal monitors. GAG recently found that these monitors work, but that delay in deploying these monitors were caused by DHS' lengthy review process and negotiations on the placement of the equipment. Approximately 2,400 of these monitors are needed, but less than 30 percent are in place today. The funding provided in the bill would leave

1,000 monitors left to be purchased and deployed. To correct this misguided decision, the Democratic amendment offered would have provided funding to purchase up to 500 additional radiation monitors.

PORT SECURITY

In defense of the Dubai port deal, the White House was quick to remind the public that port security lies in the hands of federal border agents, the Coast Guard, port authorities and police agencies. However, the Bush Administration and this House have left our ports vulnerable by rejecting needed funding for these agencies at every opportunity.

The evidence is clear. In 2000, the Interagency Commission on Crime and Security concluded American ports were highly vulnerable to potential terrorist attacks. In 2001, the *Hart-Rudman Commission* reported that port security was underfunded and seaports were vulnerable to terrorist attacks.

With great fanfare, the President signed legislation requiring ports to assess their vulnerabilities and develop security plans. In 2002, the Coast Guard estimated that $7 billion were needed in infrastructure improvements and operating costs to improve port security. However, the Bush Administration has never proposed funding specifically for port security grants that could be used to pay for these needs. Congress has taken the lead in providing $910 million for the distinct port security grant program and operation safe commerce since the 9/11 attacks, but this is only 13 percent of the Coast Guard's estimate. Six Democratic amendments since 2001, if adopted by the House, would have doubled port security funding and many necessary security improvements would already be taken care of.

This bill contains $200 million in total for port security grants. The Democratic amendment would have doubled this amount, consistent with House passage of the Safe Port Act two weeks ago. Unfortunately it was defeated in Committee.

CRITICAL INFRASTRUCTURE PROTECTION, INCLUDING CHEMICAL FACILITY SECURITY

We continue to be frustrated with the Administration's approach to protecting critical infrastructure, including transit, railroad and chemical facilities. The Administration generally leaves security decisions to these entities, without providing needed guidance from the federal government.

CHEMICAL SECURITY

The fact that the federal government requires no security standards for most U.S. chemical facilities is one of our greatest security vulnerabilities. In 2003, GAO recommended the Administration develop a comprehensive national chemical security strategy. We just received this strategy from the Department on May 19, 2006. The Department's strategy concludes by calling for legislation that allows the Secretary to regulate the chemical sector. We are pleased that the Committee took an important first step in this regard by adopting Mr. Sabo's amendment to provide the Secretary of Home-

land Security the authority he said that he needs to issue chemical facility security regulations. Mr. Sabo's letter laying out the key reasons why the Committee needed to include this provision on this appropriations bill is attached to these views. We strongly urge that this amendment be protected on the House floor.

We note that:

• The Department of Homeland Security estimates that roughly 680, or 20 percent, of the 3,400 chemical facilities that it views as high risk adhere to no security guidelines. If attacked, 300 of these facilities could kill or injure 50,000 or more people.

• At an April 27, 2005 Senate hearing, Carolyn Merritt, chair of the US Chemical Safety and Hazard Investigation Board said her agency has investigated 35 major chemical accidents and issued nearly 300 safety recommendations. She said the Safety Board has discovered "serious gaps" that may allow for intentionally malicious acts.

TRANSIT SECURITY

As we saw in London and Madrid, transit systems are terrorist targets. Yet, DHS has provided only $416 million since 9/11 to secure them. The transit industry estimates that $6 billion is needed for security training, radio communications systems, security cameras, and limiting access to sensitive facilities. Again, the President's 2006 budget requested no separate funding for transit security. We are pleased that $150 million is contained in this legislation to improve transit security. The Democratic amendment defeated in Committee would have increased this amount by 67 percent, to $250 million, so that high-risk vulnerabilities in transit systems could begin to be addressed.

LOCAL POLICE, FIRE AND EMERGENCY RESPONDER PREPAREDNESS

It is widely agreed that our local police, firefighters and emergency personnel need increased funding to improve their ability to respond to terrorist acts or disasters. The 2003 Hart-Rudman report found that responders were "Drastically Underfunded, Dangerously Unprepared," and that "America will fall approximately $98 billion short of meeting critical emergency responder needs over the next five years if current funding levels are maintained."

A report by the "Task Force on A Unified Security Budget for the United States, 2006" found that funding reductions for preparedness and response programs "translate into dangerous vulnerabilities, given the scope and character of the terrorist threat."

President Bush, speaking to the nation from New Orleans just eight months ago said, "Four years after the frightening experience of September the 11th, Americans have every right to expect a more effective response in a time of emergency." We agree with the President. However, there was nothing in the President's budget request and there is nothing in this 2007 appropriations bill that will ensure that Americans will not once again be left stranded in a crisis by the federal government.

In 2003, funding for state homeland security grants (not including fire grants or port grants that were funded elsewhere in 2003)

and emergency management performance grants totaled $3.3 billion. This legislation includes only $2 billion for these same programs in 2007, a 39 percent reduction.

The Democratic amendment defeated in Committee would have provided a total of $600 million to improve our communities' ability to respond to and prepare for disasters, including an additional $150 million for state and local emergency preparedness personnel, $50 million for additional exercises to test response plans, $150 million for better flood maps in high risk locations, and $150 million to improve the capabilities of our fire fighters.

The Administration and the majority in Congress are willing to defer acting on these preparedness vulnerabilities. The majority argues that only 55 percent of the funding so far provided to states and localities to improve preparedness has been spent, but this argument ignores the fact that all of these funds have been committed to specific equipment purchases. We believe that the Department bears a large share of responsibility for the delay in getting these equipment orders filled. In addition, DHS has not even distributed 2006 funding to the states yet. The Department should better manage these programs, rather than make excuses to cut their funding.

Fire grants are probably the most successful grant program in the Department of Homeland Security. Local fire departments submit grant requests, which are independently evaluated. The needs of our fire departments are great. A recent needs analysis identified that today 28 percent of firefighters per shift are not equipped with self-contained breathing apparatus, and 39,000 fire fighters lack personnel protective clothing. The fire grant program helps local fire departments deal with these and other problems.

Everyone knows that local fire and police will be on the front line in all disasters, whether a man-made or natural event or pandemic outbreak. Yet, the Administration proposes to cut fire grant funding deeply. The Bush budget would reduce funding for this program by $355 million, or 55 percent. This bill makes up roughly two-thirds of the President's proposed reductions. At a minimum, we believe that fire grants should be fully funded at last year's level of $649 million. The Democratic amendment rejected in Committee would have provided a total of $690 million for fire grants.

AVIATION SECURITY

We are disappointed that the Administration continues to leave aviation security vulnerabilities unaddressed despite having spent over $28 billion on it since September 11th. The perimeters of passenger airports are not fully secured; it is not known how many of the general aviation security improvements suggested by TSA have been implemented; and most of air cargo is still not screened.

The cargo carried on passenger aircraft is not inspected like either the passengers or their baggage. In fact, TSA today does not know how much air cargo is actually screened because its security system only tracks the reviews of its cargo inspectors. We are pleased that this bill requires TSA to report air cargo inspection statistics quarterly.

The Administration is willing to give short shrift to the 9/11 Commission recommendations to screen all passengers and carry-

on bags for explosives and to speed up the installation of in-line explosive detection systems. The Administration's 2007 budget does not fund any additional in-line screening systems beyond the current eight approved airports, nor does the Committee bill. The Democratic amendment defeated in Committee would have provided $200 million more to expand passenger and carry-on baggage explosive screening to more than the 28 airports that currently have these systems.

CONCLUSION

Despite its rhetoric, the White House does not give homeland security the top priority it deserves. If the Administration thinks that the American public should be content with the fact that America has not been hit by terrorists in the last 4-½ years, it is seriously mistaken. The Congress is also absurdly complacent. We should be furious over the events of the past year: a bungled response to a massive hurricane, a port takeover deal that was not properly reviewed, chemical plants open to attack and a border that is not secure. What will it take before this Administration and this Congress will be willing to take the actions needed to make our homeland secure?

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COMMITTEE ON APPROPRIATIONS
Subcommittees:
HOMELAND SECURITY
(Ranking Member)
DEFENSE

Congress of the United States
House of Representatives

Chemical Security – Time to Close the Gap

May 15, 2006

Dear Appropriations Committee Colleague:

U.S. chemical facilities pose prime targets for a catastrophic terrorist attack. Unfortunately, nearly five years after 9/11, the federal government has done precious little to secure them.

What are we waiting for? It is time to act, and I ask your support for a chemical security amendment I will offer in the full committee markup of the Homeland Security Appropriations bill.

Congress addressed a small part of the problem in 2002. It enacted security requirements for chemical facilities on ports under the Maritime Transportation Security Act, and the Coast Guard is doing a good job of enforcing regulations on the limited number of these port facilities. Under the Bioterrorism Act of 2002, the EPA also oversees security at the nation's drinking water facilities.

Unfortunately, there are thousands of other chemical plants and storage facilities that the federal government does not regulate. An attack on one of them could have the potential to kill or injure tens of thousands of people. Yet, security at these facilities is left to the good consciences of their operators.

Last summer, Secretary Chertoff told me that DHS does not have the legal authority to require chemical facilities to improve their security. Unfortunately, the Administration has never submitted a chemical security legislative proposal to Congress.

Furthermore, Congress has been stuck in neutral for more than four years – even though legislation to grant DHS or EPA the authority to require chemical security measures has been introduced in each Congress since 2001.

I believe we must not wait any longer. Therefore, I will offer an amendment in committee to close this chemical security gap.

My amendment is simple. It gives the Secretary broad authority to issue interim final regulations to establish requirements for chemical facilities that he determines to present the greatest security risk. These requirements will include minimum standards and the mandatory submission of facility security plans to the Secretary. It excludes those chemical facilities that are currently regulated for homeland security purposes, such as those on ports and for drinking water. As an enforcement mechanism, the amendment uses the civil penalty currently in place for chemical facilities on ports. DHS has been helpful in crafting this amendment.

To underscore the chemical security dilemma we face, following is an excerpt of Secretary Chertoff's speech to the American Chemistry Council on March 21, 2006:

> "The fact of the matter is that although large numbers of the chemical companies that operate in this country have been very responsible in taking steps to make sure that they are elevating their own security, we have to recognize that not all chemical companies have done that. And all the industry, in fact the whole country, is hostage to those few who do not undertake the responsibility that they have to make sure security is at an appropriate level....Since 2003, Congress has been considering but has not enacted legislation that would give the authority to my Department to create a sensible regulatory structure for the nation's chemical infrastructure. This law has not passed....I want to challenge Congress to take the steps this year to enact a sensible bill that will allow us to complete the process across the entire spectrum of this sector of getting the chemical plant sector where it needs to be in terms of national security."

I ask you to support my chemical security amendment. Yes, it is authorizing in nature. It must be to be effective. The nation has waited too long for us to address our critical chemical security vulnerabilities. We should act now.

Sincerely,

Martin

Martin Olav Sabo
Ranking Member, Subcommittee on Homeland Security