
CROSSCUTTING PROGRAMS

3. HOMELAND SECURITY FUNDING ANALYSIS

Since the terrorist attacks of September 11, 2001, the Federal Government, with State, local and private sector partners, has engaged in a broad, determined effort to thwart terrorism, identifying and pursuing terrorists abroad and implementing an array of measures to secure our citizens and resources at home. The Administration has worked with the Congress to reorganize the Federal Government; acquire countermeasures to biological weapons; enhance security at our borders, transportation sites and critical infrastructures; and strengthen America's preparedness and response capabilities in our cities and local communities. Elements of our national homeland security strategy—to prevent terrorist attacks within the United States, reduce America's vulnerability to terrorism, and minimize the damage from attacks that may occur—involve every level of government as well as the private sector and individual citizens. Since September 11th, homeland security has continued to be a major policy focus for all levels of government, and one of the President's highest priorities.

To underscore the importance of homeland security as a crosscutting Government-wide function, section 889 of the Homeland Security Act of 2002 requires a homeland security funding analysis to be incorporated in the President's Budget. This analysis addresses that legislative requirement. It covers the homeland security funding and activities of all Federal agencies, not only those carried out by the Department of Homeland Security (DHS), and discusses State, local, and private sector expenditures. In addition, not all activities carried out by DHS constitute homeland security funding (e.g., response to natural disasters, Coast Guard search and rescue activities), so DHS estimates in this section do not represent the entire DHS budget.

Federal Expenditures

The Federal spending estimates in this analysis utilize funding and programmatic information collected on the Executive Branch's homeland security efforts.¹ Throughout the budget formulation process, the Office of Management and Budget (OMB) collects three-year funding estimates and associated programmatic information from all Federal agencies with homeland security responsibilities. These estimates do not include the efforts of the Legislative or Judicial branches. Information in this chapter is augmented by a detailed appendix of account-level funding estimates, which is available on the *Analytical Perspectives* CD ROM.

¹All data in the Federal expenditures section are based on the President's policy for the 2007 Budget. Additional policy and baseline data is presented in the "Additional Tables" section. Due to rounding, data in this section may not add to totals in other Budget volumes.

To compile this data, agencies report information using standardized definitions for homeland security. The data provided by the agencies are developed at the "activity level," which is a set of like programs or projects, at a level of detail sufficient to consolidate the information to determine total Governmental spending on homeland security.

To the extent possible, this analysis maintains programmatic and funding consistency with previous estimates. Some discrepancies from data reported in earlier years arise due to agencies' improved ability to extract terrorism-related activities from host programs and refine their characterizations. As in the Budget, where appropriate, the data is also updated to reflect agency activities, Congressional action, and technical re-estimates. In addition, the Administration may refine definitions or mission area estimates over time based on additional analysis or changes in the way specific activities are characterized, aggregated, or disaggregated. For example, this year's budget includes significant re-estimates for the homeland security funding requested in two agencies' budgets: the U.S. Coast Guard, and the Department of Defense. When changes in the way agencies estimate homeland security expenditures are made, they are reflected in all years in order to maintain consistency.

In the case of the Coast Guard, the agency derives its homeland security funding estimates using an activity-based costing model to allocate its budget among its various missions. In early fiscal year 2005, the Coast Guard discovered the assumptions for this model had not been updated to reflect post-9/11 mission demands, meaning the projections derived from the model were increasingly inconsistent with actual, post-9/11 spending. After reviewing several years of post-9/11 performance data, the Coast Guard updated its modeling assumptions to better reflect its current mission execution. In addition, as part of its annual government-wide review of homeland security activities, OMB determined that the Coast Guard was reporting both its "Drug Interdiction" and "International Fisheries Enforcement" activities as homeland security programs, which was inconsistent with the Government-wide definition of homeland security activities. As a result, these two mission activities have been dropped from the homeland security data.

The revisions to the Department of Defense (DOD) homeland security funding estimates also better reflect actual spending by the Department. Previously, the DOD homeland security funding estimates were derived from an annual report issued by the DOD Comptroller's office that identified funding spent on combating terrorism activities. Now, DOD has been able to identify discrete, homeland security-related projects, programs

and activities within the budget accounts of the various service branches. As a result, the funding estimates are more precise and integrated with the DOD budget.

The following table reflects the adjustments made for the Coast Guard and DOD re-estimates:

| | FY 2005 Effect | FY 2006 Effect ² |
|-------------------------------|----------------|-----------------------------|
| DoD Re-Estimate | +7,541 | +7,992 |
| Coast Guard Re-Estimate | -940 | -790 |

²The 2006 adjustments reflect comparisons between the 2006 requested levels and the revised 2006 enacted levels. As a result, a small amount of the adjustment is attributable to differences between the 2006 Budget and the 2006 enacted funding levels, not just technical re-estimates.

Total funding for homeland security has grown significantly since the attacks of September 11, 2001. For 2007, the President's Budget includes \$58.3 billion for homeland security activities, a \$3.4 billion (6.3 percent) increase over the 2006 level. Excluding mandatory funding and the Department of Defense, the 2007 Budget proposes a gross discretionary increase of \$3 billion (8.2 percent) over the 2006 level. The Budget also proposes to increase aviation security fees to allow the Government to recover more of its core security costs of Federal aviation screening operations. Including this fee proposal, the net non-defense discretionary increase from 2006 to 2007 is 3.3 percent.

Table 3-1. HOMELAND SECURITY FUNDING BY AGENCY

(Budget authority, in millions of dollars)

| Budget Authority | 2005 Enacted | 2005 Supplemental | 2006 Enacted | 2006 Supplemental | 2007 Request |
|--|-----------------|-------------------|-----------------|-------------------|-----------------|
| Department of Agriculture | 595.9 | | 563.0 | | 650.3 |
| Department of Commerce | 166.7 | | 181.1 | | 217.8 |
| Department of Defense | 16,107.7 | 1,080.2 | 16,440.4 | | 16,697.8 |
| Department of Education | 23.9 | | 27.5 | | 25.8 |
| Department of Energy | 1,562.0 | | 1,705.2 | | 1,699.6 |
| Department of Health and Human Services | 4,229.4 | | 4,299.1 | 0.1 | 4,563.3 |
| Department of Homeland Security | 23,979.9 | 569.2 | 25,499.0 | 176.9 | 27,777.0 |
| Department of Housing and Urban Development | 2.0 | | 1.9 | | 1.9 |
| Department of the Interior | 65.0 | | 55.6 | | 55.4 |
| Department of Justice | 2,690.8 | 76.1 | 2,975.4 | 16.1 | 3,279.8 |
| Department of Labor | 56.1 | | 48.3 | | 58.7 |
| Department of State | 824.1 | | 1,107.9 | | 1,212.5 |
| Department of Transportation | 219.3 | | 181.0 | | 206.0 |
| Department of the Treasury | 101.1 | 0.4 | 115.8 | | 133.4 |
| Department of Veterans Affairs | 249.4 | | 308.8 | | 313.4 |
| Corps of Engineers | 89.0 | | 72.0 | | 43.0 |
| Environmental Protection Agency | 106.3 | | 129.3 | | 183.3 |
| Executive Office of the President | 29.5 | | 20.8 | | 24.6 |
| General Services Administration | 65.2 | | 98.6 | | 95.9 |
| National Aeronautics and Space Administration | 220.5 | | 212.6 | | 203.7 |
| National Science Foundation | 342.2 | | 344.2 | | 387.4 |
| Office of Personnel Management | 3.0 | | 2.7 | | 2.8 |
| Social Security Administration | 154.7 | | 176.8 | | 183.8 |
| District of Columbia | 15.0 | | 13.5 | | 9.0 |
| Federal Communications Commission | 1.8 | | 2.3 | | 5.4 |
| Intelligence Community Management Account | 72.4 | | 56.0 | | 55.0 |
| National Archives and Records Administration | 17.1 | | 18.2 | | 18.1 |
| Nuclear Regulatory Commission | 59.2 | | 79.3 | | 70.3 |
| Postal Service | 503.0 | | | | |
| Securities and Exchange Commission | 5.0 | | 5.0 | | 5.0 |
| Smithsonian Institution | 75.0 | | 83.7 | | 80.4 |
| United States Holocaust Memorial Museum | 8.0 | | 7.8 | | 7.8 |
| Corporation for National and Community Service | 17.0 | | 20.4 | | 14.9 |
| Total, Homeland Security Budget Authority | 52,657.2 | 1,725.8 | 54,852.9 | 193.1 | 58,282.9 |
| Less Department of Defense | -16,107.7 | -1,080.2 | -16,440.4 | | -16,697.8 |
| Non-Def. Homeland Security Budget Authority excluding BioShield | 36,549.5 | 645.6 | 38,412.6 | 193.1 | 41,585.1 |
| Less Fee-Funded Homeland Security Programs | -3,444.1 | | -4,130.0 | | -6,022.0 |
| Less Mandatory Homeland Security Programs | -2,193.6 | | -2,232.0 | | -2,454.1 |
| Net Non-Defense Discretionary, Homeland Security Budget Authority excluding BioShield | 30,911.8 | 645.6 | 32,050.6 | 193.1 | 33,109.0 |
| Plus BioShield | 2,508.0 | | | | |
| Net Non-Defense Discretionary, Homeland Security Budget Authority including BioShield | 33,419.8 | 645.6 | 32,050.6 | 193.1 | 33,109.0 |
| Obligations Limitations | | | | | |
| Department of Transportation Obligations Limitation | 78.2 | | 121.0 | | 99.7 |

A total of 32 agencies comprise Federal homeland security funding in 2007. Of those, five agencies—the Departments of Homeland Security (DHS), Defense (DOD), Health and Human Services (HHS), Justice (DOJ) and Energy (DOE)—account for approximately 93 percent of total Government-wide homeland security funding in 2007.

The growth in Federal homeland security funding is indicative of the efforts that have been initiated to secure our Nation. However, it should be recognized that fully developing the strategic capacity to protect America is a complex effort. There is a wide range of potential threats and risks from terrorism. To optimize limited resources and minimize the potential social costs to our free and open society, homeland security activities should be prioritized based on the highest threats and risks. Homeland security represents a partnership among the Federal Government, State and local governments, the private sector, and individual citizens, each with a unique role in protecting our Nation.

The *National Strategy for Homeland Security* provides a framework for addressing these challenges. It guides the highest priority requirements for securing the Nation. As demonstrated below, the Federal Government has used the *National Strategy* to guide its homeland security efforts. For this analysis, agencies categorize their funding data based on the critical mission areas defined in the *National Strategy for Homeland Security*: intelligence and warning, border and transportation security, domestic counterterrorism, protecting critical infrastructures and key assets, defending against catastrophic threats, and emergency preparedness and response. In all tables, classified funding controlled by the Director of National Intelligence is combined with the Department of Defense and titled “Department of Defense.”

The *National Strategy* is a dynamic document. It includes actions that agencies use and must build upon to measure progress. In some cases, progress may be easily measured. In others, Federal agencies, along with State and local governments and the private sector, are working together to develop measurable goals. Finally, in some areas, Federal agencies and partners must continue to develop a better understanding of risks and threats—such as the biological agents most likely to be used by a terrorist group or the highest-risk critical infrastructure targets—in order to develop benchmarks.

Funding presented in this report is analyzed in the context of major “mission areas.” Activities in many of the mission areas are closely related. For example, information gleaned from activities in the intelligence and warning category may be utilized to inform law enforcement activities in the domestic counterterrorism category. Augmentation of pharmaceutical stockpiles categorized as emergency preparedness and response, may address agents that represent catastrophic threats.

This chapter highlights some significant results from OMB’s Performance Assessment Rating Tool (PART), as well as some major performance metrics and milestones. These are not an exhaustive list of homeland security PART results, measures, or milestones; nor are they exempt from the performance measurement challenges highlighted above. However, they do illustrate the Government’s efforts to build a better framework to measure homeland security performance.

The following table summarizes funding levels by the *National Strategy’s* mission areas; more detailed analysis is provided in subsequent mission-specific analysis sections.

Table 3–2. HOMELAND SECURITY FUNDING BY NATIONAL STRATEGY MISSION AREA

(Budget authority, in millions of dollars)

| Agency | 2005 Enacted | 2005 Supplemental | 2006 Enacted | 2006 Supplemental | 2007 Request |
|--|-----------------|----------------------|-----------------|----------------------|-----------------|
| Intelligence and Warning | 349.8 | ..... | 428.2 | ..... | 604.4 |
| Border and Transportation Security | 16,652.3 | 386.2 | 18,348.6 | 159.6 | 20,177.1 |
| Domestic Counterterrorism | 3,974.5 | 257.3 | 4,548.0 | 17.6 | 4,661.6 |
| Protecting Critical Infrastructure and Key Assets .. | 17,835.9 | 849.4 | 17,851.7 | ..... | 18,350.6 |
| Defending Against Catastrophic Threats | 8,146.4 | 142.8 | 8,639.8 | 0.5 | 8,882.1 |
| Emergency Preparedness and Response | 5,654.5 | 90.1 | 4,924.3 | 15.4 | 5,474.9 |
| Other | 43.8 | ..... | 112.4 | ..... | 132.2 |
| Total, Homeland Security Budget Authority | 52,657.2 | 1,725.8 | 54,852.9 | 193.1 | 58,282.9 |
| Plus BioShield | 2,508.0 | ..... | ..... | ..... | ..... |
| Total, Homeland Security Budget Authority , including BioShield | 55,165.2 | 1,725.8 | 54,852.9 | 193.1 | 58,282.9 |

National Strategy Mission Area: Intelligence and Warning

The intelligence and warning mission area covers activities to detect terrorist threats and disseminate terrorist-threat information. The category includes intel-

ligence collection, risk analysis, and threat-vulnerability integration activities for preventing terrorist attacks. It also includes information sharing activities among Federal, State, and local governments, relevant private sector entities, and the public at large. It does not include most foreign intelligence collection—although

the resulting intelligence may inform homeland security activities—nor does it fully capture classified intelligence activities. In 2007, funding for intelligence and warning is distributed between DHS (61 percent), primarily in the Office of Intelligence and Analysis; DOJ

(26 percent), primarily in the Federal Bureau of Investigation (FBI); and other Intelligence Community members (13 percent). The 2007 funding for intelligence and warning activities is 41 percent above the 2006 level.

Table 3–3. INTELLIGENCE AND WARNING FUNDING

(Budget authority, in millions of dollars)

| Agency | 2005 Enacted | 2005 Supplemental | 2006 Enacted | 2006 Supplemental | 2007 Request |
|---|-----------------|----------------------|-----------------|----------------------|-----------------|
| Department of Agriculture | 6.3 | ..... | 6.7 | ..... | 22.3 |
| Department of Homeland Security | 226.4 | ..... | 323.3 | ..... | 370.4 |
| Department of Justice | 44.2 | ..... | 41.7 | ..... | 156.2 |
| Department of the Treasury | 0.6 | ..... | 0.6 | ..... | 0.6 |
| Intelligence Community Management Account | 72.4 | ..... | 56.0 | ..... | 55.0 |
| Total, Intelligence and Warning | 349.8 | ..... | 428.2 | ..... | 604.4 |

The major requirements addressed in the intelligence and warning mission area include:

- Unifying and enhancing intelligence and analytical capabilities to ensure officials have the information they need to prevent attacks; and
- Implementing information sharing and warning mechanisms, such as the Homeland Security Advisory System, to allow Federal, State, local, and private authorities to take action to prevent attacks and protect potential targets.

As established by the Intelligence Reform and Terrorism Prevention Act of 2004, the Director of National Intelligence (DNI) is ensuring that his newly established office is setting collection and analysis priorities that are consistent with the new National Intelligence Strategy. This new strategy calls for the integration of both the domestic and foreign dimensions of U.S. intelligence so that there are no gaps in our understanding of threats to the homeland. The DNI is also ensuring that information sharing takes place in an environment where access to terrorism information is matched to the roles, responsibilities, and missions of all the organizations across the intelligence community. These changes allow the intelligence community to “connect the dots” more effectively, develop a better integrated system for identifying and analyzing terrorist threats, and issue warnings more rapidly.

The National Counterterrorism Center (NCTC) is specifically chartered to centralize U.S. Government terrorism threat analysis and ensure that all agencies receive relevant analysis and information. NCTC serves as the primary organization in the U.S. Government for analyzing and integrating all intelligence pertaining to terrorism and counterterrorism (except purely domestic terrorism) and the central and shared knowledge bank on known and suspected terrorists and international terror groups. It also ensures that agencies, as appropriate, have access to and receive the all-source intelligence support needed to execute their counterterrorism plans or perform independent, alternative analysis. NCTC is tasked to coordinate counterterrorism operations on a global basis and de-

velop strategic, operational plans for the Global War on Terrorism.

The DNI and the NCTC work to utilize the unique assets and capabilities of other Government agencies—some of which are reorganizing to improve these capabilities and better interface with the new intelligence structure. As such, the NCTC allocates requirements to the agencies with the assets and capabilities to address them. In addition, NCTC has formed a new core staff of analysts drawn from multiple intelligence agencies. This variety ensures that NCTC can access the Intelligence Community’s full breadth of knowledge and complement the activities of individual agencies. Despite the addition of this new permanent planning staff, NCTC will not undertake direct operations but will continue to leave mission execution with the appropriate agencies. This separation ensures that the chain of command remains intact and prevents potential bureaucratic micromanagement of counterterrorism missions. Taken together, the creation of the NCTC and recent legislation and executive orders will ensure counterterrorism assets are better allocated and more tightly coordinated to produce improved indications and warning intelligence to benefit homeland security.

The 2007 request for FBI supports improvements in its intelligence infrastructure to enable the Bureau to leverage its workforce, particularly the agents, intelligence analysts, and support staff in the newly-created National Security Branch. The National Security Branch will integrate the Intelligence Directorate with the Counterterrorism and Counterintelligence Divisions to ensure that FBI activities are coordinated with other Intelligence Community agencies under the Director of National Intelligence’s leadership.

Over the past four years, the FBI has developed its intelligence capabilities and improved its ability to protect the American people from threats to national security. It has built on its established capacity to collect information and enhanced its ability to analyze and disseminate intelligence. The President’s 2007 Budget supports the FBI’s priorities and its continuing transformation by providing the resources needed for its in-

telligence operations and modernization of its operations. These initiatives will increase the number of secure facilities for conducting intelligence analysis; enhance intelligence collection, systems, and training; continue development of the FBI's new case management system that will reduce paperwork and improve information sharing; and upgrade fingerprint identification systems to improve screening activities to identify potential terrorists.

As a result of the Department of Homeland Security's 2005 re-organization, a new Office of Intelligence and Analysis (OIA) was established to strengthen intelligence functions and information sharing within DHS. OIA gathers information to analyze terrorist threats to critical infrastructure, transportation systems, or other targets inside the homeland. Led by the newly-created DHS Chief Intelligence Officer reporting directly to the Secretary, this office not only relies on its own analysts (comprised of personnel from the former Information Analysis and Infrastructure Protection Directorate), but draws on the expertise of other DHS components with information collection and analytical capabilities. For example, improved coordination and information sharing between border agents, air marshals, and intelligence analysts deepens the Department's understanding of terrorist threats. By maintaining and expanding its partnership with the NCTC, DHS will better coordinate its activities with other members within the intelligence community and the DNI. The Office also serves as the focal point for disseminating information to states and local entities. For example, OIA is connected to homeland security directors of States and territories through the Homeland Security Information Network (HSIN). All fifty States and major urban areas are connected to HSIN, and HSIN is now being rolled out to major counties as well.

National Strategy Mission Area: Border and Transportation Security

This mission area covers activities to protect border and transportation systems, such as screening airport passengers, detecting dangerous materials at ports overseas and at U.S. ports-of-entry, and patrolling our coasts and the land between ports-of-entry. The majority of funding in this mission area (\$18.8 billion, or 93 percent, in 2007) is in DHS, largely for the U.S. Customs and Border Protection (CBP), the Transportation Security Administration (TSA), and the Coast

Guard. Other DHS bureaus and other Departments, such as State and Justice, also play a significant role. The President's 2007 request would increase funding for border and transportation security activities by 10 percent over the 2006 level.

Securing our borders and transportation systems is a complex task. Security enhancements in one area may make another avenue more attractive to terrorists. Therefore, our border and transportation security strategy aims to make the U.S. borders "smarter"—targeting resources toward the highest risks and sharing information so that frontline personnel can stay ahead of potential adversaries—while facilitating the flow of legitimate visitors and commerce. The creation of DHS, which unified the Federal Government's major border and transportation security resources, facilitates the integration of risk targeting systems and ensures greater accountability in border and transportation security. Rather than having separate systems for managing goods, people, and agricultural products, one agency is now accountable for ensuring that there is one cohesive border management system.

Since 2001, the Administration and Congress have increased funding for border security by 93 percent and immigration enforcement by 90 percent. The Administration continues to deploy new technology—from unmanned aircraft to ground sensors to infrared cameras; and has eliminated the barriers that prevented DHS from completing a 14-mile border fence running along the border south of San Diego. The 2007 Budget provides funding for 1,500 new border patrol agents and new technology, including portable imaging machines, cameras, sensors and automated targeting systems that focus on high-risk travelers and goods. This investment will support smarter and more secure borders.

To ensure detention and removal of illegal aliens present in the United States, the Budget provides \$2.1 billion, a \$626 million increase over 2006, to support detention and removal efforts. This includes funding to expand the program to apprehend alien fugitives and to increase efforts to ensure that aliens convicted of crimes in the United States are deported directly from correctional institutions after their time is served. The Budget provides funding to add more than 6,000 new detention beds to hold illegal immigrants while they await removal. This will bring the total number of beds available to approximately 27,500. DHS will also make improvements in processing and deporting

Table 3-4. BORDER AND TRANSPORTATION SECURITY FUNDING

(Budget authority, in millions of dollars)

| Agency | 2005 Enacted | 2005 Supplemental | 2006 Enacted | 2006 Supplemental | 2007 Request |
|--|-----------------|----------------------|-----------------|----------------------|-----------------|
| Department of Agriculture | 159.1 | ..... | 165.3 | ..... | 164.9 |
| Department of Homeland Security | 15,628.7 | 386.2 | 17,078.6 | 159.6 | 18,820.9 |
| Department of Justice | 34.5 | ..... | 30.4 | ..... | 20.5 |
| Department of State | 778.5 | ..... | 1,056.6 | ..... | 1,152.1 |
| Department of Transportation | 51.5 | ..... | 17.7 | ..... | 18.7 |
| Total, Border and Transportation Security | 16,652.3 | 386.2 | 18,348.6 | 159.6 | 20,177.1 |

aliens, cutting the time of detention for aliens in half from 30 days to 15 days. A 2003 PART found this program moderately effective because DHS Immigration and Customs Enforcement (ICE) has reorganized its operations and engaged in significant strategic and performance planning efforts to identify ambitious goals to improve program performance.

DHS is leading the interagency effort to implement a coordinated approach to terrorist-related screening in immigration, law enforcement, intelligence, counter-intelligence, border and transportation systems, and critical infrastructure, covering areas from information sharing to screener training. Key to the Federal Government's screening of international visitors is the US-VISIT program, which is designed to expedite the clearance of legitimate travelers while identifying and denying clearance to those who may intend harm. Through 2005, the first phases of US-VISIT were successfully deployed. US-VISIT currently collects two digital fingerprints and a digital photograph. The ability to screen visitors against criminal and terrorist information as well as confirming the identity of travelers has improved border security. However, in the future, to improve accuracy in the identification of visitors, first-time visitors to the United States will be enrolled in the program by submitting 10 fingerprints, allowing the identification of visitors with even greater accuracy. DHS, in conjunction with the Departments of State and Justice, is in the process of implementing this multi-year project to improve screening, and the 2007 Budget includes: a \$60 million increase for DHS for 10-print deployment and for interoperability with the FBI's fingerprint system, the Integrated Automated Fingerprint Identification System (IAFIS); a \$71 million increase for FBI to upgrade IAFIS; and \$10 million for the Department of State to begin implementing these new security measures.

In the area of aviation security, the Administration continues to enhance the multiple levels of security implemented in the wake of the September 11th attacks. The Transportation Security Administration (TSA) has made significant improvements in aviation security since 9/11 by implementing a layered, risk-based security approach. These advances include hardened cockpit doors, a greatly expanded Federal Air Marshals program, arming some pilots through the Federal Flight Deck Officers program, offering voluntary self defense training to crew members, and screening 100 percent of passenger and checked baggage. TSA will further strengthen these efforts in 2007 by requesting \$4.6 billion for aviation screening operations, an increase of \$74 million, which ensures sufficient resources for Transportation Security Officer staffing at our Nation's airports. Combined with the funds provided in 2006, TSA will apply over \$100 million to enhance air cargo security over the next two years. TSA will also commit over \$690 million to the purchase, installation, and maintenance of baggage screening devices, including in-line systems that will increase baggage throughput up to 250 percent. The Budget also provides over \$80 mil-

lion for emerging technology at passenger checkpoints. This technology will enhance the detection of prohibited items, especially firearms and explosives, through the use of additional sensors such as whole body imaging, automated explosive sampling, and cast and prosthesis scanners. The Budget also proposes to cover about 70 percent of core aviation security costs through aviation security fees.

The safeguarding of our seaports is critical since terrorists may seek to use them to enter the country or introduce weapons or other dangerous materials. With 95 percent of all U.S. cargo passing through the Nation's 361 ports, a terrorist attack on a major seaport could slow the movement of goods and be economically devastating. The Maritime Transportation Security Act (MTSA) and its implementing regulations, issued by DHS in October 2003, require ports, vessels, and facilities to conduct security assessments. In 2007, the Coast Guard will continue to ensure compliance with MTSA port and vessel security standards and regulations. The 2007 Budget provides more than \$2 billion for port security across DHS, primarily for Coast Guard port security activities such as Maritime Safety and Security Teams and harbor patrols. In addition, the Coast Guard's budget funds operations to strengthen intelligence collection and surveillance capabilities in the maritime environment, both of which contribute to the broader Coast Guard effort to enhance Maritime Domain Awareness. In addition, ports are among the infrastructure assets protected through DHS Targeted Infrastructure Protection (TIP) grants, which fall under the Infrastructure Protection mission area.

The State Department Bureau of Consular Affairs is the second largest contributor to border and transportation security. The State Border Security program includes visa, passport, American Citizen Services and International Adoption programs. In 2007, the State Department will work through the interagency process to achieve full and real-time interoperability between biographic and biometric screening systems for 10 fingerprint collection from foreign travelers, as part of the US-VISIT Program.

In addition, the Department of State will also lead the implementation of the Western Hemisphere Travel Initiative in 2007, which mandates that all travelers within the Western Hemisphere travel with a passport or other authorized document by 2009. Under this initiative, United States citizens and foreign visitors traveling to and from the Caribbean, Bermuda, Panama, Canada or Mexico will be required to have a passport or standardized travel card that establishes the bearer's identity and nationality to enter or re-enter the United States. The initiative will improve security at our borders by standardizing entry and exit information and increasing the ability of Government agencies to work together.

In 2007, the State Department plans to increase staff to create a dedicated team focused on inter-country adoptions and preventing and resolving cases of international parental child abduction.

National Strategy Mission Area: Domestic Counterterrorism

Funding in the domestic counterterrorism mission area covers Federal and Federally-supported efforts to identify, thwart, and prosecute terrorists in the United States. The largest contributors to the domestic

counterterrorism mission are law enforcement organizations: the Department of Justice (largely for the FBI) and DHS (largely for ICE), accounting for 53 and 44 percent of funding for 2007, respectively. The President's 2007 request would increase funding for domestic counterterrorism activities by 2.5 percent over the 2006 level.

Table 3-5. DOMESTIC COUNTERTERRORISM FUNDING

(Budget authority, in millions of dollars)

| Agency | 2005 Enacted | 2005 Supplemental | 2006 Enacted | 2006 Supplemental | 2007 Request |
|---|-----------------|----------------------|-----------------|----------------------|-----------------|
| Department of Homeland Security | 1,897.0 | 183.0 | 2,132.8 | 2.0 | 2,070.8 |
| Department of Justice | 1,999.0 | 74.3 | 2,325.3 | 15.6 | 2,482.7 |
| Department of Transportation | 20.0 | ..... | 21.0 | ..... | 21.0 |
| Department of the Treasury | 54.9 | ..... | 64.8 | ..... | 82.5 |
| Social Security Administration | 3.7 | ..... | 4.2 | ..... | 4.6 |
| Total, Domestic Counterterrorism | 3,974.5 | 257.3 | 4,548.0 | 17.6 | 4,661.6 |

Since the attacks of September 11th, preventing and interdicting terrorist activity within the United States has become a priority for law enforcement at all levels of government. The major requirements addressed in the domestic counterterrorism mission area include:

- Developing a proactive law enforcement capability to prevent terrorist attacks;
- Apprehending potential terrorists; and
- Improving law enforcement cooperation and information sharing to enhance domestic counterterrorism efforts across all levels of government.

The President's 2007 Budget supports the FBI's top strategic priority: to protect the United States from terrorist attacks. FBI continues to build its counterterrorism capabilities post-9/11. Over the past five years, FBI has shifted resources to counterterrorism from lower priority programs, hired and trained additional field investigators, and strengthened headquarters oversight of the counterterrorism program. More recently, FBI has taken a major step toward integration of counterterrorism, counterintelligence, and intelligence functions by establishing the new National Security Branch to oversee all three programs. Overall, FBI resources in the domestic counterterrorism category have increased from \$0.9 billion in 2002 to \$1.9 billion in 2007, with the 2007 Budget providing an increase of more than \$200 million over the 2006 level. One of the largest 2007 initiatives for enhancing counterterrorism capabilities is \$100 million for Sentinel, the FBI's new automated case management system, which will streamline record-keeping and facilitate sharing of information about terrorists.

By merging existing immigration and customs enforcement functions into ICE, the Department of Homeland Security created one of America's largest law enforcement agencies. The Nation is better prepared to apprehend potential terrorists because DHS has com-

bined the information and resources to identify and investigate illegal activities—such as smuggling, identity theft, and money laundering, and trafficking in dangerous materials. The 2004 PART found that the investigative arm of ICE, the Office of Investigations, has made significant progress in the integration of former customs and immigration investigators, and has started to reap the benefits of additional investigative authorities. However, the program must institute stronger financial and management controls to ensure appropriate expenditure and budgeting of resources and to hold managers and agency partners accountable for performance results. The 2007 Budget provides an increase of \$127 million for these enforcement activities.

National Strategy Mission Area: Protecting Critical Infrastructure and Key Assets

Funding in the protecting critical infrastructure and key assets mission area captures the efforts of the U.S. Government to secure the Nation's infrastructure, including information infrastructure, from terrorist attacks. Protecting the Nation's key assets is a complex challenge because of the diversity of infrastructures and since it is estimated that more than 85 percent of the Nation's key assets are privately owned. DOD reports the largest share of funding in this category for 2007 (\$11.3 billion, or 62 percent), and includes programs focusing on physical security and improving the military's ability to prevent or mitigate the consequences of attacks against departmental personnel and facilities. DHS has overall responsibility for prioritizing and executing infrastructure protection activities at a national level and accounts for \$2.9 billion (16 percent) of 2007 funding. In addition, a total of 25 other agencies report funding to protect their own assets and work with States, localities, and the private sector to reduce vulnerabilities in their areas of expertise. The President's 2007 request increases funding for activities to

protect critical infrastructure and key assets by \$499 million (2.8 percent) over the 2006 level.

Securing America's critical infrastructure and key assets is a complex task. The major requirements include:

- Unifying disparate efforts to protect critical infrastructure across the Federal Government, and with State, local, and private stakeholders;

- Building and maintaining a complete and accurate assessment of America's critical infrastructure and key assets and prioritizing protective action based on risk;
- Enabling effective partnerships to protect critical infrastructure; and
- Reducing threats and vulnerabilities in cyberspace.

Table 3-6. PROTECTING CRITICAL INFRASTRUCTURE AND KEY ASSETS FUNDING

(Budget authority, in millions of dollars)

| Agency | 2005 Enacted | 2005 Supplemental | 2006 Enacted | 2006 Supplemental | 2007 Request |
|---|-----------------|----------------------|-----------------|----------------------|-----------------|
| Department of Agriculture | 150.7 | ..... | 93.2 | ..... | 46.0 |
| Department of Defense | 10,838.2 | 847.8 | 11,096.8 | ..... | 11,304.3 |
| Department of Energy | 1,456.1 | ..... | 1,523.7 | ..... | 1,503.6 |
| Department of Health and Human Services | 168.2 | ..... | 181.7 | ..... | 188.8 |
| Department of Homeland Security | 2,580.9 | ..... | 2,678.5 | ..... | 2,898.0 |
| Department of Justice | 468.8 | 1.3 | 521.1 | ..... | 568.3 |
| Department of Transportation | 137.0 | ..... | 132.5 | ..... | 154.0 |
| Department of Veterans Affairs | 212.8 | ..... | 273.5 | ..... | 271.2 |
| National Aeronautics and Space Administration | 220.5 | ..... | 212.6 | ..... | 203.7 |
| National Science Foundation | 315.2 | ..... | 317.2 | ..... | 359.4 |
| Social Security Administration | 150.6 | ..... | 172.0 | ..... | 178.5 |
| Postal Service | 503.0 | ..... | ..... | ..... | ..... |
| Other Agencies | 633.9 | 0.4 | 649.2 | ..... | 675.0 |
| Total, Protecting Critical Infrastructure and Key Assets | 17,835.9 | 849.4 | 17,851.7 | ..... | 18,350.6 |

Homeland Security Policy Directive 7 (HSPD-7), signed in December 2003, established a national policy to protect critical infrastructures and key resources from attack, ensure the delivery of essential goods and services, and maintain public safety and security. Under HSPD-7, DHS is responsible for managing Federal critical infrastructure protection efforts. To provide the overall framework to integrate various critical infrastructure protection activities, DHS has developed the interim National Infrastructure Protection Plan. Under the plan's risk-management approach, DHS will coordinate the infrastructure protection programs of other Federal departments and agencies.

Recognizing that each infrastructure sector possesses its own unique characteristics, the National Infrastructure Protection Plan designates a sector-specific agency to oversee infrastructure protection efforts for each sector. This approach enables agencies to rely on specialized expertise and long-standing relationships with industry in conducting infrastructure protection activities. With the National Infrastructure Protection Plan, sector-specific agencies are pursuing infrastructure protection efforts in concert with DHS. There are 13 critical infrastructure sectors and 9 sector-specific agencies, including DHS, to cover them. For example, the Budget provides \$10 million to DHS to improve security at chemical plant sites. The Environmental Protection Agency is seeking \$38 million in 2007 to expand its Water Sentinel program to four more cities. The program develops pilot systems for cost effective, early de-

tection of disease, pest, or poisonous agents in drinking water systems. To protect agricultural resources, the Department of Agriculture has undertaken the responsibility to identify critical agricultural assets throughout the country. They have completed extensive physical security assessments to make sure that all agricultural physical security issues throughout the United States are in line with latest polices and regulations. The Department of Energy continues to coordinate protection activities within the energy sector. Overall, additional enhancements are being provided for 14 agencies to perform critical infrastructure protection activities that are essential to the success of the National Infrastructure Protection Plan.

In addition to developing the National Infrastructure Protection Plan, DHS recently reorganized its infrastructure protection programs and created a new Preparedness Directorate in order to better focus preparedness activities on objective measures of risk and performance. The new Directorate is responsible for both physical and cyber infrastructure protection. The Office of Infrastructure Protection, located within the new Preparedness Directorate, is responsible for managing and prioritizing infrastructure protection at a national level. The Office operates the National Asset Database, which catalogues critical infrastructure and key assets. The data collected within the database is used to identify the most critical infrastructure, assess vulnerabilities, and enable DHS to develop a risk-based strategy to protect them. DHS conducts site visits and

assessments at various sites each year, and has used this information to develop site security guidelines for nuclear power plants and chemical facilities. Security guidelines are also being developed for other infrastructure sectors. DHS also trains State and local officials and infrastructure owners to improve security in the areas immediately surrounding critical sites. The 2007 Budget provides \$462 million for these activities in the protecting critical infrastructures and key assets mission area. In conjunction with funding for the Office of Infrastructure Protection, the Administration proposes \$600 million for Targeted Infrastructure Protection (TIP) grants, which will integrate existing disparate grant programs for securing transportation assets and other critical infrastructures. Awarded through the Preparedness Directorate's Office of Grants and Training, TIP grants and assistance will supplement State and local infrastructure protection efforts, especially detection and security investments.

Cyberspace security is a key element of infrastructure protection because the internet and other computer systems link infrastructure sectors. The consequences of a cyber attack could cascade across the economy, imperiling public safety and national security. To address this threat, DHS established the National Cyber Security Division (NCSD) in 2003, in response to the President's *National Strategy to Secure Cyberspace*, in order to identify, analyze and reduce cyber threats and vulnerabilities, coordinate incident response, and provide technical assistance. NCSD, now part of DHS' Preparedness Directorate, works collaboratively with public, private, and international entities to secure cyberspace and America's cyber assets. For example, it coordinated the response and mitigation of the Sober and Zotob computer viruses. NCSD has also established the U.S. Computer Emergency Response Team (US-CERT), which operates a cyber watch, warning, and incident response center. US-CERT supports a watch and warning capability responsible for tracking incident and trend data, ranking associated severity, and generating real-time alerts.

NCSD also operates a Control Systems Security Program. Today, many critical infrastructures such as pipelines, water and pumping stations, and pharmaceutical production are run by control systems. These systems make our critical infrastructure assets more automated, more productive, more efficient, and more innovative, but they also may expose many of those physical assets to cyber-related threats and vulnerabilities. NCSD works to address these weaknesses and enhance control systems security. To evaluate readiness and response programs such as the National Response Plan, NCSD conducts national cyber exercises such as Cyber Storm with public and private sector entities. These exercises test our capabilities and improve our ability to respond to an incident. To support these critical preparedness activities, the Budget includes \$93 million for the NCSD in 2007. The Budget also includes an increase of \$6 million for research and development on new technologies to enhance cyber security that will be conducted by the Science and Technology Directorate.

National Strategy Mission Area: Defending Against Catastrophic Threats

The defending against catastrophic threats mission area covers activities to research, develop, and deploy technologies, systems, and medical measures to detect and counter the threat of chemical, biological, radiological, and nuclear (CBRN) weapons. The agencies with the most significant resources to help develop and field technologies to counter CBRN threats are DOD (\$5.0 billion, or 56 percent, of the 2007 total), HHS (\$2.0 billion, or 22 percent, of the 2007 total), largely for research at the National Institutes of Health, and DHS, mostly for the Directorate of Science and Technology (S&T) (\$1.3 billion, or 15 percent, of the 2007 total). The President's 2007 request would increase funding for activities to defend against catastrophic threats by 2.8 percent over the 2006 level.

The major requirements addressed in this mission area include:

- Preventing terrorist use of CBRN weapons through detection systems and procedures, and improving decontamination techniques; and

Table 3-7. DEFENDING AGAINST CATASTROPHIC THREATS FUNDING

(Budget authority, in millions of dollars)

| Agency | 2005 Enacted | 2005 Supplemental | 2006 Enacted | 2006 Supplemental | 2007 Request |
|--|-----------------|----------------------|-----------------|----------------------|-----------------|
| Department of Agriculture | 222.7 | ..... | 238.3 | ..... | 342.7 |
| Department of Commerce | 73.4 | ..... | 80.6 | ..... | 83.4 |
| Department of Defense | 4,925.4 | 142.4 | 5,004.3 | ..... | 4,986.4 |
| Department of Energy | 7.5 | ..... | 62.1 | ..... | 58.9 |
| Department of Health and Human Services | 1,901.8 | ..... | 1,856.3 | ..... | 1,976.0 |
| Department of Homeland Security | 936.1 | ..... | 1,306.1 | ..... | 1,338.6 |
| Department of Justice | 33.5 | 0.5 | 37.4 | 0.5 | 42.3 |
| Department of the Treasury ..... | ..... | ..... | ..... | ..... | 0.9 |
| National Science Foundation | 27.0 | ..... | 27.0 | ..... | 28.0 |
| Nuclear Regulatory Commission | 19.0 | ..... | 27.8 | ..... | 24.9 |
| Total, Defending Against Catastrophic Threats | 8,146.4 | 142.8 | 8,639.8 | 0.5 | 8,882.1 |

- Developing countermeasures, such as vaccines and other drugs to protect the public from the threat of a CBRN attack or other public health emergency.

DOD defends the nation against catastrophic threats by undertaking long-term research on chemical and biological threats and by developing strategies to counter the risk of such attacks. DOD's efforts in maritime defense and interdiction provide early detection and response to possible CBRN threats. DOD also conducts anti-terrorism planning to defend against a potential CBRN or other terrorist attack against a military base or installment. Finally, the U.S. Northern Command, the military command responsible for homeland defense, is included in this category.

To protect against a nuclear or radiological weapon entering the country, the Domestic Nuclear Detection Office (DNDO), created in 2006 within the Department of Homeland Security, will coordinate the Nation's nuclear detection efforts. The DNDO is responsible for developing and deploying a comprehensive system to detect and report any attempt to import a nuclear explosive device or radiological material into the United States. This Office has oversight of all research and development for detection, identification, and reporting of radiological and nuclear materials. It is also responsible for establishing response protocols to ensure that the detection of a nuclear explosive device or radiological material leads to timely and effective action by military, law enforcement, emergency response, and other appropriate Government assets. The 2007 Budget includes \$536 million for the DNDO, a 70-percent increase from the 2006 level. Together with the Departments of State, Energy, Defense, and Justice, the DNDO is deploying a comprehensive system to detect and report any attempt to import, assemble, or transport a nuclear device, fissile or radiological materials within the United States.

In 2007, DNDO will conduct \$100 million in transformational research and development aimed at enhancing our ability to detect, identify, and attribute nuclear and radiological materials. This research looks beyond current capabilities and seeks to find new scientific tools and methodologies that may prove useful in broad efforts to focus the Nation's resources toward countering the threat of nuclear and radiological devices. The DNDO budget also includes \$178 million for the deployment of both fixed and mobile radiation portal monitors at strategic points of entry throughout the country. Together with overseas non-proliferation efforts led by the Department of State, and overseas detection capabilities managed by the Department of Energy, these programs seek to create a seamless approach toward preventing terrorists anywhere in the world from acquiring, transporting, or introducing these materials into the United States.

Another key element in addressing these requirements is developing and maintaining adequate countermeasures for a CBRN attack. This not only means stockpiling countermeasures that are currently avail-

able, but developing new countermeasures for agents that currently have none, and next-generation countermeasures that are safer and more effective than those that presently exist. Also, unlike an attack with conventional weapons, a CBRN attack may not be immediately apparent. Working to ensure earlier detection and characterization of an attack helps protect and save lives.

The Budget continues to invest in efforts to decrease the time between an attack and implementation of Federal, State and local response protocols. The Science and Technology Directorate will expand and enhance the BioWatch environmental monitoring program, which samples and analyzes air in over 30 metropolitan areas to continually check for dangerous biological agents. The program is designed to provide early warning of a large-scale biological weapon attack, thereby allowing the distribution of life-saving treatment and preventative measures before the development of serious and widespread illnesses.

The Administration continues HHS' investment in developing medical countermeasures to CBRN threats, investing nearly \$2 billion, an increase of \$120 million over 2006 and \$1.9 billion over the level prior to September 11th (this includes funding for programs focused on chemical and radiological and nuclear countermeasures referenced below). For 2007, the Budget includes nearly \$160 million at NIH for the advanced development of medical countermeasures against threats of bioterrorism. Large investments in basic research of medical countermeasures through NIH have helped create multiple promising products to protect the public against the threat of a terrorist attack. These investments will accelerate the development of these products to help Project BioShield acquire them more quickly for inclusion in the Strategic National Stockpile.

HHS will continue to improve human health surveillance with over \$100 million dedicated to the BioSense program (collecting information from hospitals, emergency departments, and laboratories to identify "real-time" trends), increasing laboratory capacity, and augmenting the number and quality of border health and quarantine stations. FDA and USDA will also conduct surveillance to ensure the security of the food supply. Information collected from these programs will be disseminated to the National Biosurveillance Integration Center at DHS.

National Strategy Mission Area: Emergency Preparedness and Response

The Emergency Preparedness and Response mission area covers agency efforts to prepare for and minimize the damage from major incidents and disasters, particularly terrorist attacks that endanger lives and property or disrupt Government operations. The mission area encompasses a broad range of agency incident management activities, as well as grants and other assistance to States and localities. Response to natural disasters, including catastrophic natural events such as Hurricane Katrina, does not fall within the definition of a homeland security activity. However, in preparing for ter-

rorism-related threats, many of the activities within this mission area also support preparedness for catastrophic natural disasters. Additionally, lessons learned

from the response to Hurricane Katrina will help to revise and strengthen catastrophic response planning.

Table 3–8. EMERGENCY PREPAREDNESS AND RESPONSE FUNDING

(Budget authority, in millions of dollars)

| Agency | 2005 Enacted | 2005 Supplemental | 2006 Enacted | 2006 Supplemental | 2007 Request |
|---|-----------------|----------------------|-----------------|----------------------|-----------------|
| Department of Defense | 344.2 | 90.1 | 339.4 | ..... | 407.0 |
| Department of Energy | 98.4 | ..... | 119.4 | ..... | 137.1 |
| Department of Health and Human Services | 2,159.4 | ..... | 2,261.2 | 0.1 | 2,398.5 |
| Department of Homeland Security | 2,671.8 | ..... | 1,868.9 | 15.3 | 2,147.9 |
| Other Agencies | 380.7 | ..... | 335.5 | ..... | 384.4 |
| Total, Emergency Preparedness and Response | 5,654.5 | 90.1 | 4,924.3 | 15.4 | 5,474.9 |
| Plus BioShield | 2,508.0 | ..... | ..... | ..... | ..... |
| Total, Emergency Preparedness and Response including BioShield | 8,162.5 | 90.1 | 4,924.3 | 15.4 | 5,474.9 |

HHS, the largest contributor (\$2.4 billion, or 44 percent, in 2007), assists States, localities and hospitals to upgrade public health capacity and maintains a national stockpile of medicines and vaccines for use following an event. DHS maintains the second largest share of funding in this category (\$2.1 billion, or 39 percent, for 2007), mainly for preparedness grant assistance to State and local first responders. A total of 23 other agencies include emergency preparedness and response funding. A number of agencies maintain specialized response assets that may be called upon in select circumstances, and others report only funding for their agency's internal preparedness capability. In the President's 2007 Budget, funding for emergency preparedness and response activities would increase by \$551 billion (11 percent) over the 2006 level. The major requirements addressed in this mission area include:

- Establishing measurable goals for national preparedness and ensuring that Federal funding supports these goals;
- Ensuring that Federal programs to train and equip States and localities meet national preparedness goals in a coordinated and complementary manner;
- Encouraging standardization and interoperability of first responder equipment, especially for communications;
- Building a national training, exercise, and evaluation system;
- Implementing the National Incident Management System;
- Preparing health care providers for a mass casualty event; and
- Augmenting America's pharmaceutical and vaccine stockpiles.

Many of the key elements of the national emergency response system are already in place. During 2004, separate Federal response plans were integrated into a single all-discipline National Response Plan. The recent

release of a unified National Preparedness Goal provides a new framework for guiding Federal, State, and local investments. In order to ensure that these investments translate into improvements in preparedness, we must continue to identify capability gaps and improve response and recovery efforts at all levels of government. A related challenge is ensuring that investments in State and local preparedness are focused on building new response capabilities, and not simply supplanting normal operating expenses. DHS is leading an inter-agency effort to better match Federal resources with achieving national preparedness goals.

From 2001 through 2006, the Federal Government has allocated \$22.5 billion in State and local terrorism preparedness grant funding from the Departments of Homeland Security, Health and Human Services, and Justice, increasing spending from an annual level of approximately \$350 million in 2001 to \$4 billion in the 2007 request. The funding growth has been directed to Federal assistance for State and local preparedness and response activities, including equipping and training first responders and preparing the public health infrastructure for a range of terrorist threats. The Federal Government has also taken steps to rationalize and simplify the distribution of State and local assistance; better target funds based on risks, threats, vulnerability and need; and develop and implement the eight national priorities and 37 target capabilities identified in the new National Preparedness Goal.

In 2005, DHS rolled-out the National Response Plan, and the Administration is currently reviewing the plan to include lessons learned from the response to Hurricane Katrina. DHS will provide grant funding to support approximately 200 terrorism preparedness exercises in 2006 and 2007, and take an active role in organizing the 2007 Top Officials (TOPOFF) exercise. The 2007 Budget continues to provide coordinated terrorism preparedness training and equipment for State and local responders across the various responder agen-

cies. The 2007 request includes \$2.1 billion for terrorism preparedness grants, training, and exercises to be administered by the Preparedness Directorate within DHS, and proposes to continue current progress on restructuring in the grant allocation process to better address threats and needs. The Budget also supports a range of Federal response capabilities, including providing \$110 million for the Department of Energy's Nuclear Emergency Support Team, \$20 million within DHS for the Federal Emergency Management Agency's Urban Search and Rescue teams, and other emergency response, management, and operations assets. The capabilities of these teams range from providing radiological assistance in support of State and local agencies to responding to major incidents worldwide. The Budget also includes more than \$100 million in DHS and HHS to strengthen the Nation's capabilities to respond to a mass casualty event.

The Administration continues making significant investments in medical countermeasures through Project BioShield. BioShield is designed to stimulate the development of the next generation of countermeasures by allowing the Federal Government to buy critically needed vaccines and medications for biodefense as soon as experts agree they are safe and effective enough to be added to the Strategic National Stockpile. This program provides an incentive to manufacture these countermeasures. BioShield is a shared responsibility, joining the intelligence capabilities of DHS with the medical expertise of HHS.

The Budget includes \$594 million to maintain and augment this supply of vaccines and other countermeasures that can be made available within 12 hours in the event of a terrorist attack or other public health emergency. This includes funding for storage and maintenance of products purchased through BioShield, and nearly \$50 million for the purchase of supplies under the medical surge capacity initiative. HHS has the lead role in preparing public health providers for catastrophic terrorism. For 2007, HHS will provide nearly \$475 million to continue improvements for hospital infrastructure and mutual aid through the Health Resources and Services Administration, and \$824 million for States through the Centers for Disease Control and Prevention for upgrades to State and local public health capacity. This investment will bring the total assistance provided by HHS to States, local governments and health care providers since 2001 to nearly \$8.5 billion.

Non-Federal Expenditures³

State and local governments and private-sector firms also have devoted resources of their own to the task

³OMB does not collect detailed homeland security expenditure data from State, local, or private entities directly.

of defending against terrorist threats. Some of the additional spending has been of a one-time nature, such as investment in new security equipment and infrastructure; some additional spending has been ongoing, such as hiring more personnel, and increasing overtime for existing security personnel. In many cases, own-source spending has supplemented the resources provided by the Federal Government.

Many governments and businesses continue to place a high priority on and provide additional resources for security. On the other hand, many entities have not increased their spending. A 2004 survey conducted by the National Association of Counties found that as a result of the homeland security process of intergovernmental planning and funding, three out of four counties believed they were better prepared to respond to terrorist threats. Moreover, almost 40 percent of the surveyed counties had appropriated their own funds to assist with homeland security. Own-source resources supplemented funds provided by States and the Federal Government. However, the same survey revealed that 54 percent of counties had not used any of their own funds.⁴

There is also a diversity of responses in the businesses community. A 2003 survey conducted by the Conference Board showed that just over half of the companies reported that they had permanently increased security spending post-September 11, 2001. About 15 percent of the companies surveyed had increased their security spending by 20 percent or more. Large increases in spending were especially evident in critical industries, such as transportation, energy, financial services, media and telecommunications, information technology, and healthcare. However, about one-third of the surveyed companies reported that they had not increased their security spending after September 11th.⁵ Given the difficulty of obtaining survey results that are representative of the entire universe of States, localities, and businesses, it is expected that there will be a wide range of estimates on non-Federal security spending for critical infrastructure protection.

Additional Tables

The tables in the Federal expenditures section above present data based on the President's policy for the 2007 Budget. The tables below present additional policy and baseline data, as directed by the Homeland Security Act of 2002.

⁴Source: National Association of Counties, "Homeland Security Funding—2003 State Homeland Security Grants Programs I and II."

⁵Source: Conference Board, "Corporate Security Management" 2003.

Estimates by Agency:**Table 3-9. DISCRETIONARY FEE-FUNDED HOMELAND SECURITY ACTIVITIES BY AGENCY**

(Budget authority, in millions of dollars)

| Agency | 2005 Enacted | 2005 Supplemental | 2006 Enacted | 2006 Supplemental | 2007 Request |
|---|-----------------|----------------------|-----------------|----------------------|-----------------|
| Department of Energy | 1.2 | ..... | 1.9 | ..... | 2.0 |
| Department of Homeland Security | 2,404.0 | ..... | 2,788.0 | ..... | 4,578.0 |
| Department of State | 763.3 | ..... | 988.4 | ..... | 1,128.8 |
| General Services Administration | 58.6 | ..... | 91.8 | ..... | 88.4 |
| Social Security Administration | 151.0 | ..... | 173.4 | ..... | 179.2 |
| Federal Communications Commission | 1.8 | ..... | 2.3 | ..... | 5.4 |
| Nuclear Regulatory Commission | 59.2 | ..... | 79.3 | ..... | 35.2 |
| Securities and Exchange Commission | 5.0 | ..... | 5.0 | ..... | 5.0 |
| Total, Discretionary Homeland Security Fee-Funded Activities | 3,444.1 | ..... | 4,130.0 | ..... | 6,022.0 |

Table 3-10. MANDATORY HOMELAND SECURITY FUNDING BY AGENCY

(Budget authority, in millions of dollars)

| Agency | 2005 Enacted | 2005 Supplemental | 2006 Enacted | 2006 Supplemental | 2007 Request |
|--|-----------------|----------------------|-----------------|----------------------|-----------------|
| Department of Agriculture | 131.0 | ..... | 137.1 | ..... | 139.1 |
| Department of Commerce | 12.1 | ..... | 14.1 | ..... | 28.7 |
| Department of Energy | 11.0 | ..... | 12.0 | ..... | 13.0 |
| Department of Health and Human Services | 14.2 | ..... | 16.6 | ..... | 16.6 |
| Department of Homeland Security | 2,022.7 | ..... | 2,048.3 | ..... | 2,248.2 |
| Department of Labor | 2.6 | ..... | 3.9 | ..... | 8.6 |
| Total, Homeland Security Mandatory Programs | 2,193.6 | ..... | 2,232.0 | ..... | 2,454.1 |

Table 3-11. BASELINE ESTIMATES—TOTAL HOMELAND SECURITY FUNDING BY AGENCY

(Budget authority, in millions of dollars)

| Agency | 2006 Enacted* | Baseline | | | | |
|---|------------------|---------------|---------------|---------------|---------------|---------------|
| | | 2007 | 2008 | 2009 | 2010 | 2011 |
| Department of Agriculture | 564 | 579 | 593 | 609 | 623 | 639 |
| Department of Commerce | 181 | 200 | 1,173 | 194 | 200 | 205 |
| Department of Defense | 16,441 | 16,857 | 17,343 | 17,836 | 18,341 | 18,868 |
| Department of Education | 28 | 28 | 29 | 29 | 30 | 30 |
| Department of Energy | 1,704 | 1,743 | 1,770 | 1,809 | 1,848 | 1,889 |
| Department of Health and Human Services | 4,300 | 4,401 | 4,508 | 4,612 | 4,715 | 4,825 |
| Department of Homeland Security* | 25,503 | 26,565 | 27,449 | 28,291 | 29,152 | 30,046 |
| Department of Housing and Urban Development | 2 | 2 | 2 | 2 | 2 | 3 |
| Department of the Interior | 56 | 57 | 61 | 62 | 66 | 68 |
| Department of Justice | 2,976 | 3,092 | 3,205 | 3,320 | 3,437 | 3,561 |
| Department of Labor | 48 | 53 | 49 | 51 | 51 | 52 |
| Department of State | 1,107 | 1,131 | 1,157 | 1,180 | 1,205 | 1,230 |
| Department of Transportation | 182 | 190 | 197 | 205 | 212 | 222 |
| Department of the Treasury | 117 | 120 | 123 | 130 | 134 | 137 |
| Department of Veterans Affairs | 310 | 318 | 326 | 334 | 340 | 349 |
| Corps of Engineers | 72 | 74 | 75 | 77 | 78 | 80 |
| Environmental Protection Agency | 129 | 133 | 136 | 141 | 144 | 148 |
| Executive Office of the President | 21 | 21 | 22 | 22 | 23 | 23 |
| General Services Administration | 99 | 100 | 104 | 104 | 108 | 109 |
| National Aeronautics and Space Administration | 213 | 218 | 222 | 228 | 232 | 236 |
| National Science Foundation | 344 | 351 | 359 | 367 | 374 | 383 |
| Office of Personnel Management | 3 | 3 | 3 | 3 | 3 | 3 |
| Social Security Administration | 177 | 181 | 185 | 189 | 194 | 196 |
| District of Columbia | 14 | 14 | 15 | 15 | 15 | 16 |
| Federal Communications Commission | 2 | 5 | 5 | 5 | 5 | 5 |
| Intelligence Community Management Account | 56 | 57 | 58 | 60 | 61 | 62 |
| National Archives and Records Administration | 18 | 18 | 19 | 19 | 20 | 20 |
| Nuclear Regulatory Commission | 79 | 82 | 85 | 89 | 91 | 94 |
| Securities and Exchange Commission | 5 | 5 | 5 | 5 | 5 | 6 |
| Smithsonian Institution | 83 | 87 | 90 | 96 | 100 | 103 |
| United States Holocaust Memorial Museum | 8 | 8 | 8 | 8 | 9 | 9 |
| Corporation for National and Community Service | 20 | 20 | 21 | 21 | 21 | 22 |
| Total, Homeland Security Budget Authority | 54,862 | 56,713 | 59,397 | 60,113 | 61,839 | 63,639 |
| Less Department of Defense | -16,441 | -16,857 | -17,343 | -17,836 | -18,341 | -18,868 |
| Non-Defense Discretionary Homeland Security Budget Authority, excluding BioShield | 38,421 | 39,856 | 42,054 | 42,277 | 43,498 | 44,771 |
| Less Fee-Funded Homeland Security Programs | -4,127 | -4,255 | -4,350 | -4,441 | -4,537 | -4,630 |
| Less Mandatory Homeland Security Programs | -2,232 | -2,455 | -3,543 | -2,650 | -2,733 | -2,820 |
| Net Non-Defense Discretionary Homeland Security Budget Authority excluding BioShield | 32,062 | 33,146 | 34,161 | 35,186 | 36,228 | 37,321 |
| Plus BioShield ..... | ..... | ..... | ..... | 2,175 | ..... | ..... |
| Net Non-Defense Discretionary Homeland Security Budget Authority including BioShield | 32,062 | 33,146 | 34,161 | 37,361 | 36,228 | 37,321 |
| Obligations Limitations | | | | | | |
| Department of Transportation Obligations Limitation | 121 | 124 | 126 | 130 | 131 | 135 |

* FY 2006 Enacted estimates exclude supplemental appropriations.

Estimates by Budget Function:**Table 3-12. HOMELAND SECURITY FUNDING BY BUDGET FUNCTION**

(budget authority, in millions of dollars)

| Agency | 2005 Enacted * | 2006 Enacted ** | 2007 Request |
|--|-------------------|--------------------|-----------------|
| National Defense | 20,581 | 20,771 | 20,430 |
| International Affairs | 824 | 1,107 | 1,213 |
| General Science Space and Technology | 619 | 616 | 655 |
| Energy | 102 | 124 | 125 |
| Natural Resources and the Environment | 288 | 285 | 316 |
| Agriculture | 578 | 541 | 611 |
| Commerce and Housing Credit | 649 | 160 | 193 |
| Transportation | 8,109 | 8,433 | 9,632 |
| Community and Regional Development | 2,759 | 2,201 | 2,722 |
| Education, Training, Employment and Social Services | 164 | 168 | 163 |
| Health | 4,276 | 4,347 | 4,626 |
| Medicare | 8 | 12 | 14 |
| Income Security | 9 | 11 | 17 |
| Social Security | 151 | 173 | 179 |
| Veterans Benefits and Services | 250 | 310 | 314 |
| Administration of Justice | 14,241 | 14,784 | 16,210 |
| General Government | 778 | 819 | 862 |
| Total, Homeland Security Budget Authority | 54,386 | 54,862 | 58,282 |
| Less National Defense, DoD | -17,186 | -16,441 | -16,699 |
| Total, Homeland Security Budget Authority excluding BioShield | 37,200 | 38,421 | 41,583 |
| Less Fee-Funded Homeland Security Programs | -3,444 | -4,127 | -6,019 |
| Less Mandatory Homeland Security Programs | -2,194 | -2,232 | -2,455 |
| Net Discretionary, Homeland Security Budget Authority excluding BioShield .. | 31,562 | 32,062 | 33,109 |
| Plus BioShield | 2,508 | ..... | ..... |
| Net Discretionary, Homeland Security Budget Authority including BioShield ... | 34,070 | 32,062 | 33,109 |

* FY 2005 Enacted estimates include supplemental appropriations.

** FY 2006 Enacted estimates exclude supplemental appropriations.

Table 3-13. BASELINE ESTIMATES—HOMELAND SECURITY FUNDING BY BUDGET FUNCTION

(Budget authority, in millions of dollars)

| Budget Authority | 2006 Enacted* | Baseline | | | | |
|---|------------------|---------------|---------------|---------------|---------------|---------------|
| | | 2007 | 2008 | 2009 | 2010 | 2011 |
| National Defense | 20,771 | 21,303 | 21,904 | 22,509 | 23,132 | 23,777 |
| International Affairs | 1,107 | 1,131 | 1,157 | 1,180 | 1,205 | 1,230 |
| General Science Space and Technology | 616 | 629 | 643 | 658 | 670 | 685 |
| Energy | 124 | 129 | 119 | 124 | 126 | 131 |
| Natural Resources and the Environment | 285 | 292 | 301 | 310 | 319 | 327 |
| Agriculture | 541 | 555 | 568 | 584 | 597 | 612 |
| Commerce and Housing Credit | 160 | 182 | 1,154 | 174 | 179 | 185 |
| Transportation | 8,433 | 8,825 | 9,232 | 9,501 | 9,781 | 10,077 |
| Community and Regional Development | 2,201 | 2,252 | 2,302 | 2,352 | 2,403 | 2,454 |
| Education, Training, Employment and Social Services | 168 | 172 | 178 | 186 | 191 | 196 |
| Health* | 4,347 | 4,450 | 4,558 | 4,662 | 4,767 | 4,877 |
| Medicare | 12 | 12 | 13 | 14 | 14 | 15 |
| Income Security | 11 | 16 | 11 | 11 | 12 | 13 |
| Social Security | 173 | 177 | 181 | 185 | 189 | 191 |
| Veterans Benefits and Services | 310 | 318 | 326 | 334 | 340 | 349 |
| Administration of Justice | 14,784 | 15,438 | 15,898 | 16,463 | 17,029 | 17,620 |
| General Government | 819 | 832 | 852 | 866 | 885 | 900 |
| Total, Homeland Security Budget Authority | 54,862 | 56,713 | 59,397 | 60,113 | 61,839 | 63,639 |
| Less National Defense, DoD | -16,441 | -16,857 | -17,343 | -17,836 | -18,341 | -18,868 |
| Net Discretionary, Homeland Security Budget Authority, excluding BioShield | 38,421 | 39,856 | 42,054 | 42,277 | 43,498 | 44,771 |
| Less Fee-Funded Homeland Security Programs | -4,127 | -4,255 | -4,350 | -4,441 | -4,537 | -4,630 |
| Less Mandatory Homeland Security Programs | -2,232 | -2,455 | -3,543 | -2,650 | -2,733 | -2,820 |
| Net Discretionary, Homeland Security Budget Authority | 32,062 | 33,146 | 34,161 | 35,186 | 36,228 | 37,321 |
| Plus BioShield ..... | ..... | ..... | ..... | 2,175 | ..... | ..... |
| Net Discretionary, Homeland Security Budget Authority, including BioShield | 32,062 | 33,146 | 34,161 | 37,361 | 36,228 | 37,321 |

* FY 2006 Enacted estimates exclude supplemental appropriations.

Detailed Estimates by Budget Account:

An appendix of account-level funding estimates, organized by *National Strategy* mission area, is available on the *Analytical Perspectives* CD ROM.