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THE SECRETARY'S SECOND-STAGE REVIEW: RE-THINKING THE DEPARTMENT OF HOMELAND SECURITY'S ORGANIZATION AND POLICY DIRECTION PART I AND II

HEARING

BEFORE THE

COMMITTEE ON HOMELAND SECURITY
HOUSE OF REPRESENTATIVES

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THE SECRETARY'S SECOND-STAGE REVIEW: RE-THINKING THE DEPARTMENT OF HOMELAND SECURITY'S ORGANIZATION AND POLICY DIRECTION

Thursday, July 14, 2005

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

The committee met, pursuant to call, at 10 a.m., in Room 2128, Rayburn House Office Building, Hon. Christopher Cox [chairman of the committee] presiding.

Present: Representatives Cox, Weldon, Shays, King, Linder, Souder, Lungren, Gibbons, Rogers, Pearce, Harris, Jindal, Reichert, McCaul, Dent, Thompson, Markey, Dicks, Harman, DeFazio, Lowey, Norton, Lofgren, Jackson-Lee, Pascrell, Christensen, Etheridge, Langevin, and Meek.

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

The Committee is meeting today to hear testimony on the results of the internal Second-Stage Review of the Department of Homeland Security—its structure, policies, and programs—initiated by Secretary Michael Chertoff during his first 90 days at the Department.

The Secretary having just arrived and taken his seat, I want to welcome you.

The Honorable Michael Chertoff, Secretary of the Department of Homeland Security, will be the Committee's sole witness this morning.

One week ago today, terrorists committed the barbaric bombings in the London Underground. That, and all of the terrorist acts that have stretched out from September 11 to today, provide the backdrop for this hearing.

The changes that the Secretary is proposing in the organization and programs of the Department of Homeland Security all have as their focus achieving more effectively the overarching missions of the Department of Homeland Security: preventing terrorism, protecting against terrorism, and responding to acts of terrorism when they occur.

There have been many different modalities of terrorist attack that we have witnessed. Sometimes schools have been attacked, sometimes nightclubs, restaurants, embassies, banks, subways, railroads in Madrid, and office buildings. The only constant has been the terrorists themselves. Preventing terrorism, therefore, re-

quires that we have a constant focus on the terrorists themselves. And this, as this Committee has emphasized so often, requires the preeminence of an intelligence function in the Department of Homeland Security.

I want to congratulate you, Mr. Secretary, for initiating the Second-Stage Review of the structure, policies, and programs of the Department, and I want to applaud your leadership in bringing prevention and intelligence to the fore. These are essential elements in what you are going to be describing to this committee today.

I also want to applaud your leadership in bringing a risk-based rigor to the Department of Homeland Security and to its management and operations. That has long been an objective of this Committee, and it is critical to driving integration of the Department's 22 legacy agencies. Risk-based management is also the key to ensuring that our efforts to enhance our national security do not, in the aggregate, result in trading away features of our constitutionally founded way of life.

Mr. Secretary, you have recently stated that we don't drive the mission and the outcome by the structure. We drive the structure and operation by the mission and the outcome. That is precisely correct. And your Second-Stage Review generated constructive proposals that will help eliminate the bureaucratic stovepipes in the Department and sharpen the Department's focus on its core counterterrorism mission.

Your focus on the most consequential kinds of terrorism that America might someday face and enhancing information sharing—both within the Department, with State and local governments, and with other homeland security stakeholders—to prevent acts of terror is absolutely right. And your proposed management and organizational reforms will move the Department significantly in the right direction.

I am pleased that many of your specific reform proposals are consistent with initiatives that this Committee has, on a bipartisan basis, advocated over more than 2 years. For example, this Committee has urgently stressed the importance of creating an Assistant Secretary for Cybersecurity, as you propose. The Committee recognized the need for an overarching, coordinated intelligence capability for the Department. We urged a view of intelligence within the Department of Homeland Security that was much more than an adjunct to infrastructure protection. Your proposal properly separates intelligence from infrastructure protection and creates a Chief Intelligence Officer reporting directly to the Secretary.

The Committee's oversight and legislative efforts have focused on the need for the Department to improve operational coordination among its many legacy agencies performing similar or related functions. This will not only reduce waste and duplication, but will also avoid dangerous gaps that terrorists can and will exploit. You have taken this issue head on as well, of course. Making the Department's choices about where to put homeland security technology and manpower, what to protect, and how to prepare for terrorist acts—making that all based on risk has been at the heart of what you have been saying and doing since you have become the Sec-

retary of Homeland Security. It has always been at the very core of this Committee's persistent efforts.

I applaud your focus on preparedness and on the specific preparedness priorities of surface transportation security, aviation security, port security, and border security. It is also important that, beyond preparedness, prevention remains the Department's number one mission priority, and I am absolutely confident that under your leadership it will.

I would urge consideration of one more innovation, consistent with each of the structural reforms that you have outlined. The Department's budget request should be organized by mission focus from prevention through preparedness and response. That way we will be better able to determine whether resource allocation reflects the overriding terrorism prevention priority that must drive the Department's programmatic decisions.

I congratulate you, Mr. Secretary, on a job well begun and on completing this ambitious top-to-bottom, mission-based review of the Department's structure, its programs and its activities. We wish you nothing but continued success. Now it is time to drive these, until now, paperbound reforms into operating reality in the weeks and months ahead. And we stand ready in this Committee to help you in any way that we can.

Chairman COX. I now recognize the Ranking Minority Member of the Committee, the gentleman from Mississippi, Mr. Thompson for his opening statements.

Mr. THOMPSON. Thank you. Thank you, Mr. Chairman.

Mr. Secretary, welcome back. I believe the first and last time that you appeared before this Committee was April 13. I hope we can make it a little more than what we had. Seeing you here today gives me hope that you will appear before us often.

I want to thank you on behalf of the Democratic members for coming up to brief us on Tuesday. One request that I have, though, next time you release a significant initiative, I hope you will ask Members for input more than 24 hours before it is released. We can't really offer significant input to a document if it is already final.

I have reviewed what you have released on your Second-Stage Review, including a draft legislation and 872 letter. Your view and proposed reorganization confirms what many of us on this Committee have known for a while: the Department is broken. Some of us have been waiting quite a long time for the repairmen to show up to fix the agency.

The proposal you made yesterday does make some needed repairs, but it does not address the Department's most serious defects. If the Department were a house, what you have done is the equivalent of patching the walls, putting the new walls and siding in, and painted the building. Unfortunately, the joints of the house were cracked and left untouched. The Administration must do better if we are to prevent terrorist attacks on American soil.

This morning the Democratic members of this Committee are releasing a report on your proposed reorganization. I have a copy here, and I will include it in the record for this hearing, and we will share it with the Members after the hearing.

We found that some of the changes you proposed are important. We support your efforts on these items and will do what we can to ensure that they become reality. Some of these excellent changes have been called on by some of our Members. For the last 2 years, Zoe Lofgren on this Committee has spear-headed the effort to create an Assistant Secretary of Cybersecurity, which your proposal includes. I congratulate my colleague from the Silicon Valley for the dedication to securing our Nation's critical networks and systems.

The creation of a Chief Intelligence Officer is also a promising development.

Earlier this week we held a hearing on bioterrorism. As we mentioned to you on Tuesday, it is appalling that DHS had completed only four out of six material threat assessments necessary to develop biological countermeasures. I hope the creation of this office will correct this unnecessarily slow process.

There are other changes that I and other Democrats support, including adjustments to the US-VISIT program and the shortening of the Reagan 30-minute rule. That said, your plan is vague in a number of other areas, Mr. Secretary, making it difficult to determine whether we can support other items.

For example, you have eliminated the Special Assistant to the Secretary for the Private Sector, creating in its place, an Assistant Secretary for Policy under a new policy directorate. The existing special assistant position was created by Congress to ensure that the private sector is a meaningful partner in our efforts to secure our homeland. If the Secretary is proposing a demotion for the official in charge of private sector outreach, that would be a serious step backward.

There are also changes that should have been made that were not. These omissions concern me and make me wonder if in a few years we will be sitting here doing this again, waiting for another overdue plan. The Third Stage Review is probably what we will be calling it.

Specifically, I am concerned about your plan's failure to reorganize the Transportation Security Administration. The London bombing last week, coupled with the Madrid bombing last year, should be a wake-up call to us all that our trains and transit systems are an attractive target for terrorists. I have asked myself the question, will the Department's proposed reorganization prevent what happened in London from happening here? Unfortunately, I concluded no.

While TSA has focused on aviation, some would say with mixed results, rail security has became the forgotten stepchild. Indeed, the Department has spent less than 7 percent of the money it received this year to inspect and patrol rail lines. This is unacceptable. Rail security must be a priority even if TSA has to be reorganized to make it one.

You have left Immigration and Customs Enforcement and Customs and Border Patrol as separate entities, despite the call from many, including many on this panel, to merge the two agencies for efficiency's sake. There are glaring omissions in this plan that I hope we will be able to touch upon. Again, I hope you review the

Democratic report and that we will have continued dialogue on how to incorporate our ideas into your plan.

It is essential that the Department be reorganized correctly today so that the Federal Government can assure the public that it is doing everything that it can to prevent,7 detect and respond to terrorism here at home. Thank you.

Chairman COX. The Chair now welcomes and recognizes for his opening statement the Honorable Michael Chertoff, Secretary of the Department of Homeland Security. Welcome, Mr. Secretary.

STATEMENT OF THE HONORABLE MICHAEL CHERTOFF, SECRETARY, UNITED STATES DEPARTMENT OF HOMELAND SECURITY

Secretary CHERTOFF. Thank you, Mr. Chairman. Thank you, Mr. Ranking Member for your generous comments. I have a longer statement which I would request be made part of the full record of the hearing.

I do appreciate the fact that I had a chance to brief significant numbers of the Members here on both sides of the aisle on Tuesday about what we were proposing to do, and I do want to say that in the course of considering what approach we ought to take in our Second Stage Review, there were a series of sessions in which the people who were conducting the review did talk to stakeholders on Capitol Hill, and stakeholders outside Capitol Hill, including in State and local government and in the private sector to see that we got the benefit of their insights and their observations.

I appreciate the cooperative spirit that you show with respect to implementing these reforms. We are eager to move forward with this, which is only really the first step in accomplishing some of the things we need to accomplish to continue to make our country stronger.

In particular, I would like to underscore the importance of the endorsement of a risk-focused and risk-based approach to all of what we do, including funding. I think we owe the American people to put essential priorities on the table that will address those issues that are of greatest concern, particularly with respect to potential consequences, and, Mr. Chairman, in terms of your budgeting suggestion, I will certainly take that back, and, Congressman Thompson, I will certainly look forward to reading your review of our proposal a little bit later today.

I am going to be very brief and leave, obviously, an opportunity for questions. Let me say that what we announced yesterday was, of course, only a very partial element of what the review showed. It wasn't a complete agenda because the limits of time prevent me from going through everything. I think, generally speaking, though, we have identified some very critical priorities: preparedness; transportation; both strengthening and making more efficient our various screening processes for passengers and cargo; making sure that we get control of our borders so that we can ensure not only our security, but make sure we are respecting the rule of law, which I think requires that we prevent the kind of flagrant violation of our borders that we sometimes see; fused and more nimble information sharing; better management, which I think is what we owe the public as stewards of the public trust and the public fisc;

and then, of course, this organization piece, which is designed to give us the tools to complete the job of integration as we go forward.

I think a general comment I would make before I close is balance means sometimes that the balance goes down as well as up. We want to make sure that as we get better and more precise in the kinds of protections we can build in place, we are also able to relax some of the restrictions and burdens that we have put in place at an earlier time.

And by way of making an example of this kind of philosophy, I announced yesterday our intent to eliminate the 30-minute rule with respect to people who are departing Reagan and entering Reagan airport. That got a lot of applause. As someone who has, from time to time, had to take account of that rule in making my own preflight accommodations, I understood where that applause came from.

I think it is meant to make a larger point, though. We are not simply looking to layer additional levels of security on the country. We are looking to always keep a balance, and where we can make things lighter and less burdensome, we are going to be eager to do that.

At the same time we have the 10 print rule, we have talked about taking a needed step that will enhance security by giving us an increased capacity to screen people coming in from overseas, but that will do it in a way that will not result in an undue inconvenience or undue burden.

I again want to thank you, Mr. Chairman, and the rest of the members of the Committee for giving me the opportunity today to speak to you about this review. I look forward to working with you as we go forward on implementing not only the organizational changes, but as well the various specific policy proposals that we are going to be rolling out in the next weeks and months as we go forward, working together to make this country even safer and more secure than it is. Thank you, Mr. Chairman.

Chairman COX. Thank you, very much, Mr. Secretary.

[The statement of Secretary Chertoff follows:]

PREPARED STATEMENT OF HON. MICHAEL CHERTOFF

THURSDAY, JULY 14, 2005

Mr. Chairman, Ranking Member Thompson, and Members of the Committee: Thank you for the opportunity to address you today, and for your ongoing support of the Department of Homeland Security's efforts to keep America secure and free.

I am honored and pleased to appear before the House Homeland Security Committee today to discuss the outcomes and results of our Second Stage Review (2SR). Last time I appeared before the Committee in April, we were in the middle of the 2SR process, and I was only able to briefly touch on some of our overarching goals—such as risk management—that were guiding our work on this important initiative. Today, I am able to report more fully on the results of that process.

As the Committee is well aware, I launched 2SR several months ago at the beginning of my tenure. 2SR is a systematic evaluation of the Department's operations, policies and structures to ensure that our form and function are most effectively aligned to maximize our ability to achieve the security outcomes associated with our overriding mission of protecting the homeland.

All Americans owe a tremendous debt of gratitude to the patriots and pioneers who built this Department in record time. Because of their dedication, security at our ports, airports, critical infrastructure and borders has been significantly strengthened. Our nation has thwarted plots and captured terrorists. As a result,

in the period since 9-11, the American people have begun to live under an umbrella of greater security, with greater peace of mind than we imagined on that terrible day.

My job—and the job of the leadership team at the Department—is to provide the strategic direction, tools, and aggressive support needed by our colleagues to build upon that foundation and continue to advance the effectiveness, agility, and capacity of this Department every day.

2SR—Philosophy

Our review was conducted with several core principles in mind.

First, as I have said before, DHS must base its work on priorities driven by risk. Our goal is to maximize our security, but not security "at any price." Our security strategy must promote Americans? freedom, prosperity, mobility, and individual privacy.

Second, our Department must drive improvement with a sense of urgency. Our enemy constantly changes and adapts, so we as a Department must be nimble and decisive.

Third, DHS must be an effective steward of public resources. Our stewardship will demand many attributes-the willingness to set priorities; disciplined execution of those priorities; sound financial management, and a commitment to measure performance and share results. Perhaps most of all, DHS must foster innovation.

Finally, our work must be guided by the understanding that effective security is built upon a network of systems that span all levels of government and the private sector. DHS does not own or control all these systems. But we must set a clear national strategy, and design an architecture in which separate roles and responsibilities for security are fully integrated among public and private stakeholders.

We must draw on the strength of our considerable network of assets, functioning as seamlessly as possible with state and local leadership, law enforcement, emergency management personnel, firefighters, the private sector, our international partners and certainly the general public. Building effective partnerships must be core to every mission of DHS.

SR Process

From across the Department and elsewhere in the federal government, we pulled subject matter experts and talented individuals away from their day jobs to focus on how well we tackle our tough fundamental challenges: prevention, protection, and all-hazards response and recovery.

This Second Stage Review utilized 18 action teams—involving more than 250 DHS staff—to evaluate specific operational and policy issues. We asked each team to answer a couple of simple questions. First, freed from the constraints of existing policies and structures—writing on a clean slate—how would you solve a particular problem? And then, how would you take the best solutions and implement them aggressively?

We actively sought opinions from hundreds of public and private partners at the federal, state, local, tribal and international levels. Finally, we examined the DHS organizational structure, to make sure that our organization is best aligned to support our mission.

This work, along with the experience of the last two years in the Department's existence, will now play a critical role in setting our agenda moving forward.

Six Imperatives

In the weeks and months to come, the Department will launch specific policy initiatives in a number of key areas. Here, then, are six of the key imperatives that will drive the near-term agenda for DHS. We must:

1. Increase preparedness, with particular focus on catastrophic events.
2. Strengthen border security and interior enforcement and reform immigration processes.
3. Harden transportation security without sacrificing mobility.
4. Enhance information sharing with our partners, particularly with state, local and tribal governments and the private sector.
5. Improve DHS stewardship, particularly with stronger financial, human resource, procurement and information technology management.
6. Re-align the DHS organization to maximize mission performance.

We will put more muscle on the bones of these six areas and others with additional actions and policy proposals in the weeks and months ahead. But, for now, let me give you a broad overview of our agenda for the future of the Department.

1. Preparedness

First, preparedness. In the broadest sense, preparedness addresses the full range of our capabilities to prevent, protect against, and respond to acts of terror or other

disasters. Preparedness is about securing America's critical infrastructure, which is not a government asset; roughly 85 percent is privately owned or operated.

At the outset, we must acknowledge that although we have substantial resources to provide security, these resources are not unlimited. Therefore, we as a nation must make tough choices about how to invest finite human and financial capital to attain the optimal state of preparedness. To do this we will focus preparedness on objective measures of risk and performance.

Our risk analysis is based on these three variables: (1) threat; (2) vulnerability; and (3) consequences. These variables are not equal—for example, some infrastructure is quite vulnerable, but the consequences of attack are relatively small; other infrastructure may be much less vulnerable, but the consequences of a successful attack are very high, even catastrophic. DHS will concentrate first and most relentlessly on addressing threats that pose catastrophic consequences. Some of the tools needed to prevent, respond and recover from such awful scenarios are already in place; but others need significant improvement.

The first step in enhancing national preparedness is establishing a preparedness baseline that measures the effectiveness of our planning for preventing, protecting against, and responding to terrorist acts or disasters. A second stage review team has, therefore, constructed the model for an analytic matrix that will set that baseline. The matrix will allow us to analyze possible threats and will map the current state of prevention, protection and response planning with regard to each. This matrix will be a critical tool enabling us to identify and remedy current gaps in preparedness.

Bringing greater planning discipline to each of these risk scenarios is another dimension of our preparedness mission. And simple common sense counsels that we begin by concentrating on events with the greatest potential consequences. That is why the Department's *National Preparedness Goal*—and additional, risk-based planning—will form our standard in allocating future DHS grants to our state and local partners so that we build the right capabilities in the right places at the right level. Federal money should be distributed using the risk-based approach that we will apply to all preparedness activities. And DHS needs the discretion to award infrastructure protection grants in a more flexible manner, as provided by the Administration's proposed Targeted Infrastructure Protection Plan.

Of course, federal funds are not the only resources available to strengthen the protection of our valued infrastructure. Three years ago, Congress passed the SAFETY Act to enable our private sector partners to develop innovative technology to protect the homeland without the fear of unduly high transaction costs imposed by the possibility of frivolous lawsuits. There is more opportunity to take advantage of this important law, and we will do so.

Finally, of all the catastrophic threats we face, a nuclear attack on our soil would be uniquely threatening to our society. The President's budget asks Congress to establish and fund a Domestic Nuclear Detection Office (DNDO) to develop and deploy the next generation of systems that will allow us to dramatically improve our ability to detect and intercept a nuclear threat. We have begun to take the steps to make this office a reality. The DNDO will report directly to me under our new structure—and I ask that Congress support this essential and critical resource.

2. Borders and Immigration

Our second imperative is the need to strengthen border security and interior enforcement, as well as improve our immigration system. We cannot have one approach without the other.

As to the first, we must gain full control of our borders to prevent illegal immigration and security breaches. Flagrant violation of our borders undercuts respect for the rule of law and undermines our security. It also poses a particular burden on our border communities. We are developing a new approach to controlling the border that includes an integrated mix of additional staffing, new technology and enhanced infrastructure investment. But control of the border will also require reducing the demand for illegal border migration by channeling migrants seeking work into regulated legal channels. I look forward to working with Congress this year to improve border security significantly through the President's Temporary Worker Program (TWP).

Immigration policy is about more than keeping illegal migrants out. Our heritage and our national character inspire us to create a more welcoming process for those who lawfully come to our shores to work, learn and visit. Secretary Rice and I will, in the near term, announce a detailed agenda of work and innovation that the Department of State and DHS have begun together to ease the path for those who wish to legitimately visit, study, and conduct business in this country, while at the same time ensuring that our national security interests are protected.

Of course, most people come to our shores to seek a better life for themselves and their children. Ours is a nation of immigrants, but, for legal immigrants trying to become American citizens, the process can be confusing, frustrating, and seemingly endless. Part of the problem is that the current business model fosters a long delay between application and final adjudication of applicants for residence and citizenship, during which many applicants stay here as temporary residents. But this system puts some of the most important security screening at the end of a lengthy process rather than the beginning, and leads to an unnecessarily high rate of rejection late in the process.

As a result, too often, this system leaves a negative first impression of our nation with our new fellow countrymen. Worse yet, it causes unnecessary security risks because people enjoy temporary residence while we are completing the screening process. Restructuring this process to enhance security and improve customer service will be an important part of our agenda.

3. Transportation Security

Creating better systems to move people *and* goods more securely and efficiently was a core objective in founding DHS. It remains so today.

(a) Enhancing Transit Safety. The tragic events in London last week served as a reminder of the terrorist threat against innocent civilians in our mass transit systems. Following last year's Madrid train bombings, DHS took important action not only by increasing funding for rail security, but also by conducting over 2,600 individual consequence assessments. Since 9/11, the Transportation Security Administration and the Department of Transportation's Federal Transit Administration have worked extensively with the transit industry and first responders to strengthen the overall security capabilities of transit systems, with a special emphasis on the largest systems. Together, we have developed a significant tool-kit of protective measures, which include the coordination and training needed to recover from possible attacks. Multiple funding streams within DHS will be available to support such projects, including roughly $8.6 billion enacted and requested since 2003 for our State Homeland Security and Urban Area Security Initiative grant programs.

We are also working to develop next-generation explosive detection equipment specifically for use in mass transit systems. We will continue to apply resources to this groundbreaking work. At the same time, we must also prepare for terror attacks of even greater consequence—attacking transit systems with biological, radiological or chemical agents. We plan to expand the deployment of the PROTECT chemical detection and emergency management system. This capability has been successfully prototyped in the Washington, D.C. Metropolitan Area transit system and will provide a significant and important chemical detection capability for other transit systems across the Nation.

We also now have a network of bio-sensors, but we will accelerate the development and deployment of next generation technologies that more quickly detect biological, radiological and chemical attacks.

(b) Strengthening Aviation Security. After 9–11, TSA was created to deny terrorists the opportunity to use aircraft as weapons and to defend our vital national infrastructure. Extraordinary progress has been made, but more remains to do. In aviation, our security and efficiency can be strengthened by better use of technology, both existing and next generation technologies.

Congress intended TSA to be almost entirely supported by user fees, but it is not. The Administration has proposed a modest increase in user fees to fund the infrastructure needed for this job. I believe travelers are willing to pay a few dollars more per trip to improve aviation security and enhance efficiency. I look forward to working with both Congress and the aviation industry to find a formula that will work. By collecting user fees for aviation, we can free up precious DHS resources for other important security priorities.

(c) Passenger Identity Screening. Too often, security screening for passengers at airports is frustrating. We are still dependent upon a pare–9/11 technology system to conduct the most elementary form of terrorist screening—matching names against watch lists. Our job is to identify people at airports whom we already know and believe to pose a risk to aviation. Our existing watch list does identify threatening people, but it is not fully automated for aviation screening and it yields an unacceptably high number of false positives, which drains our security resources.

Getting this right is urgent. The short-term solution lies in enhancing our ability to screen individuals more precisely against named terror suspects, by utilizing more precise identifying information such as date of birth. That kind of system—being developed through our Secure Flight program—will limit cases where low risk travelers are selected for additional screening. It will dramatically reduce the number of cases where travelers are delayed for questioning simply because they may

have the same name as someone on the watch list. But even this approach may not be complete, because it remains focused on only identifying already known high risk travelers.

Putting aside known risks, the more comprehensive and efficient passenger screening system that DHS must develop will give us the ability to automatically clear low-risk travelers. By clearing these low-risk travelers, TSA can reasonably focus on a smaller and more distinct pool of passengers that might pose a threat to aviation. The result: less frustration; faster service; better security. Better forms of screening will also promote privacy, because they will reduce the number of mistakes or unnecessary interventions that annoy travelers.

TSA's Registered Traveler and Secure Flight programs are keys to increasing the precision, reliability, and speed of identity screening for domestic air travelers. Equally important are improved protocols to screen inbound international airline passengers and expanded deployment of US–VISIT for overseas visitors. All these screening programs should be integrated so that screening is consistent and interoperable.

(d) (Supply Chain) Security Management. After 9–11, this country put in place vital measures intended to protect the global movement of marine cargo that touches our shores as it moves from origin to destination. U.S. Customs and Border Protection is screening all inbound containers and inspecting those that merit further scrutiny. Increasingly, screening and inspection are taking place at the port of departure overseas—*before* cargo arrives here.

But we should not rest where we stand. I believe that we can gather, fuse and assess more complete data from the global supply chain to develop a more accurate profile of the history of cargo in a given container. Data about what cargo is moving from the initial point of shipping to the final destination will allow us to target risk better. With more informed targeting, we can more efficiently conduct inspections of cargo that is either high risk or unverified. This "Secure Freight" initiative will allow us to expedite large portions of the inbound that sustains our nation's economy, and focus with more precision on the unknown.

That brings us to inspections. We must enhance and speed inspections that we need to perform, so that we minimize freight delays and increase total inspection capacity. To this end, we must complete our deployment of radiation portal detectors at ports, while advancing research on more sophisticated non-intrusive detection protocols and equipment.

4. Information Sharing

The ability to share information with our international, state, and local partners, the private sector, law enforcement and first responders is absolutely critical to our success. Otherwise, we are effectively tying the hands of those who are on the ground and charged with the responsibility of protecting their community, their neighbors, and their families.

We recognize the need for better and more inclusive information sharing. Information sharing is a two-way street. Therefore, we will work with the White House Homeland Security Council and our federal colleagues not only to help forge common federal tools for information sharing, but also work with state and local officials—and private sector infrastructure owners—to fuse and share a richer intelligence base. In short, we will promote greater situational awareness.

5. DHS Stewardship

DHS must be a responsible steward of the public trust. Congress is justifiably making significant investments in homeland security, and that entails significant procurements at DHS. We must ensure that we carry out these procurements responsibly.

One of my very first acts as the new Secretary was to contact the Department's Inspector General and my Chief Procurement Officer and instruct them to evaluate DHS procurements and our contracting practices. I asked for suggestions regarding any needed changes—and I've received just that. We will rely on these recommendations to make procurement integrity and efficiency a management focus throughout the Department's work.

We will also emphasize improving financial controls and financial systems, seeking operating efficiencies, strengthening human capital policies, and delivering core information technology systems. Last week's attack in London re-emphasized for me the need to act on another Second Stage Review recommendation: better integration and consolidation among the Department's multiple crisis management centers. We will do that.

DHS employees also deserve an organization that provides top-notch professional career training, an organization that actually enables individuals to broaden these experiences by working in other components of the Department without impeding

their career paths. DHS should reward the strongest performers and team players. Our review has given us some specific recommendations for building this type of organization, and we will look forward to sharing more details with employees in the weeks and months to come.

6. DHS Structural Re–Alignment

I have concluded that some structural changes are needed at DHS to improve mission performance. Modest but essential course corrections regarding organization will yield big dividends. Most can be accomplished administratively—a few require legislation.

These organizational changes include four important areas of focus which include: (1) formation of a new, department-wide policy office; (2) significant improvements in how DHS manages its intelligence and information sharing responsibilities; (3) formation of a new operations coordination office and other measures to increase operational accountability; and (4) an important consolidation effort that integrates the Department's preparedness mission.

(a) Policy. We propose the creation of a central policy office led by an Under Secretary for Policy. This office also will bring together our international affairs staff, a significant and new strategic planning capability, DHS-wide policy development assets, a senior policy advisor focused on refugee asylum policies, and enhanced private sector liaison resources. Collectively, the Policy Directorate will strengthen the Department's ability to develop and plan vital policies. This office is not a new idea—it builds in part upon the foundational work of the Border and Transportation Security policy staff, which is to be folded into the new policy directorate. Creation of a DHS policy shop has been suggested by Members of Congress, Secretary Ridge, and numerous outside experts. Now is the time to make this a reality.

(b) Intelligence. Systematic intelligence analysis lies at the heart of everything we do. Understanding the enemy's intent and capabilities affects how we operate at our borders; how we assess risk in protecting infrastructure; how we discern the kind of threats for which we must prepare to respond.

More than 10 components or offices of the Department of Homeland Security are intelligence generators, and all of us in the Department are consumers and appliers of intelligence. We need to have a common picture—across the Department—of the intelligence that we generate and the intelligence we require. We need to fuse that information and combine it with information from other members of the intelligence community as well as information from our state, local, and international partners.

DHS can also do a better job of sharing the intelligence we are gathering and the intelligence we are analyzing with our customers inside the Department, within the intelligence community, and with our frontline first responders at the state and local level.

Therefore, we will designate the Assistant Secretary for Information Analysis as the Chief Intelligence Officer. The Chief Intelligence Officer will head a strengthened Information Analysis division that will report directly to me. This office will ensure that intelligence is coordinated, fused and analyzed within the Department so that we have a common operational picture. It will also provide a primary connection between DHS and others within the intelligence community—and a primary source of information for our state, local, and private sector partners.

(c) Operations. Intelligence and policy mean little if not translated into action. Under our plan, all seven primary operational components will have a direct line to the Secretary, but—to improve our ability to coordinate and carry out operations—we will establish a new Director of Operations Coordination. The Director of Operations Coordination will work with component leadership and other federal partners to translate intelligence and policy into actions—and to ensure that those actions are joint, well-coordinated and executed in a timely fashion. The Operations Coordination director will manage DHS's hub for crisis management.

This integrating office will not disrupt our operators in the field, nor will it interfere with component chains-of-command. We do not aim to fix what already works.

(d) Preparedness. Finally, let me turn to the critical area of preparedness. The Department of Homeland Security has primarily been viewed as a terrorist-fighting entity. But, in fact, we are an "all hazards" Department. Our responsibilities certainly include not only fighting the forces of terrorism, but also fighting the forces of natural disasters.

To ensure that our preparedness efforts have focused direction, we intend to consolidate the Department's existing preparedness efforts—including grants, exercises, and most training—into a single directorate led by an Under Secretary for Preparedness. Going forward, FEMA will be a direct report to the Secretary—but it will

now focus on its historic and vital mission of response and recovery, the importance of which was illustrated powerfully as Hurricane Dennis made landfall this week.

The Preparedness directorate will continue to rely on FEMA's subject matter expertise and the expertise of our other components in promoting preparedness. It will also include our Infrastructure Protection division, as well as the U.S. Fire Administration, currently in FEMA, which will strengthen our linkages with the fire service.

Further, as part of our consolidated preparedness team, a Chief Medical Officer will be appointed within the Preparedness directorate. This position will be filled by an outstanding physician who will be my principal advisor on medical preparedness and a high-level DHS representative to coordinate with our partners at the Department of Health and Human Services, the Department of Agriculture and state governments. The Chief Medical Officer and his team will have primary responsibility for working with HHS and other Departments in completing comprehensive plans for executing our responsibilities to prevent and mitigate biologically based attacks on human health and on our food supply.

We also appreciate both the efficiencies and the vulnerabilities of the modern technology on which so much of our society depends. To centralize the coordination of the efforts to protect technological infrastructure, we will create the new position of Assistant Secretary for Cyber and Telecommunications Security within the Preparedness directorate.

Constantly Improving Our Efforts

The six areas of focus just described are all areas that will be priorities for the Department moving forward in the near term. They offer at least an initial roadmap of large categories of our activity for the months ahead.

We look forward to working with this Committee, other Members of Congress, our colleagues in the Administration, and our partners to ensure that this agenda for DHS can be implemented. And we will continue to roll out new thinking and specific solutions to the issues that directly affect our security and daily lives.

Of course we have not been idle while waiting for this moment. To the contrary, we have taken immediate steps to promote security in a commonsense and balanced way. Since my confirmation, for example, we have resolved a long-simmering dispute by supporting the placement of hazardous material warning placards on rail cars. We have also announced a plan to open Ronald Reagan National Airport to general aviation. And, we affirmed a strong and achievable implementation plan for the Visa Waiver Program that requires biometric technology standards for passports issued by program participant nations.

What is notable about these decisions is that they did not simply pile on security restrictions. Instead, we have modified or even relaxed security measures that were no longer necessary, where risk analysis warranted. After all, a balanced approach means that the balance moves down as well as up.

Moving forward, we will evaluate our decision making, strengthening security where needed, and eliminating unnecessary burden when possible. Yesterday, I announced two decisions that illustrate this approach.

In the former category, after extensive consultation with the Department of State and the Department of Justice, DHS has decided to strengthen our US–VISIT program. In the future, first-time visitors to the United States will be enrolled in the program by submitting ten fingerprints. Subsequent entries will continue to require a 2 print scan for verification. This will dramatically improve our ability to detect and thwart terrorists trying to enter the United States, with no significant increase in inconvenience.

In the latter category, TSA will suspend the post–9/11 requirement that commercial airline passengers using Reagan National Airport in Washington must remain seated for 30 minutes after departure and before arrival. This 30-minute seating rule was a sensible measure when first applied. Now, almost four years later, significantly enhanced layers of security ranging from hardened cockpit doors to air marshals make it reasonable to eliminate this requirement.

Our work in protecting the homeland will always seek reasonable balance. Over time, as intelligence warrants and as progress allows, DHS will be open to change. We will be straightforward. If something goes wrong, we will not only acknowledge it, we will be the first to fix the error. But, we also will stand up and let people know when we've done things the right way or see a better way ahead.

Conclusion

This is an exciting time for our organization. Change brings opportunity—and after an historic first two years—our young Department continues to hold one of the most important roles in government—the safety and security of our nation.

We set these priorities for ourselves and make these adjustments to the Department in order to serve our mission, to protect our families, our fellow citizens, our visitors, and our homeland.

So, moving forward together, let us answer this call by building upon that which has been honorably founded these past two years at DHS. We will proceed with unyielding focus and quiet determination.

Once again, I thank this Committee for their constant support and valuable input, and I look forward to working with you as we move to put these changes into effect.

Thank you.

Chairman COX. Let me begin by saying that with respect to so many of the changes that you are outlining, it is evident that you have been listening to the members of this Committee and have heeded very much the urgings of this Committee. The creation of a Chief Intelligence Officer and the emphasis on intelligence as a key driver of prevention has been a priority of this Committee through 2 years of our work as a select committee and all this year as a permanent standing committee.

The emphasis on risk, likewise, has been a constant refrain of this Committee. It is at the center of what you are proposing today. The creation of an Assistant Secretary for Cybersecurity and Telecommunications was formal legislation proposed by this Committee. That legislation is now unnecessary. The significant refinements that you have made to the threat warning system coordinate the views, I think, of this Committee very nicely. So I have no question that you have been listening carefully, and that the work we are doing here in this Congress has had a big impact and is reflected in what you are bringing to us today.

I want to focus on one key piece of that, and that is the intelligence piece. We will now have a Chief Intelligence Officer reporting directly to you. That Chief Intelligence Officer is going to be responsible, among other things, for fusing the intelligence collection from elements of the Department of Homeland Security, at least that is my understanding. And I want to ask you that. Will that be one of the responsibilities of the new Chief Intelligence Officer? And how is he going to do that, by the way, since these operational elements of the Department have historically been separate?

Secretary CHERTOFF. Well, first of all, thank you, Mr. Chairman. And I want to underscore the fact that we did, in building this set of proposals, pay a good deal of close attention to what this Committee and the Congress has already done in the reauthorization bill and the appropriations activity and hearings and testimony. I fully anticipated you would see a lot of the ideas generated by this committee in our work, and I am the last person to claim pride of authorship. We know a good idea when we hear it, and we are eager to implement it.

The Chief Intelligence Officer will have the obligation to manage the collection and fusion of intelligence throughout the entire Department. We have over 10 offices now. Many of them focus on tactical intelligence. For example, Customs and Border Protection is obviously concerned about new trends in passport fraud and things of that sort, and that will continue to be the case. But we do generate an awful lot of strategic intelligence when we interact at the border.

What we have already begun to do, and what I will expect the Chief Intelligence Officer to do, is to work with the components to

put reports officers into parts of the components' operational elements so that we can spot information that has strategic intelligence value, make sure that it gets written up in a form that is compatible across the board so that we don't have different formats or different understandings of the kind of information that we need, and then make sure that it gets channeled up; and then once it gets to our analytical section, to make sure that we are fusing that.

Now, that will obviously sometimes require working with the analysts in the components, and we already do that to a large extent, but we do it now manually instead of in an institutional manner. This is going to institutionalize a practice that we have been putting in place even in the last few months. So the collection piece will not be the only function of a Chief Intelligence Officer, but it will be an important function.

Chairman COX. And will the Chief Intelligence Officer carry the chief responsibility or some responsibility or no responsibility for moving the intelligence out from the Federal Government to State and local stakeholders?

Secretary CHERTOFF. Again, that person will have the principal responsibility for managing that process. Now, in terms of the mechanics of it, in terms of the Intelligence Community, the Chief Intelligence Officer and the Coast Guard intelligence officers do sit as part of the Intelligence Community formula.

Chairman COX. I would like to make my question a bit more specific. Will the—what is now the Information Analysis Office of the Department of Homeland Security, which will now be a stand-alone intelligence operation in the Department, and which will be run by the Chief Intelligence Officer—will it contain the manpower that is necessary within DHS to conduct liaisons with State and local stakeholders and private sector stakeholders when it comes to the sharing of intelligence?

Secretary CHERTOFF. Yes, it will. I want to emphasize that some of that, however, will take place in conjunction with our preparedness people, because a lot of—often the intelligence is not necessarily transient threat information, but it involves analytical pieces that drive with the way we, for example, protect our infrastructure or deal with grant issues. So they will have the manpower, and they will have the principal liaison, but they will also be working, particularly on the more strategic analyses, with some of our other components.

Chairman COX. My time has expired. The gentleman from Mississippi is recognized for 5 minutes.

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

Mr. Secretary, again, I look forward to working with you on the reorganization and discussing the Democratic response to it.

As you are aware, the 9/11 Act required submission of a national transportation security plan by April 1. When the Department missed that deadline, I sent a letter to you, and that was responded to by your deputy, Mr. Jackson, indicating that it would be 2 to 3 months we would have that transportation security plan.

In light of what London is facing and what we are facing here in this country, what are your plans to produce that plan for the Department?

Secretary CHERTOFF. Well, first of all, we should make it clear that a big part of this review was a process of stepping back and looking at our current planning on transportation.

The President has nominated a very skilled and experienced individual in the area of transportation to be the next Administrator of TSA. We are very hopeful we can get him confirmed. Obviously, we would want to be able to have his input in this planning process, but we are doing a lot of work on that as we speak.

Another issue we are going to look at very carefully is the lessons learned from London. There is an investigation going on now. I think we will have greater insight in the coming days into what we can take away that is of value. We will be prompt in giving Congress a plan, but we do want to make sure it is well thought out, and that means addressing all the components of transportation and not merely responding with respect to one.

In particular, we are focused on TSA and where we need to make adjustments in the manner that TSA operates. It is important to make sure that TSA is focused on all of its transportation missions, and, although I think that has been the case up to now, the new Administrator, I know, is very interested in making sure that we are adequately addressing land and rail transportation, as well as, of course, aviation transportation.

Mr. THOMPSON. And I appreciate your comments, but I think you can understand our anxiety in not having a plan at all, and waiting for another event to happen to take best learned practices from it is probably not the way to go. We could probably just put an addendum to an existing plan and go forward. But we do need a plan, Mr. Secretary, and I would encourage you to do that.

With respect to the Special Assistant Secretary for the Private Sector that you know was congressionally mandated, you have now moved that position out of your proposed reorganization. How do you see the private sector having standing in your Department given the fact that you have now done away with that position?

Secretary CHERTOFF. Well, actually, Congressman, we have actually elevated that position. The current structure, the Special Assistant really essentially has that person with a small office attached to the Office of the Secretary, but not really being integrated with the planning process. When we took a lot of the advice of Congress in terms of setting up a policy directorate, which I think this Committee endorsed, we said, how do we make sure that in our policymaking and in our planning the private sector is thoroughly integrated? And rather than having the Special Assistant continue to be an adjunct of the Secretary's office, it seemed we needed to give that person the stature and the authority within the entire range of our policy and planning to make sure the private sector is adequately and fully represented. So I do raise a step up actually in terms of the breadth of operating authority and the breadth of responsibility of the current incumbent.

I would also point out that on an ongoing basis on our infrastructure protection components, we regularly work with the private sector. We will continue to do that, as we will in the whole area of preparedness, where many of the assets in question are in the hands of private parties.

Mr. THOMPSON. So in other words, the Assistant Secretary of the Policy for the Private Sector, it is still there with the same function?

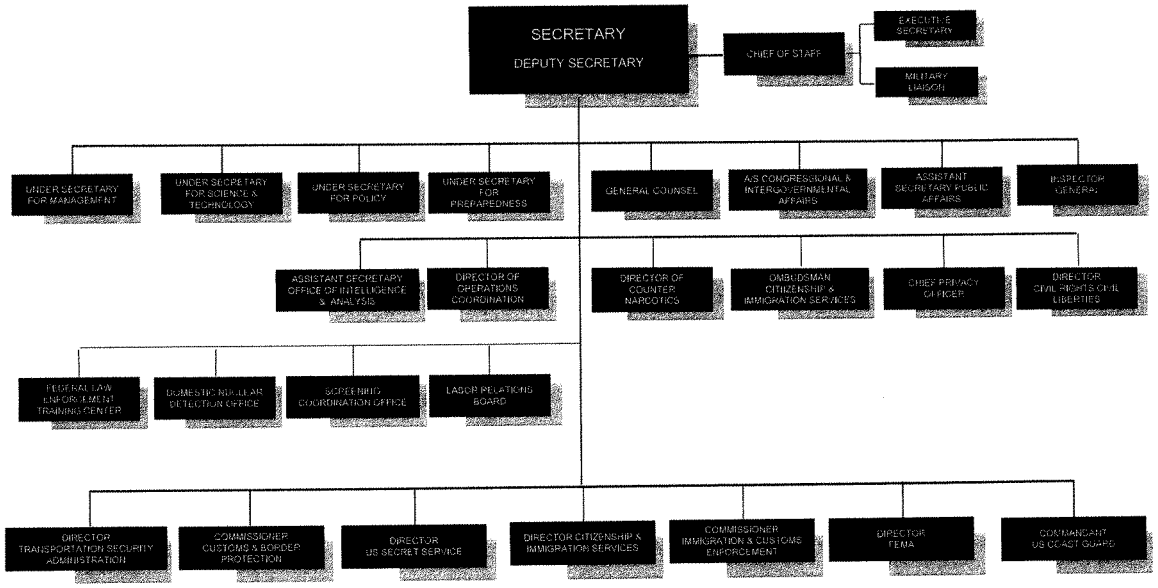
Secretary CHERTOFF. Actually an enhanced function.

Mr. THOMPSON. Enhanced function. Thank you.

The other thing is this is a present chart of your Department. There are 13 vacancies of senior positions. I would hope that under the reorganization we can get some real, live, permanent bodies there to move forward with the Department. One of the complaints we hear all the time is it has been musical chairs there, and we never talk to the same person twice. And hopefully, with your reorganization in place, we can move toward some permanence in the senior leadership in the Department.

Department of Homeland Security
Organization Chart

(proposed end state)

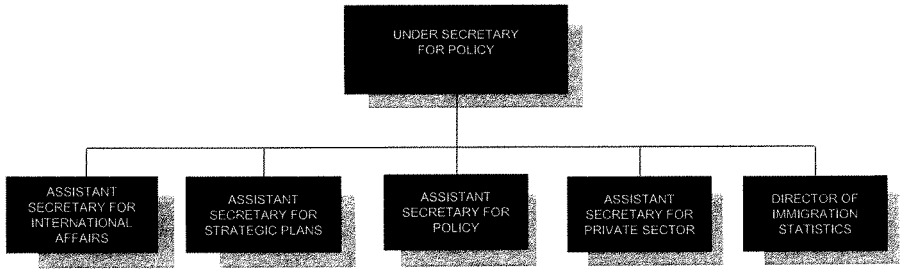


Homeland Security

07-13-05

Department of Homeland Security
Organization Chart—Policy

(proposed end state)

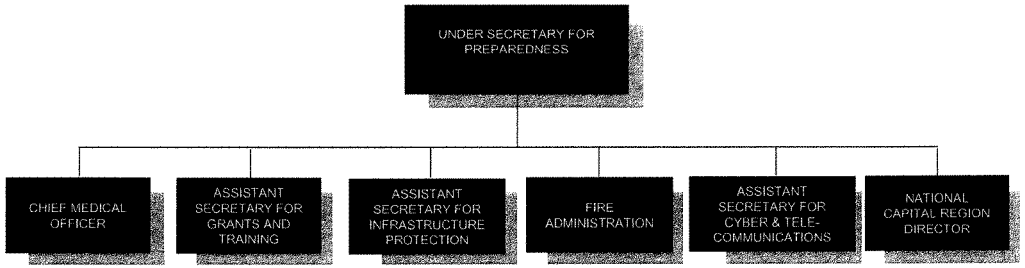


Homeland Security

07-13-05

Department of Homeland Security
Organization Chart—Preparedness

(proposed end state)



Homeland Security

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Secretary CHERTOFF. I share that desire strongly. I think we announced yesterday a couple of people that have been selected to fill some new positions. I think we may have a further announcement today, and, of course, we are working very hard with the Senate to move people through the process of confirmation as quickly as possible.

Mr. THOMPSON. Thank you.

Chairman COX. The Gentleman's time has expired.

The Gentleman from New York, Mr. King, is recognized for 5 minutes.

Mr. KING. Thank you, Mr. Chairman.

Let me welcome Secretary Chertoff. I thank you for the terrific job you have done so far. I especially want to commend you for focusing on risk-based funding. That is one of the most important things the Department can do. I want to thank you for that.

I would like to follow up on the Chairman's question regarding the Chief Intelligence Officer. There are really two parts to it. One, if you could walk us through exactly how you will interact with Ambassador Negroponte and the DNI, how that will work.

And also, as far as the question of sharing intelligence, one thing we have heard from local police and officials around the country is, not so much with Homeland Security, but certainly with the FBI, that there has been a lack of intelligence sharing. What can you do to assure us that your Department will do all kinds of work with local police, fire, and emergency responders? Thank you.

Secretary CHERTOFF. Well, as you know, under the Intelligence Reform Act, and then under the President's announcement recently concerning his adoption of virtually all the recommendations of the Silverman-Robb Commission, the DNI has the responsibility to coordinate intelligence across the board. We work very closely with him. I speak to Ambassador Negroponte or see him at least once a week, unless we are traveling, or his deputy. We speak regularly on the telephone. We have members of our Information Analysis component bolted together with the NCTC—the National Counterterrorism Center—which is the central focal point for accumulating the intelligence.

And my vision of the Chief Intelligence Officer is that that person will have an enhanced ability to deliver to the whole Intelligence Community all of the information that we collect inside the Department. We do that a lot manually now. I am in regular discussion with Director Mueller and with Director Goss and with Ambassador Negroponte. But again, we want to institutionalize this. It shouldn't be about my personal discussions with people or someone's personal discussions. It should be more embedded.

With respect to the issue of sharing, we have been working very hard on the issue of sharing—both with respect to threat information and with respect to more sustained strategic information—lessons learned, things of that sort. And we have been emphasizing, in particular, doing that.

One set of conversations I have had with a number of the Governors and homeland security advisors is their desire to set up intelligence fusion centers where they have a single point of contact in terms of intelligence collection and also consuming intelligence.

As I announced yesterday, we are talking to the States to set up a meeting, basically a summit meeting, where the homeland security advisors will come in, and we want to talk with them about networking all of our fusion centers. In fact, we are going to be using some of our money to encourage that to happen. I think that is an additional way to connect up. I think we have been doing a better job. I am very mindful about it. It is a two-way street. And I think this is going to be another step forward in that direction.

Mr. KING. Thank you, Mr. Secretary.

Chairman COX. The Gentleman's time has expired.

The Gentlelady from California is recognized for 5 minutes, Ms. Harman.

Ms. HARMAN. Thank you.

Welcome, Secretary Chertoff. My thanks to you for bringing a systems approach, enormous dedication to your job, and for visiting recently the part of southern California that the Chairman and I represent in seeing our ports and our airport, and actually one of our elementary schools, which is a bit challenged in trying its best to prepare for a terrorist attack should it come.

I am impressed with what you are doing. I think that the risk-focused and the risk-based approach are absolutely critical, and that changes need to be made. However, I think that your primary audience is not government junkies or graduate students, but an anxious public, and that is why I said to you a couple of days ago that I thought you need to talk about capability more than moving boxes around.

I still see a couple of things that I would love for you to talk about very soon, and let me just list them and get some of your responses. There is a vote on, so I think we are all going to run out of here in a few minutes. But the three things missing from yesterday, at least as I heard it, were, one, steps that you will take to fix a threat warning system that I believe is broken. You did a good job with it last week, explaining a targeted and measured response to the London bombings, but I think the color-coded system does not work. So that was one thing missing.

The second thing is some news, long overdue news, on when we will see one national integrated threat and vulnerability assessment, which was the basic idea in the first place. We don't want to rearrange the deck chairs, we want one deck. And that assessment, at least as it was described by your predecessor some months back, needed a lot of work.

Finally, I didn't hear anything, and I think this is a critical piece of the preparedness piece, about interoperable communications. They did not exist in New York on 9/11, and they did not exist at the Pentagon either. And although Los Angeles County and other places have done some good things, putting together bridge technologies, I would argue, we still don't have a system, one national integrated system, in the event of multiple terrorist attacks. And God forbid this reload idea that you have described where not only do we get one attack in some place, but it is repetitive.

So those are three areas we would like to hear more about, and I know I am representing this anxious public that I have mentioned. Thank you.

Secretary CHERTOFF. Well, Representative Harman, first of all, I appreciate the opportunity that we have had over the last few months to talk at greater depth about those issues, and I look forward to continuing to do that.

I think obviously there is a lot to work on here, and of course, a single speech and the capacity of my voice to talk endlessly is limited. So we can only do so much. But let me touch on these briefly.

As I said, we are looking, as we speak, at the threat warning system, and part of that process is we are consulting with not only other departments of Government which have a stake in this, but with our State and local counterparts and with members of the private sector as well. So we are actually considering right now what we need to do this. It is a complicated issue, but it is being very vigorously attended to.

With respect to the integrated national threat and vulnerability assessment, we have a comparatively new Assistant Secretary put in charge of the Infrastructure Protection component. One thing that we are trying to take advantage of in building this out to be more than merely a collection of infrastructure, a long list of golf courses and things of that sort, is to take advantage of some of the capacities that we have in our national laboratories to do very sophisticated computer modeling. I have already seen some of the product of this process.

For example, in dealing with the issue of port grants, we have put together, I think, a much better analytic product in terms of our distribution of those grants that is risk-based than was the case a year ago. So I can't see this as a process that is going to be done in a couple of weeks, but I can say that it is a process that is well under way, and that the people that are executing it have a very firm understanding that this needs to be something that is disciplined and not merely an opportunity for everybody to chip in their individual pet projects.

Third, I think interoperable communications again, there are some pieces of this we own, some that we don't. I know there is a pending proposal to get a dedicated piece of a band for purposes of communication. I think that is something that we do want to move forward on. And we also need to move forward technologically in terms of equipment that will bridge existing systems. We don't want to throw out what we have, but I think we need to look at the issue of setting down some standards for new equipment.

And finally, there have been cultural issues and processes that have to be worked out.

Ms. HARMAN. My time is expired, but that bill to dedicate a band for emergency communications has been offered by me and Congress Curt Weldon, and I am pleased to hear that you are supportive of it.

Thank you, Mr. Chairman.

Chairman COX. The gentlelady's time has expired, and so too, has the time of almost all the Members here to vote on the floor. There is very little time left in the currently pending floor vote. It is the expiration of a 15-minute vote followed by two 5-minute votes. That should permit us to take a very brief recess and recon-

vene this hearing no later than 11:00. That would be the Chair's intention.

[Recess.]

Chairman COX. The hearing is reconvened, and the Chair recognizes next the gentleman from Georgia, Mr. Linder, for 5 minutes.

Mr. LINDER. Mr. Secretary, thank you for being here. Nice to see you again.

What do you think the TSA is going to look like 5 years from now?

Secretary CHERTOFF. I think and I hope that TSA will be an agency that uses a next generation of technology—one that allows us to more efficiently leverage our resources, both in terms of airport and also in terms of other forms of transportation—that includes screening devices at the airport that will allow us to focus more on the things we worry about and less on the things we worry about less.

I hope and envision that some of the burdensome restrictions in terms of what you can carry on board will be lifted because of additional measures to protect people. I am hopeful that secondary screenings will be reduced because we will have a more interoperable and more sophisticated screening system that doesn't rely only on names, but allows us to do some work with additional identifying things, like date of birth, and even some analytical tools that would let us be more focused.

With respect to rail and other forms of land transportation, I see it, again, involved with better technologically infused systems that will give us protection particularly against the catastrophic things that we are worried about, but also using modern technology in terms of video cameras and sensors and things of that sort.

Mr. LINDER. Why should a person go through the difficulty of background checks and the fingerprinting to be a Registered Traveler if all that means is they get to go through a quicker line, but they still take their shoes off, take their coat off, take their computer out of the case?

Secretary CHERTOFF. Well, ultimately what these Registered Traveler programs should do is give you the benefit of checking, and essentially acceptance of reliability throughout a whole menu of things, whether it involves getting on an airplane or getting into a Federal building. I mean, my vision of where we should go is Members of Congress obviously are checked and vetted and get security clearances. At the end of the day, your card that contains that information ought to be able to get you into a Registered Traveler status getting into the country, getting onto airplanes, things of that sort. I don't mean to restrict it to Members of Congress, but what I am trying to suggest is the degree of interoperability and coordination. That means once you get checked once, that becomes a way to easier entry into a whole lot of things.

Mr. LINDER. We had a hearing yesterday on biologic threats, and I worry that the money we spent, $20 billion so far, has just been wasted because it is so easy to genetically alter the threat. We have 10,000 people dealing with recombinant DNA. We have synthesized smallpox. We can make some smallpox more virulent and resistant than it is currently. We have announced to everyone how

much we have in the stockpile to respond to an anthrax attack, and so, modest engineered anthrax won't be able to be treated by it.

We spend very little money—I think it is less than 2 percent of your budget—on intelligence. And it strikes me that you have said before this Committee before that the most important things to you to worry about are catastrophic things like nuclear and biological threats. The only way to prevent those, it strikes me, is by having a robust intelligence section that can anticipate where something might come from and prevent it. Prevention ought to be the number one thing in your Department. Do you disagree with that?

Secretary CHERTOFF. I fully agree that prevention is a critical element in preventing an attack. I have to say though, I lived, as many people here did, through the anthrax attacks in Washington of 2001. I think our general philosophy of taking a layered approach is not to put all our eggs in one basket, but to have vigorous intelligence and vigorous prevention, as well as to be prepared to have a process in place and a response in place if there is an attack—and it could even come from a single individual, it doesn't need to come through a terrorist group. So I think we need to do the full menu of approaches.

And one element of intelligence, by the way, is a very scientifically founded intelligence that looks to see what we know about the way people are now working to manufacture potentially biological threats. There are different signatures, and I think knowing that helps us do some of our response planning.

Mr. LINDER. Thank you, Mr. Secretary.

Chairman COX. Does the gentleman yield back? The gentleman's time is expired.

The gentleman from Massachusetts, Mr. Markey, is recognized for 5 minutes.

Mr. MARKEY. Thank you, Mr. Chairman.

Mr. Secretary, as you know, over and over again the demands of industry have been allowed to trump public safety, the chemical industry, the cargo industry, the nuclear industry, they have all steamrolled the Bush administration for the last 4 years in terms of public safety. So we get a chance here to start all over again.

So I have taken, Mr. Secretary, your kind of formula, threat, vulnerability, consequences. The threat in each instance, Mr. Secretary, is al-Qa'ida. That is clear. The vulnerability; chemical plants that have no mandatory requirement to shift over to safer chemicals. Nuclear plants; there has been no realistic upgrade of the permanent standard against terrorist attack. Public transit; hundreds of thousands of deaths, hundreds to thousands of deaths could occur. The American Public Transit Association says that we should spend $6 billion to upgrade, the Bush administration has said no.

LNG, and the Bush administration is now overriding States and local communities with a new law going through which says they can plant these LNG facilities in urban areas.

Al-Qa'ida, also, wants to go after HAZMAT shipments. And there, the Bush administration is opposed, where possible, to rerouting into less densely populated areas. And in aviation, Mr. Secretary, the Bush administration, again kowtowing to the cargo industry and the airline industry, has refused to mandate 100 per-

cent total physical screening of cargo which goes onto passenger planes.

So that is the formula, threat, vulnerability, consequences. And what I am going to talk about today, Mr. Secretary, is solutions.

Mr. Secretary, number one. In aviation, would you support going to a 100 percent physical inspection of all cargo on passenger planes, yes or no?

Secretary CHERTOFF. No, and let me explain why. And I will tell you, if you want to—it is not going to surprise you that I am going to disagree with your characterization of the policy being that industry trumps public safety. But I also think, in fairness, you ought to let me explain that when I talk about risk, I also talk about balance—

Mr. MARKEY. I have to go through the six questions. That is all I get is 5 minutes.

Now let's go to chemical security. Yes or no, will you require chemical companies to switch to safer chemicals, whenever possible, to reduce security vulnerability?

Secretary CHERTOFF. I have to say, Congressman, I don't think anyone has yet established that the appropriate way to deal with chemical security is to get into the process of making people switch chemicals.

Mr. MARKEY. Transit security; yes or no, Mr. Secretary, will you commit to fully implementing the recommendations of the American Public Transportation Association, which has called for an extensive security upgrade to prevent a London-style attack in our country? Yes or no.

Secretary CHERTOFF. I will commit to you a balanced approach that evaluates the specific risks with respect to transit, and balances them with respect to the other priorities that we have to deal with in dealing with our homeland security.

Mr. MARKEY. All right. Now let's go to transportation of extremely hazardous materials. Will you require rerouting of shipments of the most deadly chemicals around densely populated areas if there is a safer route available? Yes or no.

Secretary CHERTOFF. I am, and we are currently, working to look at the entire issue of transportation of hazardous materials in order to make sure we are assuring the safety of the public that could potentially be affected by using a whole menu of security measures—again focused upon risk management.

Mr. MARKEY. Now, again, Mr. Secretary, for LNG—I still haven't heard a yes. Now, Mr. Secretary, for LNG, do you agree that LNG terminals, which are tempting terrorist targets, should be located offshore or away from population centers? Yes or no.

Secretary CHERTOFF. I have to say, Congressman, I think that is an overly simplistic view of the situation. I think it is a much more complicated situation.

Mr. MARKEY. Putting LNG facilities, new facilities, in densely populated areas as opposed to offshore or the most sparsely populated, that is not oversimplified, that is just a simple yes or no. Do you want to put highly desirable terrorist targets, new ones, in the middle of densely populated areas?

Secretary CHERTOFF. I think the choice you have presented is an oversimplified choice.

Mr. MARKEY. Okay. Fine. I will take that as a no.

Biological vulnerabilities. Now, Mr. Secretary, yes or no, will you commit to completing the remaining material threat assessments within the next 60 days? Only four are completed thus far.

Secretary CHERTOFF. I think our original target was to get those done by the beginning of next year, and we are on target to do that.

Mr. MARKEY. The problem is, again, we are 4 years after 9/11, only four of the 60 materials—

Chairman COX. The gentleman's time has expired.

Secretary CHERTOFF. Mr. Chairman, if I could just complete the answer that I was originally trying to give, because I think it is an important point. When I talk about risk management, I also talk about balance. And let me just take the first example that Congressman Markey raised as an example of what I think we shouldn't be doing in security.

I could guarantee that there is 100 percent security, for example—I could guarantee that there is not going to be any threat to cargo entering this country or getting on airplanes. I simply wouldn't allow any to get on, that would destroy our economy.

Mr. MARKEY. Cargo on passenger planes. We are talking about passenger planes, Mr. Secretary.

Chairman COX. The gentleman's time is expired.

Secretary CHERTOFF. We have to be very careful, when we talk about security levels, not to burn the village down in order to—

Mr. MARKEY. The technology exists, Mr. Secretary, to screen all cargo on passenger planes. Why don't we do it?

Secretary CHERTOFF. We have to be very careful to use technology and to use systems in a way that will not—

Mr. MARKEY. That exists.

Chairman COX. The witness will suspend.

The gentleman is one minute and 15 seconds over his 5 minutes. He should at least permit the Secretary the courtesy to answer some of the several questions that he has put over the last 6-1/2 minutes.

Secretary CHERTOFF. Thank you, Mr. Chairman.

We have to be very careful when we decide what system of protection to use, that we deploy a system that works in a way that allows us to continue to let the economy operate, to continue that cargo to be shipped. A hundred percent physical manual inspection of anything will often destroy the very system you are trying to save.

So again, when we do risk management—and a key element of that is balance—it is optimizing things. That applies to the transit system—it is optimizing things. That applies to the transit system, it applies all the way across the board. What I am committed to doing is a disciplined approach to risk management that considers what is the optimal amount of security, but does it in a way that does not destroy our way of life.

Mr. MARKEY. Mr. Secretary, for 4 years the Bush administration has been protecting powerful industries and not protecting the public safety. That is going to be your challenge, to change that formula. The Bush administration thus far has sided with industry, not providing security.

Thank you, Mr. Chairman.

Chairman COX. The gentleman's time has expired.

The gentleman from Connecticut, Mr. Shays, is recognized for 5 minutes.

Mr. SHAYS. I love my colleague from Massachusetts, but when you basically give such long comments and then ask six questions, it is clear you are not really interested in what the witness wants to say. And I think if you had just taken one of those issues, you could have probably had a very good dialogue back and forth.

I do want to say to you, Mr. Chertoff, that I think you are doing an outstanding job. I think you are digging yourself out of a huge hole. We created a department, we did the best we could, we put 180,000 people in it, we took it from 20 plus different parts of the Government. And frankly, you don't yet have a culture that I know that you particularly want.

I would want to just say, though, I do agree with Mr. Markey, particularly as he talks about passenger travel. We first checked people's luggage when they went on a plane; then we made sure we checked what suitcases went in the belly of the aircraft. But I find it outrageous that 22 percent of what is on a passenger plane is cargo. And I think Mr. Markey is dead right in saying that if it is on a plane that carries passengers, it should be checked. And I would think that that is a reasonable request that we have a timetable to know when it will be done.

And furthermore, I think it is reasonable to say that if it is not going to be checked, the public has the right to know that on that plane is cargo that has not been checked. And I am interested if you would be willing to consider, one, a timetable, and two, warning people that cargo on a plane has not been checked.

Secretary CHERTOFF. Well, I am happy to talk about this because clearly we do want to make sure that we have verified what is going into the cargo hold of a plane, whether it be what passengers bring with them or what gets shipped. But here again, we want to use a balanced approach, and that means we want to use intelligence screening and we want to check the cargo that we do not have a high degree of confidence in, but we also want to try to build systems which allow us to focus on a smaller and smaller amount of the cargo so we can do more efficient screening.

There exists now, for example, various air express industries. Federal Express, DHL, UPS, are very sophisticated about tracking their packages. And there are ways of having them verify—

Mr. SHAYS. Mr. Secretary, the problem with that is you are kind of going the route of the known carrier. And why would it make sense to check all the luggage in the belly of an aircraft brought on by a passenger, but it doesn't make sense to check all the cargo in the belly of the aircraft?

Secretary CHERTOFF. Because where we have an ability to build a system that gives us confidence in the shipper and the cargo, so that we know what the cargo is and we can track it from the point of its entering into the supply chain to the end; we know what is inside; and we know we can target what we are worried about and what is a higher risk. When passengers present themselves to the airport, it is impossible to conceive of a system that would give us that degree of confidence. Now obviously, as we get technologies that are more and more—that operate more quickly and that are

more precise, it is possible to actually inspect in a nonintrusive way a greater percentage of cargo.

But here is what I don't want to do. I don't want to sit here without having that technology and say, we are going to make it—by manually checking every piece of cargo, we are going to make it impossible to put the cargo on that airplane.

Mr. SHAYS. I hear your position. I will just say to you that I think it is really outrageous that we just don't warn passengers that the cargo on a passenger plane has not been checked. I will tell you I fly less because my knowledge of the system is better than the general public. And I think we endanger the general public by not checking the cargo in the belly of an aircraft.

I would like to ask you about the failure of the Department to have gotten its report done on a strategy for protecting buses and trains and subways. The Department said 2 to 3 months. If it was 2 months, it would have been the 1st of June, and 3 months the end of June. We still don't have it. It seems to me, since we were expecting April 1st, that we have a right—as Congress—to know when you will provide that information. And the reason I say that is we have money that is not being used. There is $150 million that is not being fed out to local governments to protect and harden their sites where they can.

So I am assuming you are waiting and will not give out the money until we have a strategy. And when are we going to have a strategy?

Secretary CHERTOFF. Well, as the deputy wrote—and I don't know what the date of the letter is—we did, obviously, not make the April 1 deadline. In the course of this process of review, one of the things we wanted to look at was the way we are handling rail and land transportation strategy. In fact, we are doing things now, we are doing programs now with respect to rail, including rail here in the Washington, D.C. area, that look at a whole menu of approaches.

As far as the money is concerned, I believe a lot of the rail money has been moved out or is moving out; but again, what we want to do is not just push money out to have willy-nilly expenditures on systems. We want to make sure it is being done in a disciplined way. And there is no question that, you know, in the last few months we have taken a deep breath, we have looked at a lot of the ways we allocate grants, and we have tightened up that process. We have done it to avoid the kinds of things that we often got criticized for going back a year or two, which is people would say, oh, Homeland Security, they used the money to build a gymnasium, or they used the money and it is not really an effective use of the money.

So we do owe you a plan, but we owe you a disciplined plan, and we owe you a plan that is intelligent. I want to make sure we get it right. We will get it promptly, but I want to make sure that we get it right.

Chairman COX. The gentleman's time is expired. The gentleman from Washington, Mr. Dicks, is recognized for 5 minutes.

Mr. DICKS. Mr. Secretary, we welcome you and thank you for meeting with some of us yesterday.

Mr. Chairman, I would ask that the Secretary be given an opportunity to more fully reply in the record to Mr. Markey's questions, all of which I think are legitimate questions, but I do believe the Secretary did not have an adequate time to respond, and I think that would be only fair.

Chairman COX. And I will not take any of the gentleman's time to make the following announcement: Because by pre-arrangement the Secretary has to attend a Cabinet meeting, we would like to have the Secretary or the Deputy Assistant Secretary back here to continue this hearing as well. We will work with the Department to see if we can do that. In addition, every member will have the opportunity to submit written questions for the record, and the Secretary and the Department, of course, will have the opportunity to respond fully. And that, I think, will give the Secretary ample opportunity to respond in full to the questions put by the gentleman from Massachusetts.

The time, again, belongs to the gentleman from Washington.

Mr. DICKS. Mr. Markey would like to—

Mr. MARKEY. I would like to say, Mr. Secretary, that I know the President has called you down to the White House, and I know you are not going to be able to ask the questions of 80 percent of this committee, so I guess every member's questions in writing will have to be answered, unless you do come back. And I think everyone should understand that who is watching this hearing, that it is about to end even though only six or seven members will have been able to ask you questions.

Thank you.

Chairman COX. Well, I don't want to take any more of the gentleman from Washington's time, but I think in fairness to the Secretary, we also have to observe that he has been sitting here at a table with empty chairs here during the scheduled time of this hearing while we have been on the floor voting. That is nobody's fault, but that is why we find ourselves in this predicament.

Mr. DICKS. Mr. Secretary, I wanted to reiterate the concern I have over the fact that the Department has been very slow on these material threat assessments, material threat determinations. The reason that is so important is we have appropriated $5.6 billion that cannot be utilized unless these things are done. And as Mr. Markey pointed out, only four of 60 have been done. And they cover some very important items, where the country needs to at least examine the possibility of having some way of dealing with it.

The other thing I wanted to mention, I think, as you can tell, there is a great deal of anxiety on the Hill and in the country about how well the Department of Homeland Security is doing. And I think the biggest challenge for you is to try to restore confidence. And not getting reports up here on time, having the Department being very slow to react on these material threat assessments, determinations, using a two-fingerprint system in US-VISIT instead of 10, when all of the experts, NIST, everyone else says 10 is better, there are a whole host of these issues. The cargo issue in passenger planes. A number of these things need to be dealt with. I mean, you have got to show the country that there is a leader now in charge of Homeland Security, and someone who is not going to

let these things drift on and who is going to honestly tell the country and the Congress and the American people about what the money—you know, if there is some areas where we can't spend money, then let's not waste money.

We have got to deal with the major threats, the ones that will have the greatest possible impact, the use of a nuclear device, for example. And one of the threat assessments it has—or determinations it has not got over to HHS is what to do about dealing with a nuclear weapon. We know for a fact that we will lose a million people potentially, in New York, Washington or wherever it is if it is detonated. Not to have that issue worked out between your Department and HHS is just negligence. You have got to take that responsibility. You have got to get in there and get on the phone and get that cleared up. And you have got to do it.

We expect you now to lead this Department, and it is time for action, it is time to get this thing moving in the right direction. And we are confident that you can do it, but we need to see action.

Thank you.

Secretary CHERTOFF. Let me try to deal with several of the points you made. And let me begin by saying, although I talked yesterday about improvements that we need to make and I have talked to the Chair about improvements we need to make—and I will continue to talk about improvements—I wouldn't want to leave the public with the impression that nothing has been done. Quite the contrary is true. We are, in fact, considerably safer than we were—certainly before 9/11, and frankly, safer than we were last year—and that is because of a whole host of things we have done a lot better.

I share with you the view that the issue of biological threats is at the top of the list—with a few other things—of threats, and one of the reasons we have talked about a chief medical officer and consolidating preparedness is precisely to create accountability and a system-wide approach to this issue.

On the other hand, I am pleased to say that we do have, for example, under our BioWatch program, biosensors in 32 cities around the country. And where there is a next generation of sensors that we are going to accelerate bringing forward, they do a good job. In fact, they don't yield many false positives. So that is something we already have in place that we are going to make better.

Likewise, I share with you the importance of doing 10 prints, and that is why I announced yesterday we are going to do that. And again, we want to make sure we need to actually roll out the infrastructure, but I think at the end of the day we will take what is a good program, US-VISIT, and make it even better.

Likewise, on the issue of nuclear detection, I think that is exactly why the President's budget envisioned having a domestic nuclear detection office—to give us essentially kind of a mini Manhattan Project on developing not only the technology for nuclear detection, but also the whole system and architecture for nuclear detection, and to make sure that what we are doing here at home is fully integrated with what we are doing overseas in terms of trying to locate loose nukes and use our intelligence to go out and focus on proliferation.

So I think the three issues you raised are things that we are very much tuned into. They are built into the budget. They are built into our structural plan. I think the public should understand we have made a lot of progress, but they should also understand that, as I said, we are going to be candid about where we need to improve, and we are going to move very quickly to do that.

Mr. DICKS. Thank you.

Chairman COX. The gentleman's time has expired.

The gentleman from Indiana, Mr. Souder, is recognized for 5 minutes.

Mr. SOUDER. Mr. Secretary, I wanted to raise two somewhat different issues, one related to border. I know from meeting yesterday with the President that you are working on, and hopefully will be unveiling in the near future, some border initiatives. I want to make sure they call direct attention to something that many of us are working on here and are very concerned about. That is the lack of attention to the criminal smuggling organizations themselves; whether it be civil forfeiture laws that the GAO has pointed out that we need, whether it is the fact that ICE agents are only spending about 7 percent of their time on these smuggling organizations, the lack of a coordinated strategy, even pass off of data from CBP to ICE, as far as—because you probably have the data on who these people are. And also, an OTM strategy—Other Than Mexicans. Right now, Mexicans are at least deported back into Mexico, while the others are released on their own recognizance, including if they don't have any terrorist record—if they are from one of the watch countries, they are released and lost to the system. And those are a number of the more pressing things. I hope that you have a clear understanding that it isn't just about biological and chemical and so on, but ultimately the borders are our key point of entry, whether it is airports, ports, or land borders.

The second question, if you will respond, I would appreciate that, is that I chair the Narcotics Committee, I cochair the Speaker's Drug Policy Committee. It is very disturbing in as long a statement as you have that you didn't make any reference to counternarcotics, and yet you have legacy border patrol, legacy customs, air and marine, the Coast Guard—you have the bulk of the people who do counternarcotics enforcement. 20 to 30,000 people die every year. Just because they don't die on the same day at the same place does not mean they aren't dead.

In fact, if there isn't a coordinated effort in your Department to make sure that this doesn't get lost, more are going to die. There wouldn't be any meth problem in the United States if pseudoephedrine wasn't pouring across the border; there wouldn't be any cocaine problem if cocaine wasn't pouring across the borders; there wouldn't be any heroin problem if heroin wasn't pouring across the border; there wouldn't be any BC bud problem if it wasn't coming across the borders. We can't tackle the narcotics problem without your agency.

I have a letter that went to Secretary Ridge that has been held up. As you do your reorganization I wish you would look at it. It is particularly related to laws that we passed unanimously in the House and the Senate. One says that every officer has to have counternarcotics enforcement in their job performance measure-

ment. And I would like your response—if not today because I know you are at the initial stages of this—to this request that we have put into your Department, as well as several others, about how your new reorganization is going to address the counternarcotics and border questions.

Thank you very much.

Secretary CHERTOFF. Well, as I think I indicated in my remarks yesterday, border is a very critical element, and that also involves counternarcotics, and our principle focus in counternarcotics is at the border.

And you are completely right, we need to have a systems-based approach that looks not only at the border itself, but what do we do about, for example, detention and removal of Other Than Mexicans.

I have spoken to a number of Members of Congress about this. We are very focused on this, and we do have a strategy that we are going to be rolling out on this.

Likewise, a piece of this is focusing on the smuggling organizations smuggling all kinds of things, drugs, and people. And we are, in fact, working cases with this.

There is a structural change we are going to make which is going to help this, and this is the Operations Integration element. And what this is going to give is us the ability to look at operationalizing a policy like this across the board with Customs and Border Protection, with Immigration and Customs Enforcement, with Coast Guard, to make sure that when we make a strategic move at one part of the border, for example, or one part of the problem, everybody else is also taking account of that in adjusting and synching their resources. This kind of what the military does when they do a joint operation. I think that is the kind of mechanism that is going to make us more efficient in dealing with the concerns that you have.

Chairman COX. The gentleman's time is expired.

The gentlelady from New York, Mrs. Lowey, is recognized for 5 minutes.

Mrs. LOWEY. Thank you, Mr. Chairman. And I want to thank the Secretary again for meeting with us, and I hope that we can continue this communication on a regular basis. And I hope you understand from my colleagues the sense of urgency and anxiety that we feel. As a New Yorker, I went to too many funerals. We can't afford a 9/11, we can't afford what happened in London. And you know that all the threats primarily have been on the transit system. So if you sense an anger, if you sense that we are anxious, I think we are entitled to feel that way. And I understand that you are coming here and that you put a plan in place, but we don't have the luxury not to consider what just happened as a wake-up call and to act now, in addition to putting the plan in place.

So if April 1 is a deadline for a comprehensive transit plan, this is July, Mr. Secretary. For you to tell me as a New Yorker that we don't get this until the beginning of the year, this is of real concern.

I also want to mention two items. I have been trying to get from TSA, from everyone we could, from local airports, a comprehensive understanding of how many people at airports are going through with badges which they might have gotten 3, 4 years ago and going

into secure areas, be they maintenance workers, be they caterers, and not have to go through detectors. I can't even get a number. I finally got something from the Port Authority. They said, well, we think it is about 7,000 at La Guardia. That is unacceptable, frankly. If Heathrow can do it, if other airports are working on it, everybody can. If I have to go through a metal detector, every worker should go through a metal detector. So I would appreciate a response at some point, not today, on this issue.

Secondly, you must be aware that El Al has the technology to check all the baggage in the hold before any passenger goes on a plane—before any passenger goes on a plane, when all the cargo is on the plane. They increase, decrease the pressure, which from my understanding would detonate the bomb if there was a nuclear device in the hold. In addition to scanning and having human evaluation of each of the bags that are there, they open many of them, they use scanners on others, but they also do this to ensure that if there is a bomb on board it would explode before the people get on that. And I would appreciate a response to that at some time.

Mr. Markey, all my colleagues and I share this sense of urgency. I feel a real responsibility to my constituents when I go to the New Rochelle train station, and I understand that Metro North trains—and this is the same in San Francisco, Washington, Boston, all these suburban trains feed into a central city transit system, and we have done almost nothing to harden these suburban stations. And I would really appreciate—perhaps you can answer that if I have a few minutes left now. Are we focusing on the centralized targets in the transit rail system? What are we doing to ensure that we are securing the back doors into these targets, the suburban stations? Could you perhaps answer that? What are we doing now? We know that these people, many of whom came from Leeds, took these trains in. Some of them might have come by car. What are we doing to harden and protect our suburban stations?

Secretary CHERTOFF. I am happy to address that, and obviously the other questions I will get you answers shortly. But I wouldn't want people to walk away with the impression that the fact that we haven't submitted a formal plan means that we are not planning on doing things at transit stations and train stations. And one thing I also want to make clear is this is not a Federal issue exclusively, we are working with State and local transit authorities.

The general level of security in trains has increased since before 9/11 and since before Madrid. One of the things we did, in fact, after Madrid is we did quite a comprehensive analysis that we shared with our State and local transit agencies about lessons learned and things that could be done to enhance security, and that includes everything from what I described earlier, which is our BioWatch sensors with respect to biological things. It involves some use of cameras. We have got a system now we are deploying in Boston, New York and Washington to detect chemical attacks in train stations. It is an integrated system which uses video as well as sensing devices that would allow us to react quickly to a chemical attack. So there are a lot of things being done, there is more to be done.

Mrs. LOWEY. Mr. Secretary, could you tell me, or respond to me when you can, how much funding is directly to suburban transit

systems? As I understand, there isn't funding for those devices. Could you discuss that?

Secretary CHERTOFF. I will, but let me say this. I guess I feel an obligation to come back to this risk point. I understand everybody's station worries them personally, and when I lived in the suburbs of New York, if I got on a train, I had a station that would concern me. But we still have to drive our priorities ultimately by looking at consequence, vulnerability and risk.

The New York subways—I rode the subways, I am sure you do, too. There are dozens and dozens of stations. We have to be very careful as we go about a process of managing security we don't break the system we are trying to save. We could never run the New York City subway station like we run an airport. We couldn't have people walking through magnetometers, it is not possible.

Mrs. LOWEY. Could we have dogs up and down with the police? I haven't seen them at suburban stations at all.

Secretary CHERTOFF. We can do things with dogs, but again—and here I have to say, I rely an awful lot on the people who manage the individual systems.

Mrs. LOWEY. But then they have to get the funding, and we shouldn't be making the false choices between chemical, nuclear, airplane. We don't have the funding for the transit system—

Secretary CHERTOFF. I do have to say respectfully, and I don't want to get into a debate. In the end, again, it is about balancing choice. We still have to continue to look at those things which have the greatest consequence with the greatest vulnerabilities. And it is very easy to isolate and pick out a particular type of infrastructure, and we all understand how important that is, but at the end of the day we have to make sure that what we do looks across the whole range of things. And that is, I guess, part of my responsibility in this.

So we will get you the answer on the suburban station, but I did want to make it clear that the people shouldn't think that the delay in presenting a formal plan suggests there hasn't been an awful lot of planning and working. And as we speak, our level of security is significantly greater than it was, and it is going to get better.

Mrs. LOWEY. Let me just say—may I just conclude—

Chairman COX. The gentlelady's time expired 2 minutes ago.

Mrs. LOWEY. If I could conclude and thank the Secretary. I have great confidence in you. But the issue of balancing is what concerns much of us, because let's recall we are up to upwards of 250 billion for Iraq, for Afghanistan. We need to protect our homeland here, and we shouldn't be making what I think are false choices between the transit system, between the airport system, between our container system and our evaluations.

So I appreciate your work, I know it is a huge undertaking. Thank you for appearing before us, and we look forward to having further dialogue.

Chairman COX. The gentlelady's time has expired, and it is now past the time that the Committee has agreed the Secretary would be excused to attend the concurrently scheduled Cabinet meeting at the White House. At this point therefore I am constrained to

thank you, Secretary Chertoff, for your valuable testimony, and thank the members for your questions.

The members of the Committee, both those who have had the opportunity to ask questions and those who have not yet had the opportunity to ask questions will have additional questions in writing. I ask that you respond to these in writing. The hearing record will be held open for 10 days for that purpose.

In addition, we look forward to continuing the Committee's inquiry on this topic with you and the Deputy Assistant Secretary in subsequent hearings, and it will be the chairman's suggestion that when that occurs that we pick up the questioning at the same place that we left off.

Secretary CHERTOFF. Mr. Chairman, I just wanted to correct one misimpression. It is actually not a meeting at the White House, it is a meeting with Cabinet members, but it is going to take place at HUD. So I didn't want to have any misunderstanding on the record.

Chairman COX. I appreciate that. The witness is excused. I will hold the hearing open for an inquiry from the gentleman from New Jersey.

Mr. PASCRELL. Mr. Chairman, I would hope that the Secretary—and we thank him for being here today—could be back before the August break.

Chairman COX. I don't know when that might be, but it is the intent of the chairman and ranking member to move with all acuity on this topic and to have either the Secretary or Deputy Secretary up at the earliest possible opportunity.

Mr. PASCRELL. That may mean September or October.

Chairman COX. Well, I don't think so, I hope not.

Mr. PASCRELL. Well, I mean, most of us have not asked questions. I think at least if we can agree that within the next 2 weeks we will have the Secretary back, if that meets with his schedule, I think that is something that we are owed.

Chairman COX. All I can tell you is that that is the Committee's intention, and we will do the best we can, working with the Department, to make that happen.

Again, I want to thank the members of the Committee, and our witness, now departed. Without objection, the Committee stands adjourned.

[Whereupon, at 12:15 p.m., the Committee was adjourned.]

THE SECRETARY'S SECOND-STAGE REVIEW: RE-THINKING THE DEPARTMENT OF HOMELAND SECURITY'S ORGANIZATION AND POLICY DIRECTION PART II

Monday, July 25, 2005

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

The committee met, pursuant to call, at 4:08 p.m., in Room 2154, Rayburn House Office Building, Hon. Christopher Cox [chairman of the committee] presiding.

Present: Representatives Cox, Smith, Lungren, Simmons, Rogers, Pearce, Harris, Jindal, Dent, Thompson, Dicks, Norton, Lofgren, Jackson-Lee, Pascrell, Christensen, Etheridge and Langevin.

Chairman COX. Welcome, again, Mr. Secretary.

The Committee on Homeland Security will come to order. The committee is meeting today to continue hearing testimony from Department of Homeland Security Secretary Michael Chertoff on the results of his internal Second-Stage Review of the Department's structure policies, and programs.

The Ranking Member and I, under our rules, have already given our opening statements. This is a continuation of the full committee hearing. In keeping with an agreement reached with the Ranking Member, Mr. Thompson, and with you.

Mr. Secretary, I ask unanimous consent that the Committee proceed immediately to questioning of the witness by those members who did not have an opportunity to do so during the first day of this hearing on July 14th in the order in which they would have been recognized based on their appearance last week. Members who were not present at last week's hearing will be recognized after all other members have been recognized in order of their seniority or, if they arrived after the gavel today, in order of their appearance.

Members who had an opportunity to ask questions at the last hearing will not be permitted to ask additional questions today. Without objection, so ordered.

I thank the Secretary for accommodating the Committee with this return appearance and look forward to his continued testimony.

Chairman COX. The Chair now recognizes Mr. Pearce from New Mexico for 5 minutes.

Mr. PEARCE. Thank you, Mr. Secretary, for being here today.

As we last visited with you, there were, I think, very direct questions about where you stand on the transit plan. What are the Britons and the Spanish doing? They are the ones who have seen this problem up close. Are they developing a comprehensive plan? Do they have metal detectors in their subways, in their public transportation and rail?

Secretary CHERTOFF. Well, I think that, obviously, in looking at a transit plan, we have to consider the individual architecture of the particular system. It is hard for me to envision a circumstance in which you can efficiently have the kind of arrangement we have at the airport, for example, with magnetometers. There are different ways of trying to detect explosives or other dangerous devices. Obviously, chemical and biological devices, we do have sensors that work in terms of the ambient air mass, and of course, we are always looking at technology that might be useful in terms of detecting explosives, traces that might be found in the ambient air mass.

And finally, of course, there are dogs, which are kind of a tried and true and very reliable low-tech method of detecting explosives. I think different systems use different menus and different arrays of these kinds of technologies.

Mr. PEARCE. And also, there is the allegation that the Bush Administration was trying to protect the industry. There, in my mind, is a very fine line between protecting the industry and protecting jobs. Can you tell me what other nations are doing with regard to changing the chemicals that they make? You have heard the question last time you were here. What are the nations doing, and how does that put us at a competitive disadvantage to keep from outsourcing our jobs?

Secretary CHERTOFF. Congressman, I may not be conversant in what every country is doing; I am not aware that every country, as a matter of homeland security, is undertaking some kind of systematic requirement of altering the chemicals.

Our philosophy here is obviously not to protect industry; our philosophy here is not to break systems that we are trying protect. I think we have a precise and important mission here. That mission is to raise our homeland security level to the optimal level without destroying the rest of our way of life. And to do that, we want to work with industry because industry, as with other elements of the economy, has to be able to function if we are to continue to be a prosperous nation as well as a secure nation.

Mr. PEARCE. I think terrorists would like nothing better than for us to shut down our own industry, if they can't get it done, they would enjoy us doing it for them.

More to the point of the border in New Mexico, the Customs and Border Patrol and the ICE organizations a year and a half, 2 years ago told me that they were going to be able to interoperate, yet we don't see that yet. And sometimes, you have got a backlog in one organization, while the guy is sitting next to him at a different function, different agency, can't help. What are we doing to break down that wall, and do you see it being broken down completely?

Secretary CHERTOFF. Well, as I think I said, perhaps in my original testimony here, one of the critical elements in the agenda moving forward is to have the capability to look at Immigration and

Border Patrol as a single system and, in designing a strategy, to avoid what you have identified, which is the tendency to scale up one part of the system without making appropriate adjustments in the rest of the system so you get a bottleneck. And what we are proposing to do is look at the entirety of the system from the time you first apprehend someone who is illegal through the time you detain them and remove them to make sure that we are appropriately adjusting our resources so that we don't have a mismatch in terms of the various stages of this process. And that is part of what we are anticipating achieving both in terms of our development of a border strategy and, more comprehensively, through a policy component which will have a planning capability that will let us look strategically at the entirety of the system as opposed to little pieces of it.

Mr. PEARCE. On page 4 of your testimony here, you talk about a preparedness baseline to analyze the possible threats. How do you analyze the possible threats into remote areas like the Second District where I think we are going to see the terrorists come through our district before any other district, and yet there doesn't seem to be much stimulation to take a look at those specific threats.

Secretary CHERTOFF. Part of what we do to do a baseline preparedness is to consider the various types of targets, potential targets, the various types of threats and to make sure that we have taken steps to deal with prevention, protection and response where target and threat intersect.

The second thing we want to do as is it relates to the border is map—and we have, in fact, done this already—map the topography, the different landscapes that we face in different parts of the border—some parts being urban, some parts being rural, some parts being really desert—and ultimately deploy a mix of technology, infrastructure and personnel that fits the particular landscape you are talking about.

In the urban areas, for example, we need to be quite close to the border. And in some areas like San Diego we have put in double fencing and infrastructure that really is a barrier right at the border because we want to prevent people from running across and getting to bus stations or to transportation on our side.

As you get into the desert, by contrast, you want to have more of a response in depth. You don't necessarily want to put people right up at the border, you want to be in a position so when people commit themselves, you can then deploy your resources effectively. And that is actually a more efficient way to do it than to have people right up against the border.

Mr. PEARCE. Thank you, Mr. Chairman. The time has elapsed. I appreciate your service.

Chairman COX. The gentleman's time has expired. I might ask the Secretary, because down at the wings of the hearing room, apparently, we are having trouble with the speaker system, if you can draw the microphone a little bit closer to you, then all the members will be able to hear your answers.

The Chair next recognizes for 5 minutes of questioning the gentlelady from Texas, Ms. Jackson-Lee.

Ms. JACKSON-LEE. I thank the Chairman very much.

And I certainly thank the ranking member.

And Mr. Secretary, I thank you for accepting the invitation of Mr. Thompson for a meeting that we were able to have some weeks ago. I think it was very productive and certainly useful in our mutual commitment to homeland security.

I believe that with homeland security we come to the table as a nation, but there are also regional concerns and regional differences. And you may have been in the region, but I would encourage and would like to extend an invitation to the Southwest region and particularly those States along the border that many of us might be able to join you there and highlight some of those unique and specific concerns. And I am going to try and run through a series of issues and some questions, and maybe the bionic 5 minutes that we have, you can bionically speed along.

I do want to applaud you for, I think, understandable alerts around the train tragedies and terrorist acts in London. I think, even in Texas, we were able to understand orange alert, what it meant.

I do want you just to comment on how the inertia has been on train security, and the answer I get all the time is money, money, money. But let me, if you would and let me just raise some others.

I wrote a letter to the Department regarding our own Houston Office of Immigration, Customs and Enforcement. They suspected there were terrorist ties to some individuals, but they had a difficult time getting the FBI to respond. I consider both these entities good friends of ours, and again, this goes to the 9/11 citation of lack of intelligence sharing, and if you can talk about that as well.

In our region, we have something called OTMs, other-than Mexicans. And you have heard the story that these individuals are not—we don't have sufficient detention facilities. And we may be allowing terrorists to enter our country because we have no system to deal with non-Mexicans who are coming into the country. And I would appreciate your response to that as well.

The U.S. VISIT program I have seen in operation in a number of places around the country, and the question is, do we have enough money? What can Congress do to help you fully implement that program? We talk about it, but does it really work?

And lastly, something that I want to dwell on a little bit more, and that is this question of volunteers, Minute Men. Those of us who study our history know that the high calling of the Minute Men in the early revolutionary days lends this name to a lot of celebration. I have heard the President suggest that this is not the way to go. I think we need real immigration reform. We need to take up the responsibility of immigration.

Mr. Secretary, you have the Minute Men alleging that they will be in the City of Houston. The last time I looked, we were many, many miles away from the border. You have my religious community up in arms and many people up in arms. These are individuals who have their rights, I acknowledge that. What is the Department doing about monitoring the potential violence of the border, monitoring the growth of the Minute Men movement and answering their concerns, which is dealing with comprehensive immigration reform and security at the borders?

And I thank you for your presence here today.

PREPARED STATEMENT OF THE HON. SHEILA JACKSON-LEE

JULY 25, 2005

Thank you Chairman Cox and Ranking Member Thompson for holding today's critical hearing. I also appreciate the time that Secretary Chertoff has taken out of his schedule to meet with us not only in this forum but in the briefing of Members given previously. Analysis of the Secretary's "Second Stage Review" is essential to the oversight functions of this body, and I hope that we receive frank and expeditious response to our inquiries. Because neither this body—nor Congress will have an opportunity to give final oversight prior to self-implementing organizational changes, it is enormously important for Members to cover as many deficiencies in the current organizational and functional aspects of the Department as possible in order to make the Secretary aware of their importance to the respective congressional districts of America.

One of the big questions I will have for the Secretary relates to a letter that I sent to the Department dated June 5, 2005, as to a recent conflict whereby the Houston office of Immigration and Customs Enforcement (ICE), in connection with an ongoing investigation of an individual in Houston suspected of terrorist ties, claimed that the Federal Bureau of Investigation (FBI) wrongfully impeded the grant of a request for a wiretap authorization. This issue raised serious and pressing questions as to the authority, jurisdiction, and competence of both the Department of Homeland Security as well as the Department of Justice as to the nature of their interaction under the US Code. We need to receive an answer as to whether the Department has or plans to propose a plan to distinguish its jurisdiction from that of the Department of Justice.

Of equal importance, the Minuteman Project has announced that it will bring its volunteer border patrol efforts to Houston sometime in October this year. I reiterate my position that the issue of volunteer militias such as the Minuteman Project generates a number of potential legal and social problems. On July 9, 2005, I held a meeting in my Houston office with members of the Federal, State, and Local law enforcement agencies that included County Constables, the Houston Fire Department, the Federal Bureau of Investigation-Houston Division, and the Houston Police Department to discuss the possible adverse impact on the City's communities and ways in which local law enforcement can prevent violent incidents. I will look to the Secretary for a response to the question of whether the Department will establish a plan to address any violence that my come about as a result of the Project's pseudo-immigration law enforcement activities.

In addition, the 9-11 Commission Report determined that "[i]t is elemental to border security to know who is coming into the country" and be able to monitor (unauthorized) entrances of aliens between ports of entry on American borders. Further it found the, "challenge for national security in an age of terrorism is to prevent the. . .people who may pose overwhelming risks from entering. . . the U.S. undetected." The 9-11 Commission report on Terrorist Travel found that there "is evidence that terrorists used human smugglers to sneak across borders."

Border Patrol data last year demonstrates that from October 2003 to June 2004, 44,614 non-Mexican aliens were apprehended trying to cross the northern or southern borders. Of those, significant numbers came from countries designated as state sponsors of terrorism or have significant present-day or historical problems with terrorism.

In 1990 the Border Patrol created "Operation Hold the Line" in El Paso and placed agents directly on the border. The program dramatically reduced illegal crossings and the operation was reproduced in the San Diego sector of the border with similar results. However, these programs cannot be expanded to other locations given the small number of Border Patrol agents and the length of the land borders of the United States. Professor Bean of the University of Texas found that approximately 16,000 Border Patrol agents would have to stationed at the border to reproduce the effects of "Operation Hold the Line" along the southwestern border. Additional agents would be needed to patrol the northern border. Currently, there are only 11,000 Border Patrol agents. In New Mexico alone, there are 425 agents to patrol 14,000 square miles. Much of the border lacks border markers. The Southwest New Mexico Border Security Task Force, a group of New Mexico and federal law enforcement agencies, issued a report in 2003, stating it did not have the resources to prevent illegal crossings of drug dealers, illegal immigrants, and weapons of mass destruction. The Intelligence Reform and Terrorism Prevention Act of 2004 authorized the funding of 10,000 more Border Patrol agents over five years. The absence of this funding in the President's budget proposal is troubling.

The 9-11 Commission staff also found that the lack of enforcement of our immigration laws in the interior facilitated terrorism: "abuse of the immigration system and a lack of interior immigration enforcement were unwittingly working together to support terrorist activity. . . the first problem encountered by those concerned about terrorists was an almost complete lack of enforcement resources. [No one] ever provided the support needed for INS enforcement agents to find detain, and remove illegal aliens, including those with terrorist associations." The Government Accountability Office found that approximately 40% of the illegal immigrant population originally came to the United States with visas. Controlling the borders alone will not be enough to combat terrorism within our borders. The Commission staff found that "the budget for interior enforcement remained static in the face of an overwhelming number of immigrants outside the legal framework."

Currently, there are only 2000 Immigration and Customs Enforcement (ICE) investigators and approximately 400,000 alien "absconders" (those formally ordered removed or deported by a court). Eighty thousand of those absconders have criminal records. The San Diego ICE office ranks at the top of numbers of apprehensions for 2003; yet, at its highly productive rate, it would take ICE 37 years to apprehend the absconders nation-wide, assuming the rate of absconders apprehended does not increase. Statistics released by Customs and Border Patrol show an increase in apprehensions of illegal aliens, indicating the possibility of larger numbers of illegal aliens crossing the border. The Intelligence Reform and Terrorism Prevention Act of 2004 authorizes an increase of 800 ICE investigators each year for the next five years. Again, the absence of this funding in the President's budget proposal is troubling. I hope to engage Secretary Chertoff for the Department's response to this ever-growing problem.

Mr. Chairman, again, I thank you and the Ranking Member for your hard work, and I yield back my time.

Secretary CHERTOFF. I am going to try to address all of these, I think. I have taken some notes.

As it relates to train security, we are and have been actually for some time very focused on train security. And that obviously was something that occurred in the wake of 9/11. We have gotten stronger and more robust in our response since 9/11. Since Madrid, I think that we have had over $8 billion in money that has been made available in homeland grants and urban security grants that have been available for rail security.

Among the things we are particularly focused on is the need to apply new technology, including sensing devices that would allow us to pick up the possibility of chemical and biological agents, which I think is something we are all concerned about.

Turning to the question about relations between ICE and the FBI, I can tell you from my experience we do have a very good relationship. I have seen a number of instances in which we have worked very closely with the FBI in pursuing cases. My own experience tells me, occasionally, somebody drops a stitch, and it is kind of human nature, but we do—I think there is very strong direction from the top, both from myself and Director Mueller, to make sure that everybody understands we have a common mission here, and we have to work together to accomplish it.

As it works to OTMs or other-than-Mexicans, I completely agree with you, this is a very serious issue for us. There is a shortage of beds. The appropriation measures that I think have now been passed by the House and the Senate do provide for additional beds. But I want to go further and say we are looking very hard at the entire system because part of dealing with this issue is not merely having additional beds, but it is moving people more quickly back to their home countries. If, for example, it takes 40 days now to clear a bed in the sense of getting somebody back to their home country and if we can cut that time to 20 days, it is essentially dou-

bling the number of beds. That means we are going to have to look again at the whole system, including asking our overseas allies to accept back their own nationals in a prompt fashion, using such technologies as video conferencing so that we don't have to wait for consular officials to come up and interview people. And I think, by doing this, we really are focused on getting this catch-and-release program ended so we can pick up OTMs at the border and then return them promptly to their native countries.

Our U.S. VISIT is working well. I have heard, frankly, unsolicited praise from our overseas allies about how well it is working. I want to encourage Congress to appropriate the money requested in the President's budget for 2006, which is what I think we need to continue building upon the work that we have already done in U.S. VISIT and to let the system be fully deployed as I think was originally envisioned.

Finally, as it relates to the Minute Men, I guess what I can say is this: Obviously, this is a free country. People can demonstrate and express their views. On the other hand, I do believe that the enforcement of the law is the job for professionals. As you pointed out, the border is a dangerous place. Several weeks ago, I spoke to a couple of Border Patrol agents who were seriously wounded when they were ambushed at the border in a type of ambush that I would describe as almost military in its precision. And I do not think the border is a place for people to operate in an untrained fashion. And I do think the Border Patrol ought to be allowed to focus its resources on what its principle mission is, which is policing the border and making sure we have border security.

Chairman COX. The gentlelady's time has expired.

The gentlelady from Florida, Ms. Harris, is recognized for 5 minutes.

Ms. HARRIS. Thank you, Mr. Chairman.

Welcome, Mr. Secretary, it is nice to have you back.

I wanted to ask you a couple of questions today. In your previous testimony, you had stated that the United States must improve its immigration system through bolstering our border security. And a couple of weeks ago, I testified before the Senate Foreign Relations Committee on my bill, the North American Cooperative Security Act. It seeks to improve the security and the safety of the United States, Canada and Mexico through the better coordination and management of our shared international borders. And specifically, this legislation engages Mexico as a law enforcement partner through a number of security programs, like biometrics or apprehension of gang members prior to their arrival at our border or strengthening their southern border where they have had so many problems or utilizing their joint or their agency task force, which is calling for more cooperation in law enforcement and intelligence efforts among these three nations. So I wanted to have your comments if I may on this type of integrative strategy. And what kind of role do you think it can play in achieving the Second-Stage Review's imperative in terms of strengthening our borders?

Secretary CHERTOFF. Well, I haven't had an opportunity to see the specific bill, and I look forward to reviewing it and working with you on it. But I will say that I agree with the approach that we need to be integrated in our dealing with the border, and we

need to work cooperatively with Canada and Mexico. In fact, the President in March had a summit meeting with the Prime Minister of Canada and the President of Mexico in Texas, and at that summit, the leaders of the three countries agreed on a security and prosperity partnership, a significant element of which was joint cooperation in terms of border security for all three countries, and that includes border security for Mexico in terms of its own southern border and working cooperatively with Canada and Mexico in terms of our common interest in North America in making sure that we are keeping dangerous people out.

So we have a shared interest in all of our security, and I think that security is an important condition of our mutual prosperity. So things which promote that kind of joint activity are helpful in raising all of our level of security in all three countries.

Ms. HARRIS. No question, in homeland security, part of the most important strategy is strengthening their prosperity. Any time you have that kind of poverty in other countries, it can be the seedbed of terrorism.

I want to shift degrees a bit. And we talk about disaster preparedness and the hazards that homeland security has to address, and terrorism immediately comes to mind. But there are a number of other hazards, like natural disasters, that the Department must also be responsive to. And coming from my State in a region that was recently devastated by four hurricanes, I would like to know what your restructuring is going to do. Every time we hear a weather report, every time we see these things coming on, we have great concerns. And I am sure you are aware that, while Florida experienced a great deal of help initially, long term, it was real problematic in terms of the inconsistency and the lack of accountability dealing with the Federal Emergency Management Agency. They all received—administrators from different counties received different levels of explanation of what could be compensated and what could not, and that changed with every new person that came in. And it caused a lot of confusion. And actually small, economically-impaired counties have had to go and borrow funds just to be able to make up these differences that FEMA said would be forthcoming in just a matter of weeks.

How do you perceive the proposed organizational shifts within the Department, including the creation of the Undersecretary for Preparedness, how do you see that will improve some of these circumstances that have plagued the agency?

Secretary CHERTOFF. Well, last year, as we all know, was an unusually harsh year for hurricanes. And of course, we hope that is not repeated again, but one thing that we can't do is prevent hurricanes.

Clearly, FEMA has to be an all-hazards agency. And traditionally it has been the lead actor and the core mission of making sure we are capable of responding to all hazards, including, obviously, hurricanes.

What the restructuring proposes to do is to take out of FEMA a couple of elements that were really not related to its core mission, that were more generally focused on the issue of preparedness in a way that I think was frankly more of a distraction for FEMA than an enhancement to FEMA. Obviously, FEMA's expertise as a

response and recovery agency and as an operational agency is very important to our preparedness effort as is the expertise of a number of our components, like Secret Service or Coast Guard, which are also going to be obviously working very closely with our preparedness component. But we wanted to make sure that FEMA was, as an operational agency, capable of focusing on its core mission, that it was a direct report to the Secretary so it gets the direct attention that it needs. And we wanted to make sure the leadership of FEMA was not torn between its need to focus on the FEMA role and these additional rather more strategic preparedness functions to which I think we are now seeking to unify and put together in a coordinated fashion.

Ms. HARRIS. Thank you, Mr. Secretary.

Thank you, Mr. Chairman.

Chairman COX. The gentlelady's time has expired.

The Chair recognizes for 5 minutes the gentlelady from the Virgin Islands, Dr. Christensen.

Mrs. CHRISTENSEN. Thank you, Mr. Chairman. These are short 5 minutes.

Thank you, Mr. Secretary, for coming back to the committee again today. You know that I have some concerns about your emphasis on risk, given that I come from a high vulnerability area. And in your outline, you speak of a preparedness baseline. Is it your intention that we would provide the funding, training and support to every jurisdiction in the country to bring them up to that baseline that you set?

Secretary CHERTOFF. Well, I don't know that I can give a blanket statement like that. But I think what we need to do is look at the issue of risk, consequence, vulnerability and threat across the whole country. What I don't think we want to do is duplicate the effort in every single jurisdiction, I think we need to analyze the precarious circumstances of the jurisdiction against this template of risk and then make decisions about the kind of help we offer based on that analysis. Sometimes, it will be guidance and instruction. Sometimes, it will be training. Sometimes, it will be grant funding.

I understand having been to the Virgin Islands, as an island with a whole set of unusual circumstances in that it is not like have you adjoining jurisdictions that can give you mutual aid, and that is obviously a factor to be taken into account. But again, this is, at the end of the day, a national set of issues, and one in which we have to apply—although the standards will apply in the individual circumstances, it has to be a common standard.

Mrs. CHRISTENSEN. Thank you.

You also said one of the times you were here and also in your statement that we must gain control of our borders. Can I rest comfortably that you mean all of the borders, including my 200 or so miles of unprotected border? And also, what is your commitment to the third border, the Caribbean?

Secretary CHERTOFF. Well, again, our borders are our borders. And I think we have to be committed to controlling them all. And again, we want to do it in a way that doesn't interfere with a kind of legitimate cross border activity that we want to promote, whether it be the southern border, the northern border or islands. In

each case, we want to encourage people to travel. We want to have visitors and tourism and trade, so we want to build a system of border security that encourages that, but that gives us confidence that the people who are coming in are coming in for appropriate legal reasons and not illegally.

Mrs. CHRISTENSEN. We had several hearings recently on Bioshield or Bioshield-related issues, and we heard first from Department of Homeland Security and Health and Human Services. We heard from scientists. We heard from the private sector. And those hearings left us kind of rather uncomfortable about our readiness for bioterrorism or a radiologic event. And the slowness of the progress is part of it, but also a sense of, there is a lack of expertise and experience in both Departments above the level of CDC, of course, and a lack vision and openness to new ideas and looking in new directions to solve the problems, especially in a situation where we are dealing with a rapidly advancing, changing type of agent that could possibly come at us. And how will your new chief medical officer, that position, address this? And would that person be in place—if we were to have—if we were to have a bioterrorism attack next week, who would be in charge?

Secretary CHERTOFF. Well, I think I have made it very clear in the last few months in which I have spoken about this, that I think there is probably nothing that is more important than dealing with the issue of a bioterror threat either to our human health or our animal health or food system, and it is certainly in the front line of things we need to be concerned about. I don't want to suggest that there hasn't been a lot of work; there has been a lot of work. But, clearly, we need to go further with Bioshield.

Now, we are reviewing a whole host of potential biological threats now in cueing up or lining up so to speak the next set of biological threats to be eligible for Bioshield protection. I envision that, early next year, we will have prioritized a number to then put through the process of a threat assessment and a threat determination.

More broadly, the expertise in the area of human health is really held by HHS, but the architecture and the responsibility of our system for dealing with a disaster and making sure everything is integrated is part of DHS. I have spoken several times with Secretary Leavitt, and most recently we had lunch after my prior appearance here. And we are both very strongly committed to moving forward on building a system of plans that will deal with any of these threats. Some of them are further advanced than others. We have had some unfortunate experience with Anthrax, and we have learned some things from that. We still have more to do. And what the Chief Medical Officer will do is unite within my Department somebody who can be the principal point of contact and coordination with the other Departments who work on this issue, including those in State and local government. And I envision, actually—I am hoping in the next few weeks to get down with Secretary Leavitt to do some visiting at the CDC and some other locations to make sure that we further moving this along.

Mrs. CHRISTENSEN. Thank you.

Thank you, Mr. Chairman.

Chairman COX. The gentlelady's time has expired.

The gentleman from Alabama, Mr. Rogers, is recognized for 5 minutes.

Mr. ROGERS. Thank you, Mr. Secretary, for being here.

I would like to preface my questions by acknowledging that what I am referencing didn't happen on your watch, and it is not your fault, but ensuring that it doesn't happen again is your responsibility.

All of us on this Committee are keenly aware that the alleged and demonstrated wastes of money at Homeland Security over the first few years of its development have been a problem. They have been well noted in U.S. News and World Report, CBS', 60 minutes and, most recently, in a two and a half page layout in the Washington Post—pretty wild abuses of expenses. And, while I don't attach any malfeasance to most of these problems but more attribute it to the immense mission that was hoisted upon the organization, what in particular are you doing to make sure that the procurement abuses and other wastes in spending do not continue to happen on your watch?

Secretary CHERTOFF. Well, I appreciate the question, Congressman, because I read the stories, too. I saw some of the things on television. And I would first hasten to say that not all of those stories are correct or necessarily fair in their description of what happened. I think it is fair to say, of course, that whenever you feel enormous pressure to roll out a program of security in the wake of, obviously, the extraordinary circumstances of 9/11 and when you do it in a very accelerated fashion, you are going to run the risk of something less than a precise expenditure.

I will tell you what we have done in the last few months to try to address this issue. One of the first things that I did when I came on board was to call the Inspector General, then the acting Inspector General, and say, Look, I would like you to tell me what you think are things we need to do to assure the efficiency and integrity of our procurement program. And he did that. And that was part of our Second-Stage Review, and we are now working to implement that.

One of the other things we did was we looked at the grant process, and, in fact, we slowed it down a little bit and got a little criticized for doing it precisely because we wanted to start to put in place that the kinds of standards that would allow us to make sure we are not getting grants out for leather jackets under the rubric of Homeland Security. And we now have a set of national preparedness goals which is moving us in a direction of a precise set of standards through which we can be held accountable. One of the things we did, for example, with respect to ports was we trimmed down the number of ports that were eligible for port security grants, which I think was originally 360 or so, to, I think, approximately 66 or 67. And yet all of these are movements in the direction of greater discipline in financing and procurement and in making sure the money that we are expending is being focused on risks and priorities and not just on any national thing which someone can put under the label of Homeland Security.

Mr. ROGERS. I would ask you to ask your staff to visit a May 27th letter I sent you inquiring about some documents relating to the ISIS program. I still haven't received a response to that, and

I would like to have that so I can go forward with a subcommittee hearing next month on it—rather in September.

But ISIS was the poster child in my view of procurement abuse and problems. As we look forward to the America's Shield Initiative, I think we need to take ISIS as a lesson-learned pilot program and make corrections.

As you look forward to the America's Shield Initiative, tell me about your vision for that, because, as I understand, it is a $2.5 billion program over 5 years? Tell me, do you still see those costs as accurate? And, what is your vision for that program? When will it be implemented?

Secretary CHERTOFF. I think one of the things we did in the Second-Stage Review was to stand back and look at whether that program ought to be reconfigured or redesigned to be a somewhat different strategy that doesn't merely apply more of the existing technology to the problem at the border but rather a program that looks to the next generation of technology and considers maybe a broader range of options and puts together in particular a program to acquire technology, not just in a vacuum, not just a lot of new gadgets, but in a way that fits with how we are going to deploy our additional Border Patrol resources, our agents and our infrastructure.

And I think our vision is to—and we are in the process of doing this—to select and identify a program manager who will build a comprehensive and strategic program to acquire technology and infrastructure in coordination with some additional Border Patrol agents. So I think that there may very well be some significant changes in the way that program rolls out, precisely because we want to avoid what may be putting a lot of money into something which is current generation as opposed to something that is going to make the service better.

Mr. ROGERS. Thank you, sir, I yield back.

Chairman COX. The gentleman from Rhode Island, Mr. Langevin, is recognized for 5 minutes.

Mr. LANGEVIN. Thank you, Mr. Chairman.

And Mr. Secretary, I want to thank you for coming back so soon, especially since we have been able to get this hearing in before the August break. These are very pressing questions that many of us want to get to.

I want to start my questions in the line of information sharing and how your Department particularly is going to work with the NCTC. I had the opportunity to do a site visit out to NCTC last week, and I am very impressed with the operation they are standing out there. Obviously, there is a lot of work yet to do to see how well it is going to function, but I was very sure of what I found.

One thing that I was concerned about, though, is that DHS really doesn't have a presence out there with respect to the intelligence branch of DHS. And I asked the question, why? And they said, Well, originally DHS didn't want to be a major player with NCTC but has since changed and that they are looking to now have a presence there. Space is a problem, from what I am told, but the question is, will you clarify for me and for the committee, will DHS have a presence out at NCTC? And how will the roles function?

Secretary CHERTOFF. Well, I most definitely anticipate and want to have DHS play a role in NCTC. I have told the DNI, Ambassador Negroponte. I think he agrees with that, I think his principal deputy, General Hayden, agreed with that. I think now it is just a question of finding the space and handling the logistics, but we are committed to doing this and is one of the things I anticipate our new chief intelligence officer will be taking responsibility and making sure that happens.

Mr. LANGEVIN. Well, on that issue of the creation of a new chief intelligence officer, while I think this is certainly a promising development and I applaud you for moving in that direction, many questions remain about the role and the responsibility of this new Department officer. And my question is, will the new intelligence officer have direct line authority over intelligence officers in other agencies such as TSA and CBP so that he or she can drive a common intelligence mission?

And additionally to that, what will his or her role be vis-a-vis the new director of national intelligence and the rest of the intelligence community in particular? This committee has often struggled to understand where the intelligence component of DHS fits in with the rest of the community. And the question is, have you thought about this issue as part of your review, and what conclusions did you reach?

Secretary CHERTOFF. Well, we have thought about it. And the Chief Intelligence Officer of course will be the component head of information analysis. The individual component heads for the intelligence entities inside our various components will continue to function within their components, but their activities and particularly their requirements will be coordinated by the chief intelligence officer. And the chief intelligence officer will be one of the two intelligence officials at DHS who is part of the intelligence community. There will be the chief ambassador to the intelligence community as well as to the State and local officials with whom they work. So they will really have the authority and the visibility to look across the Department in terms of all of our intelligence activities, in terms of setting requirements for collection, in terms of fusing the analyses and pushing that analysis out.

Mr. LANGEVIN. Thank you. My last line of questioning shifts over to the potential biothreat that we face in this country and a potential bioattack. Can you walk me through how you would expect to learn, how quickly you would know that this country is experiencing a bioattack? What resources are you relying on, and how quickly are you going to know?

Secretary CHERTOFF. Broadly speaking, we have three ways of determining that some things are going on: One is classic intelligence, obviously. If we were to, either through signals, intelligence or human intelligence become aware of someone who is planning an attack or carrying out an attack, that would be one vehicle. The second is our surveillance through various detection devices. Our Biowatch program has deployed technology in over 30 cities now that enables us to sample the air and determine with a very high degree of precision whether there is something in the air that is a biological agent.

Thirdly, of course, we rely on the network of public health, which is really operated by HHS, in which people who report in become a source of information. This is a typical way in which public health officials identify an epidemic or a pandemic, and something like this would apply as well with respect to a biological attack. So we have these three avenues.

What we are working very hard to do is to advance on all three fronts, obviously getting better intelligence about what is being planned and carried out operationally. Secondly, we are working to accelerate our Biowatch program to get to the next level of detection equipment that will be cheaper and quicker, and we can deploy it more readily and get quicker responses. And third, and this is principally operated by HHS, working to educate and give public health and hospitals in the field greater knowledge of what they have to look for and greater ability to communicate in real time. These three approaches I think are the way in which we will be best situated to detect a biological event. And of course, we broke into the postal system biological detection capabilities. Now, we want to continue to do that in a lot of other areas, particularly those where we might have an avenue of transmission of a biological agent.

Mr. LANGEVIN. And you said just a little while ago, you are going to be going out to the CDC soon, and I encourage you to do that. I am glad to hear you will be there. I had the opportunity to do a site visit to CDC a few weeks ago. And one of the questions I asked is, how robust is our system for early warning reporting from public health facilities? And we need some work to do there. And I am sure you can discuss that, and I would encourage you to ask that question.

Thank you, Mr. Chairman.

Chairman COX. The gentleman's time has expired.

The gentleman from California, Mr. Lungren, is recognized for 5 minutes.

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

And thank you, once again, Mr. Secretary, I appreciate it.

I want to join others in thanking you for your plan to raise the visibility and strength of the position of the Assistant Secretary for Cyber and Telecom. I think that is something that you find tremendous support for in this committee and something that needs to be done.

Secondly, you have repeatedly talked about the necessity for us to be involved in risk-based assessment to drive our strategy and to drive our funding. I agree with you. I know you took this position because you believe that we have a unique responsibility to respond to the terrorist threat that is out there, evidenced so strongly by 9/11, but it existed before that. We didn't take it seriously enough. You indicated we can't have business as usual. I think I agree with that as strongly as I possibly can, and yet there does seem to be an effort to do business as usual on this Hill in some respects. And I guess my question is, really, how strongly you are going to fight for risk-based assessment analysis.

This committee passed out a bill that basically guarantees .25 percent to every State except for the border States, .45 for those. And now we have the other body coming up with a new—an alter-

native—that goes to .55 percent to all the States. That obviously moves away from true risk-based assessment. That obviously goes in the direction we have been in before. That obviously, as far as I am concerned, is business as usual.

And my question to you is, how strongly are you going to fight for the risk-based assessment strategy as opposed to business as usual, which some people seem to think makes sense even in the aftermath of 9/11 and two bombings in London?

Secretary CHERTOFF. Well, I think, as I repeatedly stated and I think I said most recently in a letter that I sent in connection with the Senate's consideration of the appropriations, I think we have to, to the extent possible, have a risk-based approach to what we do in terms of how we deploy all of our resources. That includes grants. It includes what we do as operators of various components of the Federal Government. And of course, when I looked at the question of risk-based analysis, I don't see jurisdictional lines between States or between cities. I look at people. I look at places. I look at targets. I look at infrastructure. I look at transportation centers. I can't tell you which States are winners and losers in that formula because I don't think that it is political jurisdiction which drives it. I think what drives it is looking at where the impact on population would be significant, where the impact on infrastructure would be significant, where the impact on our transportation or our economy would be significant. Those are the kinds of factors which I think ultimately drive a risk-based analysis. And I think it is one that, to the extent we can accomplish that, we will be doing I think what the public expects in terms of our responsible use of limited resources in an environment in which we face some very, very serious threats.

Mr. LUNGREN. Would you agree that a formula that guarantees .55 of a percent as opposed to .25 of a percent moves away from which you just articulated?

Secretary CHERTOFF. I would think that a system that does as much as possible to give the Department the ability to do a risk-based factor not focused on, Mr. Secretary, jurisdiction, but focused upon things, people and targets. I think that is where we want to head. And I think the closer we move to that goal, the better off we are.

Mr. LUNGREN. I appreciate your response, and I appreciate the delicacy of your position, the delicate nature of your position. It is difficult for us to be able to articulate to the general public when we are talking about a different formula. And I hope that people will begin to understand that one formula moves us in the direction of business as usual. The other one at least moves us a little closer to a rational risk-based assessment strategy and funding, which I hope is where most people understand it.

The problem is, we use the language of numbers and formulas, and it is difficult for people to understand that, so I appreciate your response.

With respect to CDP and ICE, I don't know anybody who has articulated an analysis that having those two separate makes good sense, and yet through your plan of reorganization, you have removed the secretariat—I guess is what we call it—above that to which they would report, as well as TSA, so that CBP and ICE

would report directly to you. I don't have a problem with that at all. It might mean you might have to testify here more often; I hope not, for your sake. Could you give us some of the thinking of why CBP and ICE should remain divergent? It seems from an analysis from a law enforcement standpoint, if no other, that separation is artificial and destructive.

Secretary CHERTOFF. Well, we actually took a very close look at this, and I know the Inspector General was asked by the Senate Homeland Security Committee to consider the issue, and so I was at least privy to some of the factual findings that the Inspector General made when he considered this.

Let me tell you what our thinking was. First of all, part of our proposed restructuring involves having a common Department-wide policy and planning shop and operation shop which gives us not only the ability to unify operations between CBP and ICE but across the department, including, for example, Coast Guard, which often intersects with them as we get into maritime areas and, therefore, should be part of the same coordination function. So I don't think our proposed elimination of BTS is a reduction in the degree of coordination. I think it is actually an expansion that gives us a greater sense of comprehensiveness across the Department.

I spoke to a lot of folks about this merger, I spoke to people in the field. I spoke to representatives of labor organizations. And I spoke to people inside and outside the Department. And I wasn't convinced that the cure would really address the disease. It seems to me that you are dealing with functionally different issues when you are dealing with CPB, which deals principally with inspection and with Border Patrol agents, and on the other hand, you have your detention and removal folks and your investigators at ICE. And those are different functions. And from my own experience in law enforcement—and I know you have a similar experience—even if you put them in a single department, they would still be functionally separated within that particular component.

So given the upside of a merger and considering the possible downside, including the huge cost that is involved any time you do a massive reorganization, I think it was our judgment that the case had not been made that a merger would cure the issues that have to be addressed. There is no question there are issues of coordination and finance that have to be addressed. And we are addressing them, but I think, at this point, I am confident that what we are doing will remedy the existing problems. And I think it is important finally to give people in these components a sense that their fate has been settled, that they can count on being in their positions going toward and that we can now go about the business of working together to achieve a common mission.

Mr. LUNGREN. Thank you, Mr. Secretary.

Chairman COX. The gentleman's time has expired.

The gentleman from New Jersey, Mr. Pascrell, is recognized for 5 minutes.

Mr. PASCRELL. Thank you, Mr. Chairman.

Mr. Secretary, first of all, I think we all join—this, I think, is going to be our last full meeting. Mr. Cox is going to go on to other

things. He has done a good job in keeping us together, and we wish him well.

Good luck to you.

Chairman COX. Thank you very much.

Mr. PASCRELL. I have two questions, one in the area of transit security and the other in the area of emergency preparedness. We know in the last 3 years, Mr. Secretary, there has been a tremendous gap between what we have expended on airline security, about $255 billion, and what we have expended—$12 billion, rather—and what we have expended in transit security, about $256 million. And dollars don't tell the whole story; I realize that. But our transit systems are vulnerable, if you listen to those folks who run them day and in day out.

Now you said that there is $8.6 billion available for transit operations under the State Homeland Security and under the Urban Area Security Initiative Grant programs. Now while this money can be used for transit security, it is really intended for first responders if you look at how that dollar figure was arrived at and where it is supposed to be spent. Using these grants for rail security would mean first responders are shortchanged. What other funds will transit operators have to improve their security? And this is a question that existed before London and now after London, and we do not have a concise answer in this committee, Mr. Secretary.

Secretary CHERTOFF. Let me try to give you a concise answer.

As I said earlier, if you go back to the funding since 9/11, we have had a total of $8.6 billion in State Homeland Security Grants and Urban Security Initiative Grants. And there is no question that anyone envisioned that all of that would be spent on rail security. I think every jurisdiction that gets money has to perform the same analysis we do. They have to set their priorities and their risks, and they have to build the use of the money around the particular architecture in their part of the country. In Seattle, for example, ferries are very important part to their mass transit, and to the extent that they want to use some of that money for ferries within the guidelines of the grant, they are free to do that. In the northeast, rail is very important. In other parts of the country, buses may be. So clearly, what we want to do is, again, we want to be risk-based, but we want to also tailor the particular circumstances to the particular part of the country. So I do think it is important to recognize that there has been a lot of money available for transit.

I would also like to point out—

Mr. PASCRELL. Excuse me. There has been what?

Secretary CHERTOFF. A lot of money available for transit.

Mr. PASCRELL. You do believe that?

Secretary CHERTOFF. I do believe that.

Mr. PASCRELL. Even with the great disparity between what we have spent in the last 3 years on airline security, that is like 11 to 1—11 dollars to 1 penny?

Secretary CHERTOFF. I have seen that comparison, I have to say—

Mr. PASCRELL. I think it is legitimate.

Secretary CHERTOFF. I have to say I think it is a little bit of an apples and oranges comparison for the following reason: Most of the money we do—almost all of the money we do in aviation comes from the fact that we are the only boots on the ground in the system of aviation. The screeners in TSA are all Federal employees at this point. Obviously, the transit police, who are the boots on the ground in the various transit systems, are not Federal workers. They are State employees, or they are local employees. And I haven't yet encountered anybody who suggested that they wanted the Federal Government to take over the New Jersey transit authority or the New York City Police Department. So one difference is, of course, we are comparing a salary-based system with a system in which the salaries are paid by local authorities.

But again, I want to come back to the fact that, although the targeted grants for rail have been $250 million or so, the pool of money that is available to jurisdictions that feel a need and think it is appropriate and can make the case for rail security is much broader. And it is that larger pot that I think includes the State Homeland Security Grants and the UIC grants.

Mr. PASCRELL. Mr. Secretary, I think that establishes a false competition. I would like you to really take a look at this. And I know words have been misrepresented, and I have total faith in you in this, and so let me go to the second point.

I'm very concerned about this area. There is no representation on the policy level that I am aware of from the fire service within the office that administers Homeland Security Grant Funds, very concerned about that. The preparedness directorate may ensure that the United States is able to better prepare for a terrorist attack, but the structure you have advocated thus far may create harmful competition between the infrastructure protection, cyber security and first responder needs. I am very concerned about that, Mr. Secretary. For example, putting the assistant secretary for infrastructure protection in the same directorate as the U.S. Fire Academy may force firefighter needs to compete for attention with infrastructure risk assessments. There is no seat at the table, the policy table. And I am very concerned, and I hope you are going to respond to that. We are talking about policy making. Would you respond to that, please.

Secretary CHERTOFF. Sure. When we went through this process of Second-Stage Review, one of the things we did do was talk to the first responder community. And actually, my perception was that, under the currently existing system, where the Fire Administration is in what is essentially FEMA and the Office of Domestic Preparedness for grant making is in a completely separate directorate, that actually led to some of the issues you are concerned about, the sense of the fire community that they were not adequately being considered in terms of the grant making. What our preparedness directorate will do is it will bring to the table all of these very critical functions which are part of preparedness effort, prevention, protection, and response and recovery. And I envision that first responder community will play a very important role both in populating the senior leadership of this directorate and also in setting policy.

What I want to do is make sure that when we do preparedness policy making, everybody is at the table. I don't want to have a stepchild. I don't want the first responders to be a stepchild. I don't want the police to be a stepchild. I don't want the healthcare folks to be a stepchild. This is too important for us to let one group play off against the other. And I am confident that by bringing everybody together in one place, we can finally make sure that everybody's voice is heard when we cover the whole gambit of things from prevention to training to exercise and to giving money out.

Mr. PASCRELL. Thank you.

Chairman COX. The gentleman's time has expired.

The gentleman from Louisiana, Mr. Jindal, is recognized for 5 minutes.

Mr. JINDAL. Thank you, Mr. Chairman.

I want to thank the Secretary for coming back as well.

I submitted in writing questions on four different topics. I would like, for the sake of brevity, just to go through with you those four topics very quickly and get your response at least to the first couple of them. Certainly, I understand you may not have a chance to respond to each of these.

The first regards the Regions Initiative. You yourself have indicated that the majority of the Department's employees are located outside of Washington. I am very interested in your thoughts on how best to coordinate and work with those employees. I personally am very interested in the Regions Initiative. I had the chance to visit a State Fusion Center over one of our breaks and was very impressed with having our coordination out at the local level.

The second area I would like to bring your attention: I again want to commend you for the priority and the attention you are bringing to port security. Again, I had the chance to go and visit Port Fourchon, which is located in Louisiana, where 50 million tons of cargo are moved a year. It handles about 16 to 18 percent of our country's oil supply. And yet it hasn't made the list of our 66 highest-risk ports. I would be curious about what steps you all are taking to revise the assessment strategy. I know it is not near a population center, but certainly it is my thinking it is a very critical part of our Nation's infrastructure.

Third, with the appointment of the chief medical officer, I would be curious how you view the structural changes, what impact that will have on first responders' ability to perform their duties after a catastrophic event.

And finally, with the changes in FEMA, now specifically the changes between the preparedness and the response recovery functions, I would be curious on how you would ensure close coordination between those functions. Obviously, in my home State of Louisiana with hurricane season, we are very heavily impacted by natural disasters, and we are very, very dependent on the work of FEMA.

Mr. JINDAL. Again, I put a lot of issues on the table. I especially appreciate your comments on the region's initiative and port security. And thank you again for being here.

Secretary CHERTOFF. I am going to try to cover as many of those as I can. Of course if I can't, we will respond in writing.

With respect to regions, of course, we currently have among a number of the components a regional structure; and those regional structures, not surprisingly, vary a great deal depending on the mission of the component. For example, the Coast Guard really hasn't a need for very large regions in the interior of the country. FEMA regions tend to reflect some of the hazards that are peculiar to the geography of the country. And, of course, Customs and Border Protection really needs to be very focused along the border areas.

It seemed to us when we looked at this issue that the idea of having a single set of DHS regions didn't make a lot of sense because the components quite naturally tailor their regions to their particular missions. But that is not to say that we don't need closer coordination with State and local officials. I have invited the Homeland Security advisers to come meet with me this coming month in August to talk about how we might network our fusion centers together.

Part of the preparedness function is going to be figuring out how do we best link up our preparedness efforts with those of the individual jurisdictions that we have to deal with. Now, there are a number of different ways we may do that. We may have small regional offices, or officials, a few officials in some of the existing regional centers. We may have a system in which we have a predesignated principal Federal officer under our national response plan who is available in every State who works with the preparedness authorities. So what we are envisioning is a nimble and small-scale approach to this kind of coordination that focuses on network rather than a large kind of bureaucratic layer that will be between the individual State officials and the top management in Washington.

As it relates to ports, I can't tell you that off the top of my head I know why a particular port was in the list or not. I can tell you that I sat down with the people applying the analytical approach to this, and they looked at a whole lot of things involving the flow-through of cargo, the nature of the cargo, the location relative to a particular center. And I recognize the fact that 60 or 70 ports are on the list means probably 300 are not on the list. And I think I have to be blunt in saying that is one of the consequences of a risk-approached theory. If we dribble out the money in little packets to 360 ports, it is going to be useless. We have got to focus the money in the first instance on those ports where, again, consequence, vulnerability, and threat lead us to be the most worried. It doesn't mean we don't work with partners across the board. It doesn't mean that other funds aren't available.

I mean, part of what the President's budget envisioned in the targeted infrastructure protection program were additional funds that might be used, might be tailored to particular needs and particular jurisdictions. But at the end of the day, as in many areas of government including many areas of national defense, we have to make some tough choices, and those have to be driven by a transparent and analytically sound system.

Maybe I could just touch briefly on the chief medical officer. The idea with the chief medical officer is precisely to give us somebody who owns the entirety of this system of response with respect to

health issues. That would be prevention, protection, and response and recovery. Because in many cases, particularly dealing with biological threats, response and recovery is a very, very important element of our defense strategy. Give that ownership to one person or one set of people. And the particular individual who I think the President has announced his intent to nominate is someone who actually has a background as an emergency room physician. So he is going to be someone who is acutely aware of the interface between first responders and the health recovery system in an emergency type of environment. And I think that reflects the kind of vision we have for this chief medical officer. It is someone who is going to apply the science of medicine and other scientific disciplines to the reality of dealing with a threat or a hazard in an emergency type of situation.

Mr. JINDAL. Thank you, Mr. Secretary. And I will follow up with your staff on some of those other questions. Thank you.

Chairman COX. The gentleman's time has expired. The Chair recognizes the gentleman from North Carolina, Mr. Etheridge, for 5 minutes of questions.

Mr. ETHERIDGE. Thank you, Mr. Chairman.

Mr. Secretary, welcome. Thank you. Sorry I was a few minutes late. The airlines weren't working on schedule today, but the FSA was doing their job. Weather kept us delayed.

Mr. Secretary, your predecessor came before this committee and I raised the issue with him about school safety and safety in schools across this country, public schools, K–12, et cetera. And the response was, that is a local issue. We have seen since then, what happened in Russia, that someone can use that as leverage and we wind up with a horrible situation.

In your review, did you look at that as a policy issue, and do you want to—I hope you will comment on school safety and security today, because I think this is a big issue, and we have seen in the last few weeks soft targets tend to be those targets of choice now for terrorists.

Secretary CHERTOFF. Well, I agree that schools are part of the general issue with soft targets. And what we do is we work with, again, our State and local partners by providing them with the kind of intelligence—and I don't just mean threats that come across on a day-by-day basis, but more comprehensive looks at the kinds of threats that are out there, types of weapons, types of techniques, lessons we have learned from past experiences, including from incidents like Beslan; the idea being to prepare State and local officials for the kind of challenges that they might face, and to give them some advice and counsel with respect to how they ought to take steps to protect schools. We have done that, in fact, in the private sector as well with respect to institutions that represent private institutions.

I think it is part of a more general challenge. We don't own most of the infrastructure, we don't own the shopping centers and the stores. We have got to work with the people who do and give them the tools they need to take care of their responsibilities.

Mr. ETHERIDGE. So your answer is, yes, you are going to work with them; and, yes, you will provide information; and, yes, this is

a soft target that we need to pay attention to it at the Federal level?

Secretary CHERTOFF. Absolutely. We will work with them, we will provide information. We do pay attention to them at the Federal level.

Mr. ETHERIDGE. Thank you, sir. Let me ask on a related issue to that very same one. The Department had made an attempt to educate the public in the case of disasters through a program called the Ready Campaign and Citizen Corps. These programs, as you well know, contain pertinent information that citizens of our country need to be able to make effective decisions to prepare for response to terrorist attacks, whether they be man-made or, for that matter, it could be a natural disaster, the same thing. In your review of the Department, you made no mention of the efforts to prepare the public; it was more of a structural piece. My question is, did the Department analyze the effectiveness of the programs such as the Ready Campaign and Citizens Corps, and what is the comment on that?

Secretary CHERTOFF. We did look at that. In fact, part of the impetus for creating a preparedness directorate was again to create accountability in a single component for the whole range of preparedness things and preparedness challenges. And one of the things I said when I was out, I think in California a few weeks ago, I was visiting in Los Angeles, was that when September comes, we have National Preparedness Month; we are going to be really pushing on the issue of preparedness precisely because this is where every individual has to be engaged in the process of taking reasonable and prudent steps to prepare for, as you say, either a natural disaster or even a terrorist attack.

And I think the issue here is twofold. First of all, we have to give people good information. But we also have to motivate people. And one of the challenges we face and something that I have spoken about publicly, and I expect I will speak about more in September is, how do we enlist our communities and our civic agencies to get out there and get people motivated to do what they have to do in order to do the kind of reasonable planning and preparedness that people who live in a hurricane area do or people who live in a tornado area do? Because all of us, I think, owe it to ourselves and our families to take those reasonable steps.

Mr. ETHERIDGE. Mr. Secretary, let me encourage you, because as you look at these things, I think the schools—because that is an area that I think would grab the country in a hurry. And throughout our history we have used helping educate through a number of disaster drills; after World War II with the nuclear issue, we went through that. You are in a unique position to help provide information so the States and localities can deal with—because everyone's budget is strapped, especially those. At a time when we are funding at the Federal level, we really ought to use that opportunity. It would be a great educational tool, I think, if you would meet, work with the Health Department, Department of Education, and filter that down to the local units. I think we would get a real bang for our buck and do a tremendous job across this country. So I would encourage you to take a look at that.

Secretary CHERTOFF. I agree with you. And when I was in California, I went with Congresswoman Harman to a local elementary school, and we talked about how schools can be a very powerful engine for motivating people to do things. I know as a parent, children are little engines of information. And when they get the idea they want to have their parents do something, they are persuasive and they are relentless. So we want to harness some of that energy.

Mr. ETHERIDGE. Thank you, Mr. Secretary. I yield back.

Chairman COX. The gentleman's time has expired. The next 5 minutes go to Mr. Dent, the gentleman from Pennsylvania, for 5 minutes.

Mr. DENT. Thanks, Mr. Chairman.

Good afternoon, Mr. Secretary. To follow up on one of the questions of Mr. Jindal, when the Department was created a few years ago, as you know, $40 billion, 180,000 employee, 22,000 legacy components. When the Department was created, though, there were plans, as I recall, to colocate as many of these component parts as possible to increase efficiency. What is the status of the Department's colocation efforts to put its employees, as many, in one place?

Secretary CHERTOFF. Well, I can tell you we are not colocated. Obviously there are many components outside of Washington, which one would not envision would ever be colocated. But even in Washington, we are in various buildings and campuses. There is no question that at least a medium-term, if not a long-term challenge, is for us to settle on a final location for the Department. Where we are now is constrained by space, even though with some additional—as the Navy moves out of our current facility, we will have some additional spaces.

We are looking at what a longer-term strategy is ultimately for moving the entire Department someplace. It has to be a campus that is sufficiently large to accommodate what our Washington needs are. And I think there is a strong argument that it ought not to be located in downtown Washington because of the desire to have some distance between ourselves and some other buildings. So it is an issue that we are examining, but it is not one which I can envision is going to wind up resulting in colocation within the next couple of years.

Mr. DENT. Understood. In the short term, though, how would the second-stage review structural changes affect the locations of your entities now if you are not going to colocate?

Secretary CHERTOFF. Well, one thing we did is we had a group that looked at the question of operation centers. And we discovered we had some number of operation centers in various buildings in Washington which to some extent were duplicative and probably didn't have themselves organized in the way that is optimal. So one of the proposals that has come out that we are studying is, as space gets freed up in the central campus up in the Nebraska Avenue complex, is to bring together in one place and reduce the number of operation centers so that we can have a number of the components use a common operational center to deal with all of our emergency operations. That would not only, I think, save money in duplication, but it would have the real virtue of bringing together

all of the leadership of the Department in one place during a crisis. Which I can tell you from even my own experience in the last 5 months would be a very positive development.

So we are looking forward to taking that as a short-term step as part of the process of integrating ourselves physically.

Mr. DENT. And with respect to TSA, under your proposal, TSA will be reporting directly to you, as I understand it. How will your proposal strengthen TSA? If you could just answer that question.

Secretary CHERTOFF. Well, I think that the proposal to strengthen TSA has several dimensions. First of all, by having a common policy and operations function across the Department, we will have a greater ability to make sure that what TSA does is integrated with what CBP does, Customs and Border Protection, what ICE does. In many ways, TSA, Coast Guard, and the other components all have hands in the same set of issues. And when you have multiple hands in the same set of issues, you want to make sure every hand knows what the other hand is doing. So one of the principal strengths of our proposal is that it gives us a mechanism to monitor and guide all of these different components when they operate in a common area.

I think second, though, we are looking for some perhaps out-of-the-box thinking in term of how we deal with TSA. We have a new administrator who was just confirmed last week whose background lies in the area of some modern business practices with supply-chain activity both in the railroads and I think in other areas as well.

The idea is to make sure that TSA is not focused mainly on aviation, although aviation is important, but to make sure that we are also applying attention to rail transportation, land transportation, other kinds of transit activities, to get some of the strategic thinking in those areas that may not have put in.

So I think by raising the visibility, by flattening the organization, by increasing the coordination, and by putting good leadership in, we are going to be able to make TSA a much more effective Transportation Security Agency.

Mr. DENT. So I guess you have answered my next question which I was going to ask you about air passenger screening, and if you intended to make that—or continue to keep that as the primary activity of TSA. But it sounds to me, based on your answer, that that will not be the case.

Secretary CHERTOFF. Well, passenger screening is clearly going to be an important activity. The question is, how do we configure that for the next few years? And I think there are two elements to that. One is in terms of equipment. We want to work to deploy and bring on line next-generation equipment as quickly as possible, something that is going to do the job more efficiently and is going to enable us to therefore do a better job of screening than we can do with existing technology.

Second, we have to screen for names. And currently our system is maybe the most primitive system possible. We get a name, we match it up against a name in the watch list. And as I think any air traveler knows, we get a lot of false positives. Again, what we need to do is move to the next generation, finding additional types of information that we could rely upon to narrow the number of

false positives. That would actually promote passenger privacy by reducing the number of times a person is questioned; things we might do in terms of biometrics and trusted traveler programs that would allow people to bypass certainly kinds of screening. I think these are all efforts to reduce the inconvenience of screening and make it more precise and make it therefore more secure.

And part of my vision for TSA is to move all of these functions into the next generation, if you will.

Mr. DENT. Thank you, Mr. Secretary.

Chairman COX. The gentleman's time has expired. The gentlelady from the District of Columbia, Ms. Holmes Norton, is recognized for 5 minute.

Ms. NORTON. Thank you, Mr. Chairman. And thank you, Mr. Secretary, for the thought that has gone into your plan.

Two questions. One, in light of that plan on the Federal Protective Service, along with the Ranking Member of Transportation Committee, I wrote you on June 14 concerning the placement of the Federal Protective Service and ICE in particular. Some of us have spent a great deal of time upgrading the FPS and improving it and reforming it. And I supported its transfer to your Department. The problem is we can centralize ourselves into less security if we don't watch out.

The Federal Protective Service, for no fault of yours or theirs, does not fit into the major functions of your Department: immigration, customs, transportation. You know, its purpose is to protect almost 2 million Federal workers, highly vulnerable people, across the United States. And unless there have been changes, you wisely kept the regional offices and the command structure. It would appear, however, that its alignment in ICE is apples, oranges, and maybe some other fruit.

I am wondering whether it wouldn't make better sense for Federal Protective Service to be under the Deputy Secretary, similar to the Office of Security, so they could provide the public and Federal employees with the ability to be deployed nationally as needed, period, and is, after all, a police force.

Secondly, I have got to ask you more about transportation, public transportation. Mr. Secretary, in your plan there are six imperatives. The third imperative says the Department will launch specific policy initiatives. And the third one is to harden transportation security without sacrificing mobility. You know, it didn't say to allow the States to do that. It didn't say to allow you to do it in the States if you choose to do it.

Let me tell you why many of us think that the Department and the administration have been particularly almost offended by the stepchild status of public transportation where there are 9 billion—90 billion passenger trips annually. No plan; yet the plan was due April 5. After London, no plan. After Madrid, no plan.

Maybe no money, but no plan is a bit much. Your comments here about $8.6 billion is enough to send jurisdictions up the wall, because you are referring to, of course, first responder funding, not to dedicated funding.

And that is what my question goes to. You spoke about 30 versus 3,000—I know you will not make that kind of statement again—riders of metro, the New York transportation system. Understand,

you are talking to the committee, unlike the Senate committee, which embraces and agrees wholeheartedly with your threat vulnerability consequences.

My question is this: Particularly given, you know, imperative No. 3, is it not appropriate after London to look closely to see whether, given threat vulnerability and consequences, whether it is appropriate to have zero dedicated funding for public transportation, what the President's budget in fact recommended? Whether under that standard there are not circumstances where targeted funding would be appropriate? And whether, for example, it was appropriate for the Senate to cut $50 million from the lousy $150 million that the House put in in dedicated funding? I would like to have your answers to both of those questions.

Secretary CHERTOFF. Let me deal with the Federal Protective Service first. Obviously, they perform a very important function. Among other things, they protect me and others in my Department. They protect government workers all over. We actually looked at this question, and again as with a number of the issues we dealt with, sometimes it is a close call. We considered whether there was another component with which FPS might fit more neatly. I think part of the consideration of putting FPS in ICE was that FPS does have a law enforcement or police function, and ICE is a law enforcement organization, really, the only—it and CBP are the only two law enforcement organizations. Coast Guard obviously has law enforcement authorities, but it—

Ms. NORTON. We don't want them to get mixed up with who they are supposed to protect, Mr. Secretary. So at the borders, it is protect 2 million people who work in Federal agencies.

Secretary CHERTOFF. So the question was, given the absence of another component that was more likely, should we make it a direct report? And there I have to say, frankly, you know, there is a limited number of direct reports I think you can fairly have as an organization. Congress has mandated a number of direct reports which, of course, we have honored and gone forward with our plan, so that I guess it was our judgment that particularly because we were going to move FAMS out of ICE and back into TSA, that would enable the leadership of ICE to focus a little bit more on FPS, which I have to say I think is working quite well and is doing a very good job.

And, again, I guess the burden of proof always being on those who suggest a change, my view at the end of the day was that no one had carried that burden. That particularly with the movement of FAMs, FPS was probably best situated where it is now. And, again, I understand the concern, but I think a direct report would probably not have been helpful.

Let me turn to the issue of public transportation. And I appreciate, again, the opportunity to address what was an unhappy misquotation or partial quotation of what I said to a newspaper. I have been very consistent about this position. We have a responsibility for transportation, for infrastructure across the board. It is a responsibility we exercise in partnership with State and local government and sometimes with the private sector. It is a responsibility that we exercise with due regard to the nature of the architecture of the system with which we are dealing. We want to work

with the system, we don't want to break the system that we are trying to protect. So when we deal with the issue of transit, we deal with an open system, one which, as I have said, has the boots on the ground, are essentially really local boots or State boots. We have our transit police who are local employees, and, more importantly, have the kind of local tailored knowledge about what measures are appropriate in the subway that we can't have as the Federal Government.

And I have ridden a lot of subways in my time, and the New York subway is different than the Washington Metro, and they are both different than the London—

Ms. NORTON. We are talking about dedicated funding, we are not asking you to fund the transit police. We are talking about whether this function of the American people deserves any dedicated function from the United States of America or whether it should be left entirely to local jurisdictions to rip off some of their first responder money.

Secretary CHERTOFF. I don't think it should be left to local jurisdictions, but I do think that, first of all, if you look at the President's budget which called for $600 million in targeted infrastructure protection money, that would have included rail and ports and some other infrastructure protection, and was an increase of almost $250 million over that number of programs from the prior year. So the budget had a substantial amount of money which was available for rail among other infrastructure.

But the fundamental problem with targeting is this: There was a bombing in a hotel in Egypt that had a very dramatic loss of life. Should we target that? If there is a target, if there is a bombing in a ferry, should we target that? At the end of the day, to have a series of programs in which we target very specific amounts of money for pieces of infrastructure is to engage in a kind of back-and-forth with the terrorists that we cannot possibly win, because they are going to change their tactics and we are going to constantly be reacting to the last attack.

What we need to do is to stand back and in fact create more ability to use informed and disciplined discretion to apply our resources in a way that anticipates not only the past attack but the next attack. It doesn't mean we are not responsible for this. It means that we have to work with our partners, and we have to work with all of them, not just the transit partners, but the people who deal with the hotels and the shopping centers and the buses and the ferries and everything else which has been attacked in the past or which might be attacked in the future.

And even within these systems, I think in fairness we ought to note we spend a lot of money, for example, on detection equipment for chemical and biological agents. We put a lot of that in the subway systems. We do it because we know that a chemical or biological attack in a subway would have a profound effect, a terrible effect on not only on the people who would directly suffer the attack but the viability of the entire system. I mean, a bioattack on a system could put it out of action for weeks and months, not just for a matter of hours.

So I think that although I deeply understand the impulse to react to the attacks and I have ridden a lot of subways in my time

and I have a lot of friends and families who ride subways, I think it is important that we create a funding system that is nimble enough to respond not only to what the terrorist did yesterday or 2 weeks ago, or in Egypt with hotels, but to what they might be planning to do in the future.

Chairman COX. The gentleman's time has expired. The gentleman from Connecticut, Mr. Simmons, is recognized for 5 minutes.

Mr. SIMMONS. Thank you, Mr. Chairman. And thank you, Mr. Secretary, for taking on what I believe is probably one of the hardest jobs in government today, which is not just trying to secure the homeland from an infinite number of potential threats, but organizing a new agency to accomplish that task. And I would say that your willingness to serve in this capacity is a good deed. And I would also say that no good deed goes unpunished, which is my philosophy of public life. So I thank you, and I wish you all the best.

I would say that the members of this committee also have a hard job. Our responsibility is to oversee and authorize the activities of this new agency which has an awesome responsibility. When we are successful, it is business as usual. When we fail, then we have to stand in front of the microphones, as they are in Great Britain this past few weeks, and explain what went wrong.

I have been honored to serve as the Chairman of the Intelligence and Information Sharing Subcommittee; and with a background in military intelligence, and a period of time with the Central Intelligence Agency, I would say that information sharing goes completely against the culture of the intelligence community. I go out and get myself a nice juicy secret, I am not about to share it with you or anybody else; I want to run it up the flag pole to my boss and get a kudo. So the whole idea of information sharing involves a cultural change in our intelligence community and a challenge to your chief intelligence officer, your new CIO, who, according to the line and block chart, is an assistant secretary.

And my first question to you is, do you feel that a CIO at an assistant secretary level is going to have the juice, have the power, to get the sharing that we need from the intelligence community? Sharing from DHS down and around, I don't consider that much of a problem. But getting access to the really good stuff in the first place is where I think the problem lies, because each component of the intelligence community that is protecting sensitive sources and methods is concerned about what they share with your people, especially if your people are going to pass it on to State, local, and tribal entities. So does this CIO have the juice to do the job?

And then, secondly, your new nominee for assistant secretary, Mr. Baker, has been very involved in the classified side and in doing recommendations for reform of the intelligence community. And I believe he was involved in the weapons of mass destruction report of the Robb report, which recommended an open source agency located at CIA. Why is the open source agency, the open source intelligence agency at CIA? Why isn't it at DHS? Doesn't DHS lend itself to the open source acquisition and analysis? Doesn't this reduce our fears that somehow your agency is going to be invading the privacy and violating the civil liberties of our

people, and you can simply say, look, we are getting 90 percent of our stuff from open sources? Why isn't it a natural for your organization?

Secretary CHERTOFF. Let me see if I can address all those questions. I am, I guess, acutely aware of the cultural problems that are involved in information sharing, and in my prior life when I was head of the criminal division at the Department of Justice, I saw it from that angle as well.

I guess I begin by saying I think that the culture is not completely changed but it is changing. And I think every time there is an event like what happened in London or in Egypt, it reminds everybody that no one wants to be answering questions about why they didn't connect dots because they didn't share the dots with other people. I think the creation of the DNI and the appointment of Ambassador Negroponte is a very significant step forward in building that community-wide sense of sharing.

From our sharepoint, our chief intelligence officer I think is going to have a couple of powerful tools in dealing with the rest of the community. First of all, that person will be able to speak for all of the intelligence components within DHS. And, second, that person is going to be able to bring to the table something that I don't think we have fully brought to the table, which is our own intelligence collection capability. There is a tremendous amount of information that we encounter at the border or on airplanes or in the course of our human trafficking investigations by ICE, which is of great not only tactical value but of strategic value. And we have really begun this process and we have been doing it for the last 3 months.

As we pull this up and we fuse it in a strategic way, and we go to the other members of the intelligence community and we say, look, here is what we bring to the table, that is the kind of contribution that in my experience gets a very positive result.

And I can tell you from my own observations, even in the absence of a formally designated CIO, we have been working very hard and we have seen some positive results in terms of our collaborative work with other members of the community based on what we bring to the table, not coming as a charity case begging for information, but coming as a major contributor with a tremendous amount of positive intelligence information that we contribute to the mix.

So I think that gives me a lot of hope that as we institutionalize this going forward, it is going to get better.

With respect to the recommendation about open source information, we do, of course, rely on a lot of open source information. As a matter of fact, I think everybody does. The current structure of the community, of course, has been set not only by the Homeland Security Act, but by the subsequent Intelligence Reform Act, and of course the Weapons of Mass Destruction Commission added some additional suggestions.

I guess I would say that to the extent that intelligence covers even things that are more than Homeland Security, that involve classic defense like weapons of mass destruction, missiles, and things of that sort, it is a very broad set of issues.

And I can't quarrel with the suggestion that the open source — that an open source component be placed in the CIA. I think what

is critically important is the sharing function. And I am convinced that Ambassador Negroponte and Director Goss and Director Mueller and everybody else involved in this process has understood the President's very clear marching orders that this is to be an integrated and unified effort, and one in which we are exchanging information and not hoarding it.

Mr. SIMMONS. I thank you. And I thank you, Mr. Chairman.

Chairman COX. I thank the gentleman. The gentleman's time has expired.

The Chair would thank all Members for their patience and demonstrated interest, no one more so than the gentlelady from California, Ms. Lofgren.

I simply want to take the opportunity just now since, under our UC Ms. Lofgren will be the last questioner, to thank Members, some of whom under the UC were unable to ask questions at all at this second session because they asked their questions at the first session. I think the demonstrated interest of Members, Mr. Secretary, in your testimony is evident. These are very, very important topics, and, again, we are very pleased that you could be here twice.

Having said that, the gentlelady from California, who has waited patiently throughout both the first and second sessions, is recognized for 5 minutes.

Ms. LOFGREN. Thank you, Mr. Chairman.

And thank you, Mr. Secretary, for returning. It is really quite wonderful that you have, and to give us an opportunity to be a partner with you in the reforming of this Department.

I have a lot of questions, and there is no time to ask them all. But I would like to focus in on the immigration function. I noticed in your testimony a proposal—and I agree with it—to do the security screening first because it makes a lot of sense. You won't necessarily have to screen everybody, do all the extra work if you do the screening at the front.

But I am wondering what your thoughts are in terms of rationalizing the entire system. I mean, for example, they do digital fingerprints for applicants for a permanent visa that expire. And I don't quarrel with the need to run the prints through the FBI data sheet on a frequent basis, but they are digital for a reason, so you can keep them. And they are not stored.

And, I mean, that is just one of many examples where they create work, and then people call in and it gets—I will bet you a third of their time is spent just dealing with inquiries that could be handled if they actually had a system that made sense.

What is your plan to actually make that—to use technology and to streamline procedures so that that works in an efficient manner?

Secretary CHERTOFF. I think you are exactly correct. We have to always look at these things as system issues. And I don't want to underestimate the challenge here, because you are dealing with an agency which has significantly reduced what was an enormous backlog, which has millions and millions of people that it has to deal with. And I sometimes used the analogy in the past about the Department—by building an airplane while you are flying it—in many ways, on maybe a somewhat smaller scale, of a challenge here.

I do think that we ought to look at issues like why do we not save things that we ought to save that would reduce work, particularly because digital information can be stored? I think at a broader level and a higher level, we need to look at how do we reconfigure the system so that we compress the time between application and adjudication and give people the incentive up front to collect their paperwork and get the screening done up front as opposed to when people are here temporarily waiting for adjudication.

So I think this is all of the piece with refashioning USCIS and making it into a 21st century organization. I think, frankly, it is going to be expensive, it will require making sure that our information technology system is capable of bearing the burden we will place on it. I think ultimately, if we make this transformation, we will have a system that will be much more efficient and much less expensive, but we need to think through how we make that transition.

Ms. LOFGREN. Let me in a related question — you have mentioned in your statements, and I agree, that we need to secure our borders and be able to have integrity to that system. And not just our land borders, but people coming in at other points of entry. And I think we all agree on that. But that also we need to make sure that those people who we want to get in, in fact do get in. And there was discussion when the Department was formed of putting the consular function within the Department of Homeland Security. Ultimately that did not occur. And there was a plan to have the immigration function out-stationed at these offices. I don't think that has actually occurred.

And there is a problem. We know this. I mean, there are scientists who can't get into international conferences. We have had a dramatic drop-off on really the top science students in the world who are now going to Australia and Britain instead of MIT and Stanford. And we also have a real problem with getting people back and forth from multinational companies. In fact, I had a fellow tell me that they had to close their California office and move it to Vancouver because they couldn't get their engineers from other countries into the United States. So we need to solve that.

What is your strategy for getting the consular function on board and integrated technologically in terms of information and decision-making so that the scientists and engineers and multinational folks and students can actually come and enrich our society?

Secretary CHERTOFF. I have been talking to Secretary Rice about a number of initiatives in this area, recognizing we have a whole host of problems. Some of them have to do with the advisory opinion system which relates to certain types of people who want to come in, which I think in many cases is a legacy of a preexisting year and which needs to be substantially retooled. Some of it involves, again, networking and making sure that our technology is linked up in a way that is compatible so that when someone is cleared in one system they are cleared in another system. Another may involve lengthening visas or lengthening the time period in which people can come back and forth. And part of it I think is also sending the message out that we really are welcoming, that we are not a society that is seeking to deter visitors and people who want

to come to be productive or to study, but that is seeking to in fact welcome them to do that.

I am hopeful in the next couple of months as we are working on these issues, we are going to have a series of initiatives that we can present that will take some substantial steps forward in helping us attract the kinds of people that make us a stronger country and also go back and become goodwill emissaries for our own country abroad.

Ms. LOFGREN. Well, I see my time has expired. I look forward to working on those initiatives with you, Mr. Secretary. And thank you once again for revisiting us.

Secretary CHERTOFF. I do, too. And, Mr. Chairman, if I may just say, if all goes well with you, I anticipate this may be my last appearance before you as a witness. So I wish you the best of luck. It has been an enormous pleasure testifying before you, and I look forward to working with you in your future capacity.

Chairman COX. Thank you very much, Mr. Secretary. Your testimony today was exceptionally valuable. Your kind words are especially welcomed. You and I have been friends for a long time. I look forward to continuing to work with you.

As I mentioned at the end of last week's hearing, the Members of the Committee may have some additional questions, and I will ask that you respond to these in writing. The hearing record will be held open for 10 days.

The gentleman from New Jersey is recognized for 30 seconds.

Mr. PASCRELL. Chairman and Mr. Secretary, a note of caution. I have a great deal of respect for my friend, the gentleman from North Carolina, probably one of the foremost educators that ever has served in this Congress. But I must say there is a tremendous amount of research on, quote-unquote, preparing kids. We had better be very careful about traumatizing our children in preparing them, in getting them in over their heads. I am very concerned about this.

So how we do that and still prepare the country in defending our children and our grandchildren is not easy, it is not an easy task. But we don't want to traumatize those kids. They are being hit through the mass media tremendously, and we don't know what is affecting—we don't know, really, what effect it is having on them. And to throw them into the mix here as if, you know—and I am not—using this as a criticism—but to prepare them as we would prepare adults are two different things. So a note of caution, sir.

Secretary CHERTOFF. I agree with you. I understand this is something to proceed with caution, and I think it is something that we would only do in consultation with people who really know the kids, the people who educate them. I think that is very important, to make sure that we don't—again, we don't compromise our way of life as we go about making ourselves more secure.

Mr. PASCRELL. Thank you. Thank you, Mr. Chairman.

Chairman COX. The gentleman's time has expired. The Chair recognizes the Ranking Member for a concluding comment.

Mr. THOMPSON. Thank you very much, Mr. Chairman. And as has already been said, this perhaps is your last meeting of the full committee. And I would like to just say, on behalf of the Democrats on the committee, you have been a very positive force for the com-

mittee. You have shared your leadership in a manner that I wish a number of other committees could benefit from.

Your new post, I am certain the President made a very wise choice in you. The committee's loss, obviously, is your next gain as far as we are concerned. So on behalf of all of us here, we wish you well.

Chairman COX. Thank you very much. I very much appreciate the opportunity to work with you. We may have an opportunity for a brief business meeting on Friday, so you may regret that you have taken—

Mr. THOMPSON. I take it all back.

Chairman COX. But if that does not happen, if we don't have that opportunity, let me say at this juncture how much I have appreciated the opportunity not just this year, but over 3 years, to work on homeland security matters with so many of you, because there is a great deal of carryover from the Select Committee on this Committee and with the new members this year.

Mr. Secretary, as you know, because this is also a new undertaking for you, there is no more vital and important discipline for our country. Homeland Security is new. It knits together a lot of established disciplines. But, really, there have been no homeland security experts per se, experts in all of these things ranging from immigration to nonproliferation to chemical, biological, nuclear weapons, to all of the terrorist finance questions that we have had to think of, all of the knitting together of FBI and law enforcement, State and local, with intelligence and so on. The only true generalists, the only true generalists in Homeland Security are Tom Ridge, Michael Chertoff, and the rest of us who have been working on this for just the last few years.

So it is with great regret, having learned so much of it, that I now perhaps turn to other things. But I have had an extraordinary opportunity to work with each of you. I am glad that this Committee is bipartisan and has been that for 3 years, and I know that under the leadership of a new chairman it will remain that. It is vital that it remain bipartisan, because it is about the security of our country. As my colleague from California, Ms. Harman, is so fond of saying, the terrorists do not care if we are Democrats or Republicans. And we need to work together to stop them.

So thank you very much for giving me this opportunity. And I look forward to continuing to work with each of you. Without objection, the Committee stands adjourned.

[Whereupon, at 5:50 p.m., the committee was adjourned.]

Questions For the Record
House Homeland Security Committee
"The Secretary's Second-Stage Review: Re-thinking the Department of Homeland Security's Organization and Policy Direction"
July 14 & 25, 2005
Secretary Chertoff

Questions for the Record from Rob Simmons, Connecticut

1. Will the new Chief Intelligence Officer have any authority over the other intelligence units within the department, such as those housed in TSA? If so, which units? If not, will the Officer be "empowered" to coordinate and direct DHS intelligence efforts?

Response: The President appointed Mr. Charles E. Allen to be Assistant Secretary for Intelligence and Analysis (ASIA). The Secretary is working closely with Mr. Allen to ensure he has the appropriate authorities as Chief Intelligence Officer to lead and manage the DHS intelligence activity.

In January 2006, the Secretary signed a Management Directive (MD #8110) on Intelligence Integration and Management. This directive formally establishes the ASIA as the Chief Intelligence Officer (CINT) and provides the CINT with authorities to integrate and manage DHS intelligence programs. The CINT is responsible for setting the general direction for all intelligence programs in the Department, including but not limited to:

- Conducting intelligence program reviews and recommending program improvements;
- Advising the Secretary and other senior officials regarding DHS intelligence activities;
- Designing the optimum structure to support intelligence missions and goals;
- Establishing intelligence priorities, policies, processes, standards, and guidelines;
- Collaborating with Component Heads in recruiting and selecting Key Intelligence Officials;
- Providing input to Key Intelligence Officials' written performance objectives and feedback to rating official on accomplishment of objectives; and
- Establishing and chairing a DHS Intelligence Council – the HSIC.

Mr. Allen has initiated a Homeland Security Intelligence Council (HSIC) comprised of the heads of the intelligence units within the Department. Mr. Allen intends to use the HSIC, which will meet at least every other week, as a decision-making forum for DHS intelligence activity.

2. How do you believe the creation of a new Chief Intelligence Officer will affect DHS' relationship with the rest of the intelligence community?

Response: The creation of a Chief Intelligence Officer will unambiguously strengthen DHS' relationship with the Intelligence Community (IC). It will give DHS a clearer voice as a leader in the IC for homeland security intelligence. It will enable DHS to become a more sophisticated customer of other IC agencies. It will make DHS a more powerful advocate for the intelligence requirements and contributions of State, local, territorial, and tribal governments and the private sector. Finally, it will make DHS a more effective contributor of intelligence capabilities to the IC. In short, the creation of a Chief Intelligence Officer will benefit DHS, the Intelligence Community, and the nation's security.

3. Will IA, IP, and the HSOC physically separate their working spaces? If so, where to? Will this help eliminate your space problems at the Nebraska Avenue Complex?

Response: Yes, the entities that formerly comprised IAIP will be physically separate, except for where combined seating is required (for example, IP watch seats in the HSOC, and Intelligence Analysts from the Office of Intelligence and Analysis (OI&A) sitting with Sector Specialists in the Homeland Infrastructure Threat Analysis Center). At present, the plan is for the OI&A to remain on the NAC in Building 19, for the HSOC to be in Building 3, and for Preparedness leadership to occupy part of Building 17. All three buildings are pending renovation to provide adequate workspace in the appropriate security enclave for employees. Because the space on the NAC is limited, the Preparedness Directorate and OI&A are working with the Department and the General Services Administration to locate additional office space off of the NAC to house staff.

4. The Homeland Security Operations Center (HSOC)—The IAIP fusion center which you propose to become part of the new DHS-wide Operations Center—manages the Homeland Security Information Network (HSIN), the key component of your information-sharing efforts. Will HSOC continue to manage HSIN?

Response: The Homeland Security Operations Center (HSOC) serves as the primary National-level hub in domestic incident management events for operational communications and information sharing. The HSOC also serves as the primary conduit to the Secretary and the White House for domestic situational awareness during a catastrophic event. The Homeland Security Information Network (HSIN) is the primary conduit through which information on domestic terrorist threats and incident information management is shared at all levels with, and by, the HSOC. It provides for collaboration and information sharing while enabling the stakeholder to determine the information and communications streams it wishes to receive rather than being restricted by others. The HSIN provides the HSOC with secure, real-time interactive connectivity among users at all levels of the government, critical sectors and private industry. This network of networks, with inherent and external tools and data sources that support multiple communities of interest, will remain in the HSOC and continue to serve as a key tool by which incident information is shared across the nation.

Questions for the Record from Mike Rogers, Alabama

Training

Secretary Chertoff, your Second-Stage Review has a major impact on how the Department of Homeland Security provides training. Specifically, you propose the creation of a new Under Secretary for Preparedness and an Assistant Secretary for Grants and Training.

In Alabama and across the country, many first responders are volunteers. They work full time or work in more than one job. They cannot take time off and travel for a week or two at a time to attend training programs away from their jobs and their homes.

1) How will your proposals improve how the Department delivers training to first responders?

Response: The Department's Office of Grants and Training has forty-five training partners whose programs are funded to address the needs of first responders in many disciplines. These programs are available through several training delivery systems that make it possible for place-bound students to receive the material. These delivery systems include mobile training brought to their jurisdiction on a regional basis, distance learning through teleconferences, on line learning through the Internet, and Train the Trainer programs which increase the local capacity to continue training.

The National Fire Academy (NFA) uses a two-pronged approach through its training and education service providers to reach first responders. NFA's field training programs, designed to prepare *current* practitioners in the first responder community, are sponsored and/or delivered by 50 accredited state fire training programs. Its higher education programs are designed for *future* practitioners who, through accredited institutions, earn fire science degrees and take first responder courses in community colleges across the country.

This two-pronged approach has resulted in an NFA curriculum that has been cross-walked to national fire service standards and competencies in cooperation with its two primary partner networks: 1) Training Resource and Data Exchange (TRADE) comprised of State and local fire training systems and the nation's largest metropolitan fire departments, TRADE enables NFA to deliver training in each of the 50 states, as well as regional locations, using local facilities, equipment and infrastructure support at no additional cost to the government; and 2) Fire and Emergency Services Higher Education (FESHE) comprised of fire-related associate's, bachelor's and master's degree programs, these institutions have coalesced around NFA-sponsored model curricula, including a Web-based baccalaureate curriculum delivered through the Degrees at a Distance Program. Combined, NFA is producing a well-trained and academically-educated first responder community.

2) Will your proposals improve how the Department reaches out to volunteer first responders in rural areas?

Response: The Department recognizes that improving national preparedness is a goal shared by both urban and rural jurisdictions. For this reason, the Department will support volunteer first responders by continuing to implement training programs through mobile training centers, on-site visits to rural first responders, evening and weekend training course schedules, and stipends for volunteer first responders who choose to take advantage of training opportunities. Specifically,

the Department will continue its rural training efforts through the Rural Domestic Preparedness Consortium (RDPC). The RDPC leverages the work of the National Domestic Preparedness Consortium (NDPC) and existing curriculum and tailors it for rural first responders. The RDPC will conduct quality capacity-building for rural jurisdictions through a regional approach that will include a leave-behind capability for jurisdictions to employ themselves. Additionally, the RDPC will develop and implement a process for identifying lessons-learned and best practices for inclusion in ongoing DHS training efforts. The RDPC will then implement a blended learning approach into all training activities to address the concerns of 1) freeing up personnel to attend training and 2) the cost of training. The changes aimed at improving inter-departmental coordination and collaboration, recommended in the Second Stage Review, will only strengthen these initiatives created to ensure that all of the Nation's first responders achieve an adequate level of national preparedness.

The National Fire Academy (NFA) trains volunteer first responders both on-campus at its residential facility in Emmitsburg, Maryland, and off-campus in each of the 50 states. The Academy's on-campus program offers the Volunteer Incentive Program (VIP), an intensive 6-day program designed specifically for members of volunteer and combination departments for whom travel stipends are provided. Like all NFA courses, the VIP courses are eligible for college credits through the American Council on Education (ACE). NFA is re-tooling many of its two-week courses into a compressed 6-day blended-learning format so that more volunteers will benefit from the NFA's preparedness training programs.

Between its State Weekend Program, whereby students attend NFA 2-day courses, and the Direct Delivery Program, where the same courses are delivered by accredited state fire training agencies in rural and metropolitan areas alike, more than half of all NFA students trained are from volunteer and combination (career/volunteer) fire departments.

3) How will your proposal improve the coordination of training programs both within the Department and with other Federal agencies?

Response: DHS Office of Grants and Training (G&T) collaborates and coordinates effectively with other Federal agencies involved in homeland security activities at the State and local levels and with related programs in many ways, including the Training Resources and Data Exchange (TRADE). TRADE was established in early 2001 and is coordinated by G&T. TRADE is a forum for Federal departments and agencies to coordinate information on existing and developmental training related to terrorism and weapons of mass destruction. Through TRADE, G&T has developed a "Federal Course Review" process and established an "Eligible List of Federal Terrorism courses" that State and locals may use HSGP funds to have responders attend. TRADE is an important mechanism for reducing potential duplication of training efforts among our Federal partners. The recommendations made as a result of the Second Stage Review will provide further inter-departmental collaboration and coordination for training.

The Office of Grants and Training participates in the DHS Training Leaders Council (TLC), which meets monthly to coordinate activities across all entities within DHS who offer training to both internal and external audiences. These meetings have led to a greater sharing of information on all aspects of training development and delivery, particularly in the use of technology.

The National Fire Academy (NFA) works closely with a diverse network of Federal, State and local partners to deliver preparedness training to first responders. NFA partners with the Nation's top military organizations through its Train-the-Trainer program, shares in simulation development and delivery with the U.S. Forest Service and collaborates with the National Institute of Standards and Technology to bring the latest technological advances into the field of fire and emergency response training. NFA created the long-established TRADE network in 1984 which now serves as a model for other Federal preparedness programs. Through TRADE, NFA partners with accredited State fire service training agencies and metropolitan fire departments by providing programs that supplement rather then supplant their preparedness training efforts.

My hometown of Anniston, Alabama, is home to the Center for Domestic Preparedness and the Noble Training Center—both of which provide counter-terrorism training. The Noble Training Center is run by the Department of Homeland Security's Federal Emergency Management Agency (FEMA), whereas the Center for Domestic Preparedness falls under the Department's Office for Domestic Preparedness. Under your proposal, FEMA will now report directly to you, and the Office of Domestic Preparedness will be folded under the Under Secretary for Preparedness.

1) What impact will your proposal have on training centers, such as CDP and Noble?

Response: The Center for Domestic Preparedness (CDP) will continue to serve as one of the Department's operational training arms. The CDP will exist within the Office of the Assistant Secretary for Grants and Training. As a vital component of the Department's training program, it will continue to work closely with the members of the National Domestic Preparedness Consortium to develop curricula and provide training to our Nation's emergency prevention and response community.

Under the 2SR plan, both CDP and Noble are being consolidated under the Under Secretary for Preparedness. CDP is operated by the Assistant Secretary for Grants and Preparedness, and Noble is operated by the United States Fire Administration. FEMA's Emergency Management Institute continues to conduct an extensive range of mass casualty and other training activities at Noble.

The National Fire Academy shares the Preparedness Directorate's priority of strengthening medical surge and mass prophylaxis capabilities. NFA intends to also offer its entire on-campus emergency medical services curriculum at the Noble Training Center to provide greater opportunities for access to these popular courses.

2) Under your proposal, what training programs, if any, remain in FEMA? How will these training programs coordinate with the programs under the Under Secretary for Preparedness?

Response: The Emergency Management Institute (EMI) will remain with FEMA. EMI trains FEMA employees, as well as Federal, state, and local emergency management officials, to work together under the National Incident Management System and the National Response Plan in responding to all types of disasters and emergencies. EMI has close and extensive working relationships with other DHS training organizations, including the National Fire Academy, the Center for Domestic Preparedness, and the Federal Law Enforcement Training Center. As such, EMI will work with the Preparedness Directorate to ensure that the Department provides a single coordinated, cohesive training program.

3) How do you envision the role of the new Assistant Secretary for Grants and Training?

Response: The role of the Assistant Secretary for Grants and Training is leading, managing, and coordinating the many activities, responsibilities, and priorities of the organization. Specifically, the role includes communicating, working, and promoting coordination with other components in the Department of Homeland Security, other Federal organizations, and state, local, and private entities. It also involves working with the Congress to ensure that the preparedness capabilities of the Nation continue to improve.

Office of Legislative Affairs

Mr. Secretary, in your Congressional Notification letter (page 7) to the Homeland Security Committee, you propose combining the Office of Legislative Affairs with the intergovernmental functions of the Office of State and Local Government Coordination and Preparedness.

Under your proposal, the result of this merger will be the creation of a new Office of Legislative and Intergovernmental Affairs. This new office will be headed by an Assistant Secretary.

1) What impact will your proposal have on the existing functions of these two offices?

Response: The new Office of Legislative and Intergovernmental Affairs will share the functions and recourses currently dedicated to dealing with State and local elected officials within the Office of State and Local Government Coordination and Preparedness. The structural change

will not diminish resources denoted to Congressional interest, but will enhance service to government officials at all levels.

2) What is the policy rationale for combining the two offices?

Response: Integrating the responsibilities of the Office of Legislative Affairs and the intergovernmental functions currently in the Office of State and Local Government Coordination and Preparedness will enhance the Department's ability to serve our partners and stakeholders in the Congress, as well as state and local elected officials.

Combining the Department's coordination efforts with elected officials at all levels of government will provide a central source for strengthening our outreach and response activities. It will also improve our ability to utilize input from the various levels of government to address common concerns and interest in the programs, policies, and operations of the Department.

It is the policy of the Department to maintain a strong working relationship with elected officials at all levels of government, responding to oversight requests, providing information in a timely manner, and consulting with these officials regarding efforts to improve security against terrorist attacks and natural disasters.

3) Many Members of Congress have had difficulty obtaining information from the legislative affairs offices in the Department's legacy agencies. How will your proposal improve the responses to Congressional inquiries?

Response: I am personally dedicated to ensuring that this Department is responding to the needs of Congress, whatever those needs are (e.g., hearings, briefings, responses to congressional correspondence, etc.). I have also created a new policy directorate. Along with our other reorganization efforts, this will help ensure that we provide timely and accurate responses to Congressional requests.

Border Security -- Contract Management

Mr. Secretary, you have proposed six focus areas for the Department. One of these areas is to strengthen border security. On June 16, 2005, the Subcommittee on Management, Integration, and Oversight, which I chair, held a hearing on the Remote Video Surveillance Program. The contract for this program was managed by the Border Patrol and the General Services Administration. The initial award was for $2 million, but one year later, the contract ballooned to over $200 million without evidence of an open competition.

In December 2004, the Inspector General of the General Services Administration issued an audit, which found numerous problems with the contract. The contract violated Federal contracting rules and wasted millions of taxpayer dollars. The General Services Administration abruptly halted extending the contract, leaving many border sites without cameras and other surveillance equipment.

Later this year, the Department of Homeland Security plans to roll out the new "America's Shield Initiative," which is estimated to cost $2.5 billion. This Initiative will expand and replace the Remote Video Surveillance Program.

1. How will your proposal improve contract management in the Department?

Response: Recently, the Department launched the Secure Border Initiative (SBI) to take a comprehensive and innovative approach to strengthening border security, maximizing the efforts of all its internal agencies, as well as leveraging State, local, tribal, and foreign partnerships, as appropriate.

CBP is establishing a program management office (PMO) in the Office of Policy and Planning to ensure successful coordination and implementation of all CBP SBI initiatives, including what has been referred to as the America's Shield Initiative (ASI). The PMO overseeing all of CBP's SBI efforts will include the use of certified project managers to ensure strong and effective contract management and oversight processes for all CBP SBI initiatives.

Further, CBP is cognizant of recent OIG findings and recommendations and will incorporate the lessons-learned from previous border surveillance projects initiated by the former Immigration and Naturalization Service (INS) to ensure technology is fully integrated and deployed in the most effective manner. The PMO will be comprised of experts from multiple offices. To ensure appropriate program direction and sound operational control, the CBP Office of Border Patrol and the CBP Office of Field Operations will be involved. The CBP Office of Finance (Procurement) will be involved to ensure compliance with the procurement process regarding appropriate and enforceable contract development and administration processes. Additionally, the CBP Office of Information Technology will be involved to ensure technical compliance with DHS/CBP standards and architecture, and also to serve as the Contract Officer's Technical Representative (COTR). CBP will also have an executive steering committee at the Assistant Commissioner-level to provide strategic and policy level direction to the PMO.

2. How will these improvements strengthen border security?

Response: SBI will bring newer technologies and support all-weather, all-environment operations. Electronic border surveillance capabilities will be fully integrated and expanded to all border areas based on threat. Tactical command and control will be enhanced and situational

awareness capabilities will be provided. Force multiplying technologies will be expanded and decision support systems will be provided.

3. Under your proposal, how will the America's Shield Initiative be managed? When do you anticipate the Department will formally propose this Initiative?

Response: See answer to Question 1 under Border Security -- Contract Management.

Information Security

On April 14, 2005, the Subcommittee on Management, Integration, and Oversight, which I chair, held a hearing on the problems with the Department of Homeland Security's current Information Security program. The Office of Management and Budget submitted a report to Congress on March 1, 2005, on how well Federal agencies are doing in complying with the Federal Information Security Management Act of 2002. Based on this report, the Department of Homeland Security received a grade of "F" on the Federal Computer Security Report Card.

Just this past Monday, July 11th, the Government Accountability Office (GAO) issued a report that concluded that the Department of Homeland Security has yet to fully and effectively implement a comprehensive, department-wide information security program. This is needed to protect the information and information systems that support the Department's operations and assets.

1. How will your proposal improve the information security of the Department?

Response: The success of the DHS mission is absolutely dependent on our ability to protect sensitive information used in defending the homeland. While much of the Information Security Program is structured around compliance with FISMA, OMB and National Institute of Standards and Technology (NIST) standards and guidance, the DHS Information Security Program has also been designed to provide a secure and trusted computing environment based on sound, risk-management principles and program planning.

To this end, the Office of the CIO recently completed a comprehensive inventory of all information systems currently in use in the Department. This inventory followed a common methodology for determining appropriate security boundaries and will now serve as the baseline for systematically improving our systems security. This framework of common inventory definitions, coupled with recently deployed enterprise-wide security management tools and processes, will provide the common trust environment that is necessary for negotiating effective and appropriate rules-of-behavior across system boundaries, thereby facilitating information sharing.

Questions For the Record
House Homeland Security Committee
"The Secretary's Second-Stage Review: Re-thinking the Department of Homeland Security's Organization and Policy Direction"
July 14 & 25, 2005
Secretary Chertoff

I recently spoke at the Department's 3rd Annual Security Conference, where over 1000 security professionals from every Component in the Department came together from around the country for a week of focused training. At that conference, I personally outlined for them the key priorities that have come out of the Second Stage Review (2SR) and emphasized the critical importance for improving our ability to effectively share information, while doing so in an appropriately secure environment. Our Information Security Program has been fully aligned with these objectives and I am confident that together we will move the Department forward.

2. Will your proposal speed up the integration of the different Information Technology systems in many of the Department's 22 legacy agencies?

Response: One of the key priorities in the 2SR realignment is to enhance our ability to share information. This is true both internally within the Department and externally with the greater homeland security community, to include Federal departments and agencies, as well as State and local governments, and private sector partners. To this end, IT alignment and consolidation is paramount. The Office of the CIO is aggressively pursuing this as a top goal, and has already begun realigning our IT infrastructures and processes. Key efforts include:

- Integrated IT Infrastructure: The Office of the CIO is transitioning the multiple IT infrastructures, processes, and organizational structures of the components into a consolidated, integrated, secure, department-wide IT enterprise. Currently, most of the Department's components fund and are supported by separate and largely stove-piped IT infrastructures. This environment makes it difficult to share information across components and has resulted in redundant investments and wasted resources. Integrating IT infrastructure will eliminate the duplicative infrastructures and provide common capabilities and services.

- HSDN: On the classified front, the Office of the CIO is now fielding the Homeland Secure Data Network to 60 initial sites throughout the Department. HSDN is the core network for storing and processing classified information and there are a significant number of planned installs over the next several years. HSDN has been developed in partnership with the Defense Department and is fully integrated into the Defense Department's Secret Internet Protocol Routed Network through joint controlled interfaces, making it an invaluable tool for sharing information.

- The Homeland Security Information Network (HSIN): HSIN is key to helping us share information in a protected manner with our State and local component field offices and other partners. The work that the Office of Security is doing to train State and local partners on handling classified information accessible through HSIN is central to achieving seamless coordination while protecting our security.

- Full Integration of HSIN and HSDN: Future plans also include providing a single, common classified environment, not only for internal DHS use, but also for sharing classified information with our extended homeland security community wherever and whenever classified communications is required.

3. How will your proposal strengthen the role of the Department's Chief Information Officer?

Response: The role of the Department's Chief Information Officer (CIO) has always been a strong role within the Department and will continue to be strong. The CIO is the principal IT lead to the Secretary and Deputy Secretary.

CBP/ICE

On March 9, 2005, the Subcommittee on Management, Integration, and Oversight, which I chair, held a hearing on the organizational structure of the Bureau of Customs and Border Protection (CBP) and the Bureau of Immigration and Customs Enforcement (ICE). What we learned from the testimony of former Department officials is that instead of fostering coordination and cooperation, the current structure has actually created "bureaucratic walls" between the two agencies -- CBP and ICE. Previously, border inspectors or Border Patrol agents worked hand-in-glove with Immigration and Customs investigators. But, under the current structure, there are separate chains-of-command which do not always result in the same level of cooperation as occurred in the past. Your proposal specifically does not merge these two agencies. Instead, both agencies will report directly to you.

1. Why did you decide not to merge these two agencies?

Response: After conducting the Second Stage Review and studying these two agencies closely, I decided not to merge CBP and ICE, but instead to implement organizational changes at the Headquarters level in order to enhance the coordination of policy, operations, and intelligence across the DHS spectrum. To that end, I decided to create a Department-wide Policy Office, an Operations Coordination Office, and a more robust Intelligence and Analysis Office. All three of these offices are charged with utilizing the tools of all of the components, including ICE and CBP, to address the Department's critical homeland security mission.

I also concluded that CBP and ICE should become direct reports to me. I believe that this management approach will increase accountability, while eliminating layers of bureaucracy, allowing greater focus on the Department's seven operating components and, in particular, better visibility into these two distinct components. A merger, on the other hand, would diminish, rather than enhance, the roles of the Assistant Secretary of ICE and the Commissioner of CBP by relegating them to Deputy Assistant Secretaries.

I was also concerned that a merger would yield a protracted period (at a minimum six months to a year) of mission confusion and organization churn, thus undermining the operational effectiveness of CBP, ICE, and the Department at large. Much effort has gone over the past several years into standing up these two agencies, including mission definition and the stand-up of management and financial structures. Forcing the 55,000 plus employees in these two components to go through yet another major structural change would be a significant and costly set-back. Employees would once again need to cope with mission confusion, uncertainty of reporting and supervisory structures, among other concerns. The resulting day-to-day confusion and disruption would seriously divert their attention from their critical homeland and border security mission.

These two agencies have unique, albeit overlapping, missions of interior enforcement and interdiction and we should allow them to mature effectively. New Management initiatives and financial fixes, I believe, are a far better solution to addressing the coordination problems that these two agencies have had.

2. Under your proposal, how will these two agencies cooperate and coordinate? How will you address the turf battles?

Response: I am regularly meeting with the heads of these two agencies to ensure that we address coordination issues up front and institute new management initiatives that enhance coordination.

For example, my border security plan, the Secure Border Initiative (SBI) is a collective effort that focuses the agencies on their core missions. SBI was launched to ensure that the Department is taking a comprehensive approach to securing the border and immigration enforcement within the United States. We are addressing our border security challenges with an integrated mix of increased staffing, more robust interior enforcement, greater investment in detection technology and infrastructure, and enhanced coordination on Federal, State, local, tribal, and international levels. I meet with CBP and ICE leadership on a weekly basis to closely monitor improvements, launch new initiatives, and ensure that we are measuring results.

Under my direction, ICE and CBP have also stood up a coordination council, at which high level managers from each agency meet regularly to oversee the implementation of interagency coordination efforts and Memoranda of Understanding, as well as the regular monitoring of issues that arise between the agencies as a result of various operational initiatives. ICE and CBP must ensure that priorities are aligned, that referral and acceptance rates increase, and that both agencies are effectively leveraging each others' resources. I am also meeting with these agencies regularly to focus on enforcement priorities. ICE and CBP have, in fact, worked many cases together over the last several years, but there is no question that improvements are necessary.

Intelligence is another area where we must enhance coordination. To that end, at my direction, the new Chief of Intelligence is managing a more robust intelligence office that is charged with fusing information from all DHS components, including ICE and CBP. This organizational change within the Department will focus not only on increasing information sharing between components, but will also develop intelligence products that incorporate information from across the DHS spectrum. The Chief of Intelligence has a new dedicated Border Security Unit which is devoted entirely to developing analysis, methodologies and requirements to institute improved mechanisms to fuse border security information and alert CBP and ICE to potential terrorist tactics and techniques along the Southern and Northern Borders. Coordination with CBP and ICE are critical to this effort.

We have also established a formal mechanism to assure that the Under Secretary of Management and the Chief Financial Officer collaborate with ICE and CBP to develop greater participation in one another's budget formulation and strategic planning processes. In additional, the Chief Financial Officer will track budget execution to guarantee compliance with agreed-to-budgets and plans.

Finally, as direct reports to me, I will have greater visibility into the coordination successes and problems that arise from these two agencies. I expect that ICE and CBP leaders will bring any "turf battles" or coordination issues to my attention immediately and that we can drive to solutions short of instituting major organizational changes.

3. What specifically do you plan to do to break down these so-called "bureaucratic walls" that have been created by the current structure?

Response: See answer above.

Questions for the Record from Bobby Jindal, Louisiana

1. Mr. Secretary, there are about 183,000 employees involved in securing our country within DHS, most of which are located outside of Washington, DC. You indicated the need for further focus and assessment on coordination and consolidation. What is being done to link the DHS headquarters with the needs in the field to facilitate coordination on state and local levels? What are your conclusions regarding the Regions Initiative? Do you see regional offices acting as fusion centers to better consolidate and coordinate efforts with state, local and private stakeholders?

Response: Since the inception of the Department, coordination with our State, local, tribal, and territorial partners has been a priority. The Department coordinates policy and operations directly with state and local officials using a multitude of resources. Our State and local office

coordinates Departmental programs and relationships with State, local, tribal, and territorial governments. This office is also an advocate for the resources needed by Sate and local governments and is in communication with State Homeland Security Advisors, Mayors, Governors, First Responders, as well as national organizations that represent these officials, on a regular basis. These State, local, tribal, and territorial officials are solicited for their comments on both policy and operational guidelines; their presence on various working groups and advisory committees is regularly requested; and Departmental program information is regularly exchanged. In addition, other divisions of the Department are continuing to work with State, local, tribal, and territorial officials to ensure coordination, such as establishing more State fusion centers to improve the sharing of information and intelligence across agencies. The future state of the Department's organization will only continue to strengthen our relationship and coordination efforts with our State, local, tribal, and territorial stakeholders.

2. I commend you on your attention to shipping containers in efforts to secure our ports. Trying to gauge risk to ports is an ongoing challenge. I recently visited Port Fourchon in Louisiana where 15 million tons of cargo are moved intermodally a year. The port handles over 1.3 million barrels of oil daily and is responsible for 16 to 18% of the U.S.'s total oil supply. Yet, the port is not among the list of the 66 highest risk ports in the country. Is the Department taking steps to better define its assessment strategy? Is DHS developing long-term plans for its Port Security Assessment Program that includes cost estimates and management responsibilities?

Response: The FY 2005 Port Security Grant (PSG) Program provides more than $141 million for port security grants. As part of its mission, the PSG Program aims to create a sustainable, risk-based effort for the protection of critical infrastructure from terrorism, especially explosives and non-conventional threats that would cause major disruption to commerce and significant loss of life. Eligibility for the 2005 PSG Program was determined by a risk-based distribution of funding. As part of this focus, the 2005 program will direct available funds to the Nation's highest-risk ports, thereby ensuring federally regulated ports, terminals and U.S. inspected passenger vessels receiving the funds represent assets of the highest strategic importance nationally.

The list of 66 port areas eligible for funding under the FY 2005 PSG Program was determined after the Nation's 129 largest volume ports (as defined by the U.S. Army Corps of Engineers) were evaluated using a risk formula that considered consequence, vulnerability, and threat. The U.S. Coast Guard (USCG), the Information Analysis and Infrastructure Protection (IAIP) Directorate, and the Office of State and Local Government Coordination and Preparedness (SLGCP) developed and applied this formula as part of the Department of Homeland Security's efforts to refine the PSG Program's focus on risk-based allocation of funds. Port Fourchon did not have enough cargo volume to be on the initial list of the 129 largest volume ports; therefore, it was not included in the list of 66 ports determined to be eligible for FY 2005 PSG funds.

SLGCP worked with its partners to identify risk-based national priorities for funding. These priorities were: 1) Protection against small craft attacks, 2) Prevention and Detection of underwater attacks and vehicle borne improvised explosives, and 3) Enhanced explosives detection capabilities for the owners/operators of vehicle ferries and associated facilities. The final selection of projects for the latest round of PSG funding was decided by a risked-based algorithm that provided an objective scoring process according to National and Local Port Security Priorities, Captain of the Port Project Prioritization, and a port area risk adjustment.

The Department has received inquiries about why certain ports did not make the final list of eligible port areas. It is understood that ports not on the eligible list for the FY 2005 PSG Program contain critical assets. However, the port areas determined to be eligible for the FY 2005 PSG Program are those that represent the highest-risk (consequence, vulnerability, and threat) from a national port security perspective. The Department anticipates that it will receive additional funding through the FY 2006 DHS Appropriations Act. The Department will consider additional criteria, and will evaluate its port security assessment process as it builds upon the existing efforts to secure our Nation's ports. It is important to note, though, that port security efforts, as well as overarching homeland security efforts, are shared Federal, State and local responsibility.

3. With the Department's focus on preparedness and the appointment of a Chief Medical Officer, how will consolidation efforts enhance a first responder's ability to perform following a catastrophic disaster or act of terrorism? How will the structural changes improve access to training and educational programs for first responders?

First responders are an integral part of a comprehensive medical preparedness and response system. For a system to function to its maximum potential all elements must work together seamlessly. Preparation for catastrophic medical events includes the full engagement with state and local authorities where first responders live and work. The preparation involves engaging associations of medical professionals, and other stakeholders who deal with medical consequences of natural disasters or terrorists acts. Consolidation of our efforts will enable the Chief Medical Officer to be a key member of the Preparedness Directorate management team that will be looking closely at the manner in which taxpayer dollars provide appropriate training and education for first responders. By co-locating the CMO with Grants and Training in the Preparedness Directorate, we can leverage the Department's existing commitments to implementing the goals and objectives outlined in HSPD8. The objective will be to get the maximum benefit for the dollars, based on priorities established by the CMO and the management team, working with constituent groups in the preparedness and response system.

Questions for the Record from Zoe Lofgren, California

In light of the recent subway explosions in London and the train attacks in Madrid last year, Mr. Secretary I wonder if you would be willing to commit to dedicating at least one of the remaining ten Centers for University Research to the issue of transportation security. If you intend to do so, when? If not, why not?

Response: Regarding the topics selected for the DHS Centers of Excellence, we have sought input from a variety of sources. These sources include the *Homeland Security Act of 2002*, as amended, the National Research Council (NRC), the *Homeland Security Presidential Directives* (HSPDs), other DHS directorates, and DHS S&T subject matter experts (SMEs).

The *Homeland Security Act of 2002* enumerated 14 broad research topic areas for the Secretary to consider:

Criteria for Designation *[P.L. 107-296, as amended; Section 308(b)(2)(B)]*

i. The training of first responders
ii. Emergency and diagnostic medical services
iii. Chemical, biological, radiological and nuclear countermeasures or detection
iv. Animal and plant health and diagnostics
v. Food safety
vi. Water and wastewater operations
vii. Port and waterway security
viii. Multi-modal transportation
ix. Information security and information engineering
x. Engineering
xi. Educational outreach and technical assistance
xii. Border transportation and security
xiii. Responding to incidents involving weapons of mass destruction and biological warfare
xiv. The public policy implications and public dissemination of homeland security related research and development

We are planning on supporting a total of six merit-based Centers of Excellence through FY 2007, a potential research topic area for a sixth Center is under active consideration and development. We anticipate releasing a Broad Agency Announcement requesting proposals for consideration this year.

DHS is responsible for ensuring that the Centers' research is of the highest caliber. In order to verify that proposed research meets these expectations, the S&T Directorate has established a comprehensive three-tier review process for proposals. Each university proposal must submit to this rigorous selection and review process.

Questions for the Record from Sheila Jackson-Lee, Texas

1. The Antiterrorism and Effective Death Penalty Act of 1996 established an Alien Terrorist Removal Court. The provisions for this court are in Title V of the Immigration and Nationality Act. To my knowledge, this court has not been used yet. Do you see a role for this court in our war against terrorism?

Response: Despite the fact that it has not been used, the Alien Terrorism Removal Court (ATRC) remains a potentially important component of our enforcement apparatus. It was created to help the United States avoid the dilemma of either allowing alien terrorists to remain in the United States, or endangering national security by disclosing classified evidence in their removal proceedings. This was a problem prior to the creation of the ATRC and, without the ATRC, the Government is likely to once again face this dilemma in at least a small number of cases. In our view, the ATRC remains a potentially critical tool.

2. Does the Department have adequate resources to improve the benefits application processing for the Bureau of Citizenship and Services?

Response: Yes, the Department has appropriate resources to improve the processing of immigration applications. There are currently two efforts underway. The first, the Backlog Elimination Plan outlines the U.S. Citizenship and Immigration Services (USCIS) strategy for streamlining processes, leveraging information technology capabilities to increase efficiency, and ensuring that resources are properly aligned with workloads. These strategies, along with a consistent focus on backlog elimination (without jeopardizing the integrity of the U.S. immigration system), have yielded tremendous results. With this, USCIS has set aggressive targets for the coming year, with the most demanding targets set for our Eastern Region offices. The majority of the remaining backlogs reside in applications that require the highest level of adjudicative scrutiny and time. These are serious benefits and we are serious about seeing that they are administered judiciously.

Additionally, USCIS has initiated a Business Transformation Program to improve and automate the processes and systems that support its operations. Modernization of USCIS business operations will maintain and improve upon the progress achieved under the Backlog Elimination Plan and eliminate paper-based processing. It will also make it easier and faster for customers to electronically file immigration applications, get updates on the status of their applications, and, as appropriate, receive immigration benefits.

3. Does the Department have adequate resources to provide sufficient detention facilities for the "Other Than Mexicans" (OTMs)?

Response: ICE's Office of Detention and Removal Operations (DRO) must maintain enough bed space for those aliens in immigration proceedings who are required to be detained. Currently, DRO detains approximately 18,000 mandatory detention cases. This represents approximately 81% of all aliens detained. Excluding expansion of the Expedited Removal Program to CBP/Border Patrol, historical data shows that mandatory detention cases have grown by 15% over the past five years. In order to keep pace with this growth and to maintain sufficien capacity for non-mandatory detention cases, DRO is expanding bed space to accommodate expedited removal cases primarily for OTMs. We have added 1,800 beds for this purpose so far this year. Under a comprehensive detention and removal reform approach, along with expanded detention capacity, the Department intends to substantially reduce the sheer number of OTMs attempting to cross our borders illegally.

4. Are you aware of the location of the Minuteman Project throughout the United States as well as its proposed location? Will or has the Department initiated any programs to ensure that the Minuteman Project volunteer border patrol operations do not result in violence?

Response: In late fall of 2004, the Arizona-based Minutemen Civil Defense Corporation conducted the widely publicized Minuteman Project in Southern Arizona. Immediately following the end of this operation, the founders of the Minutemen Civil Defense Corporation began a recruiting drive. This recruiting drive also targeted individuals outside of Arizona. The focus was to solicit individuals in other states who would be willing to create chapters of the Minutemen Civil Defense Corporation within their home states.

The response to the recruiting drive was strong and several chapters to the Minutemen Civil Defense Corporation were created. There are fifteen known chapters of the Minutemen Civil Defense Corporation that operate in several different states. Chapters are operational in the following states:

- California
- Arizona
- New Mexico
- Texas
- Alabama
- Washington
- Illinois
- Utah
- Pennsylvania

In addition to these Chapters of the Minutemen Civil Defense Corporation, several other Immigration Reform Activist Groups were organized as a result of the Minuteman Project during the fall of 2004 in Southern Arizona. These organizations, although not related to the Minutemen Civil Defense Corporation, seem to share the same opinions on Immigration Reform and have coordinated their efforts to this end.

One of the goals of these groups is to bring as much attention to their cause as possible. Operations conducted by these Immigration Reform Activist Groups are typically advertised on their web sites and in the media. CBP's Border Patrol's Headquarters and the Border Patrol Field Stations monitor these websites to identify upcoming events. The facilitators of these events have also communicated their intentions to target a certain area with the Sector Headquarters and the stations to be impacted by their operations prior to the commencement of their event. In addition, these groups send out "Advance Scouting Personnel" to perform reconnaissance to the targeted areas for upcoming operations. At times, these "Advance Scouting Personnel" have encountered agents in the field and have advised these agents of upcoming events. This information is relayed to Sector Headquarters and then routed to Headquarters Border Patrol.

The Office of Border Patrol recognizes that the potential for conflict always exists when you have two groups with differing political and ideological views staging in the same geographical area.

CBP's Office of Border Patrol, in coordination with the impacted Sectors, have taken actions to control this evolving situation. The OBP coordinates and meets with Federal, State and local law enforcement agencies, which have jurisdiction over the area of planned protest. These meetings help to facilitate the following outcomes: 1) a seamless flow of information between the agencies, 2) action plans directed towards maintaining situational control, and 3) crisis action plans. The Impacted Border Patrol Sectors have developed and implemented Standard Operating Procedures to identify responsibilities of its stations and to facilitate the actions of those stations in response to these groups.

CBP's OBP recognizes the rights of individuals and groups to peaceably assemble and protest. The Border Patrol will attempt, to the best of its ability, to maintain a safe environment along the U.S./Mexico Border.

5. As referenced in a letter from me to your Department dated June 5, 2005, there was a recent conflict whereby the Houston office of Immigration and Customs Enforcement (ICE), in connection with an ongoing investigation of an individual in Houston suspected of terrorist ties, has claimed that the Federal Bureau of Investigation (FBI) wrongfully impeded the grant of a request for a wiretap authorization. This issue raised serious and pressing questions as to the authority, jurisdiction, and competence of both the Department of Homeland Security as well as

the Department of Justice as to the nature of their interaction under the US Code. Will the Department propose a plan to distinguish its jurisdiction from that of the Department of Justice?

Response: The Houston incident was not a jurisdictional dispute, but rather one of coordination. FBI director Mueller recently testified that the problems which arose in the Houston investigation were caused by internal communication failures. Currently, the Inspectors General from the Department of Justice and DHS are conducting a joint inquiry into the matter. Upon reviewing their findings, I will work closely with Attorney General Gonzales to ensure that future cases are coordinated appropriately.

DHS and DOJ agree that ICE and FBI bring complementary authorities to bear in combating terrorist financing. Both ICE and the FBI have an established framework to coordinate terrorism finance investigations and, on any given day, work collaboratively and effectively on dozens of significant investigations around the country and the world.

Questions for the Record from Bob Etheridge, North Carolina

1. Mr. Secretary, as you know, my state of North Carolina experiences more than its fair share of hurricanes, floods and other natural disasters, so I am concerned about the reorientation of FEMA within the Department.

    - Since FEMA will effectively be separated from the Preparedness Directorate, and will report directly to the Secretary, how will preparedness and response functions be coordinated?

Response: Under the Department of Homeland Security (DHS) reorganization announced by Secretary Chertoff, FEMA will focus on its principal mission of response and recovery to emergencies and disasters as well as mitigation. In order to effectively respond to and recover from disasters, FEMA, as well as first responders at all levels, must first prepare to do so. This includes activities such as planning, training and exercising. This also includes building relationships and partnerships with a myriad of organizations, including State emergency management and homeland security organizations as well as Federal agencies at the headquarters and regional levels.

DHS is committed to providing first responders with the support and resources necessary to prevent, prepare for and respond to potential terrorist attacks and all hazards. By creating a new Preparedness Directorate, DHS will be better able to assess the most effective ways to enhance preparedness, as well as prioritize policies and operations according to a risk-based approach. Additionally, the new Preparedness Directorate will strengthen coordination efforts to support first responder training, citizen awareness and public health. These changes will enhance the

Departments ability to work with first responders more effectively before an emergency strikes, while enabling FEMA to focus on its core function of response and recovery.

FEMA preparedness programs that better fit into broader preparedness efforts will move to the new DHS Preparedness Directorate. Programs that prepare Federal, State, and local emergency responders more specifically for response and recovery activities, such as the Emergency Management Institute, the National Incident Management System (NIMS) and the National Response Plan (NRP) will remain with FEMA. FEMA is now identifying the mechanisms needed to generate and communicate preparedness requirements to the new Directorate. As the new Directorate is established, formal mechanisms and processes for effective FEMA coordination efforts will be implemented. Further, FEMA will establish the appropriate internal mechanisms to ensure that the products and services of the Preparedness Directorate are properly integrated into the FEMA response and recovery efforts. Additionally, both FEMA and the Preparedness Directorate will need to ensure that the operational readiness posture of State and local partners is maintained.

The bottom line is that all of this effort today and over the years ahead is to make sure we are best protecting the American people from disasters of all kinds. FEMA has responded to the needs of millions of victims and helped them through the recovery process for nearly 30 years. The structural changes to the Department will result in better coordination of all preparedness aspects and organizations from across the Department. This will lead to improved collaboration with our Federal, State and local partners in all-hazards planning. Ultimately, this will better enable FEMA, the Department and the Nation to be ready to face the disaster response and recovery challenges of the next 30 years.

- Are you going to be responsible for coordinating preparedness and response between the entities?

Response: The Department of Homeland Security was created to provide the unifying core for the vast national network of organizations and institutions involved in efforts to secure our nation. To achieve this objective, the Department focuses its efforts on enhancing national preparedness and response capabilities. One of the key components of the Secretary's Second Stage Review is the establishment of a Preparedness Directorate that will include a number of existing DHS components that share complimentary program missions. Under the Second Stage Review, FEMA will be a direct-reporting office to the Secretary of Homeland Security. In order to strengthen and enhance our Nation's ability to respond to and recover from manmade or natural disasters, FEMA will now focus on its historic and vital mission of response and recovery. I am confident that the preparedness and response agencies within the Department are closely coordinating to ensure achievement of a better prepared America. The Second Stage Review will undoubtedly strengthen this coordination. Finally, I will work to ensure that all components within the Department work together to achieve our shared goal of securing our

Nation from terrorist events and natural disasters.

2. Within the Department, there are training entities that are part of FEMA and training partners managed by Office of Domestic Preparedness. How will the Department ensure the orderly transition of all of these training providers from one entity to another?

Response: The Emergency Management Institute (EMI) has been and remains FEMA's corporate training arm. EMI provides disaster training to FEMA employees, National Response Plan co-workers from other Federal agencies, and to our State and local emergency management partners. EMI's training efforts have long been closely integrated with the training provided by the National Fire Academy, the Office of Domestic Preparedness, and the Federal Law Enforcement Training Center. This coordination will not be altered in any way by the 2SR changes.

- Within the Preparedness Directorate, how will the roles of the National Fire Academy and the Emergency Management Institute change from their current operation?

Response: The roles of the National Fire Academy (NFA) and the Emergency Management Institute (EMI) will not change significantly. NFA will continue to serve the fire, rescue, and emergency medical services community, and EMI will continue to focus on the integration of all community emergency management services including police, fire, public works, emergency medical services, public health, and elected and appointed officials under the National Incident Management System (NIMS). EMI will continue to not only work closely with NFA, but also with other DHS training entities to ensure that we have a coordinated, cohesive emergency training system for the Nation.

3. The Department has made an attempt to educate the public in the case of a disaster through programs such as The Ready Campaign and Citizen Corps. These programs contain pertinent information that the citizens of our country need to have to effectively prepare and respond to a terrorist attack. In your review of the Department, you made no mention of the efforts to prepare the public.

- Did the Department analyze the effectiveness of programs such as The Ready Campaign and Citizen Corps?

Response: Citizen preparedness is essential and is an integral component of the Department's and the Administration's overarching mission of securing our Nation against acts of terrorism and natural disasters. The Department works through two primary programs to address citizens and community – the Citizen Corps Program and the Ready Campaign. Citizen Corps is the

Department's nationwide grass-roots movement to actively involve citizens in making our communities and our nation more resilient from all hazards and threats. Seventy percent of the U.S. population is now served by more than 1,900 State or local Citizen Corps Councils, which coordinate the program's homeland security activities. The Ready Campaign is a national public service advertising campaign designed to educate and empower American citizens to prepare for and respond to potential terrorist attacks and other emergencies. The goal of the campaign is to get citizens involved and ultimately to increase the level of basic preparedness across the nation. Citizen Corps and the Ready Campaign already work closely together. The Secretary's Second Stage Review recommended that these organizations be combined. In November 2005, Deputy Secretary Michael Jackson signed a memorandum merging the staff, resources, programs and functions of Citizen Corps and Ready to form the Office of Community Preparedness. This new Office is an integral part of the Office of Grants and Training. These two programs work with State, local and tribal entities as well as numerous non-government and private sector groups to ensure the public is engaged in threat awareness and education, training and exercises, and volunteer opportunities that support the emergency response community. The Citizen Corps volunteer programs include Community Emergency Response Team (CERT) training, Fire Corps, Medical Reserve Corps, Neighborhood Watch and Volunteers in Police Service. All show a steady increase in citizen participation.

- What plans do you have for the continuation of these programs?

Response: The Department intends to continue and strengthen both the Citizen Corps Program and the Ready Campaign through the creation of the Office of Community Preparedness. In addition, Community Preparedness and Participation is now one of the 37 Target Capabilities. Having an educated, well-informed and trained public is essential to homeland security. The goal of the Office of Community Preparedness is to implement the target capability. The mission is to have everyone in America participate in making their community safer, stronger, and better prepared for all threats and hazards by affecting a cultural change in:

- How Federal, State and local government leaders and emergency responders view the role of the "citizen" in prevention, protection, preparation, response and recovery, and
- In how the public views its roles and responsibilities.

The Ready Campaign and Citizen Corps work together in five key areas to meet the Community Preparedness and Participation capability targets:

- Public Education and Awareness;
- National Partnerships;
- DHS Policy Integration and Implementation;
- State and Local Citizen Corps Council Technical Assistance; and
- Evaluation and Metrics.

The long term outcome of this effort is to have:

- A public educated in the four mission areas of preparedness;
- Citizens who are trained in life saving first aid, response skills, and surge capacity roles; and
- Citizens participate in exercises, volunteer programs, and surge capacity support.

Questions for the Record from James R. Langevin, Rhode Island

Nuclear Threat

1. As you know, the President, and your Department, have asked Congress to support creation of a Domestic Nuclear Detection Office within DHS. Under the structure you have proposed, the DNDO would report directly to you.

   Our Subcommittee on Prevention of Nuclear and Biological Attack has had hearings addressing the proposed DNDO. These hearings brought to light some uncertainty about its true role and mission, as well as questions about jurisdiction over certain issues that are more international in scope, such as securing fissile materials. However, these more global issues are clearly critical to the prevention of a nuclear attack in this country.

   Can you describe for me your vision for the DNDO? What steps have already been taken to establish this new office?

Response: In short, I see the DNDO as the lead organization within the Department responsible for the prevention of nuclear or radiological terrorism. To that end, the DNDO will conduct all technology research, development, and acquisition (RD&A) necessary to meet the Department's mission with regards to the nuclear threat. The DNDO will also be charged with creating an integrated global detection strategy, or "architecture", for deploying developed technologies to detect attempts to ship nuclear or radiological materials to the United States and provide for a multilayered defense with multiple detection opportunities between potential material sources and targets. However, this threat is not one that can be solved solely by deploying more or better technology. As such, the DNDO must create a better-informed operating environment, ensuring that information flows effectively and securely across Federal, State, and local levels, and is integrated at the Federal level to create a real-time situational awareness across the deployed system.

Even prior to the Second Stage Review, I provided notification to the Committees of my intent to establish the DNDO as a direct report to me. Simultaneously, I submitted to the appropriate Committees a request to reprogram funds originally appropriated for Radiological and Nuclear Countermeasures within the Science and Technology Directorate to provide initial operating funds for the new office. At that time, I named Mr. Vayl Oxford as the Acting Director, and instructed him to begin to staff the office as quickly as possible. Since then, over thirty detailees

from other DHS components, the Departments of Energy (DOE), Defense (DoD), and State (DOS), the Federal Bureau of Investigation (FBI), and the Nuclear Regulatory Commission (NRC) have begun to staff the office. As the staff has grown, the DNDO has assumed the management responsibility for all research and development programs in nuclear detection and prevention from DHS S&T, and has developed a close working relationship with Customs and Border Protection (CBP), allowing for an efficient transition of responsibility for radiation portal monitor acquisition to the DNDO in FY 2006.

Beyond system acquisition and R&D, what other functions do you expect this office to perform?

Response: First off, I would like to avoid minimizing the RD&A requirements I have placed on the DNDO. Due to the unique radiation signatures emitted by threat materials, technology can provide a very real opportunity for detecting and preventing an attack with truly catastrophic consequences. Accordingly, we must continue to push the state-of-the-art to guarantee that we are giving ourselves the absolute best chance possible to succeed.

As I stated above, beyond technology development and acquisition, the DNDO will have two main responsibilities. The first of these is the development of the global nuclear detection strategy, or "architecture." This strategy will encompass related USG efforts to detect, as early as possible, nuclear materials that may be destined for the United States, including nuclear materials control, overseas screening, protection of military installations, U.S. border screening, nuclear materials regulation and tracking, and urban protection and surveying. DNDO will work with elements of the military, intelligence, and law enforcement communities to ensure the detection strategy is consistent with other efforts to detect and impede the attempted illicit shipment of nuclear materials to the United States. As such, the DNDO architecture staff includes senior representation from CBP, USCG, DOE, DOD, and the NRC. Additionally, this staff regularly interacts with staff from the State.

The second major responsibility I have given the DNDO, beyond technology development, is to support the technology once deployed. This involves a wide-range of activities. First and foremost, the DNDO must ensure that all deployed technologies are accompanied by appropriate training materials and response protocols. Technology has little benefit if it is not operated correctly or if alarms are not reported to the appropriate agencies for resolution and response. Beyond this critical function, the DNDO must create a better-informed operating environment, ensuring that information flows effectively and securely across Federal, State, and local levels, and is integrated at the Federal level to create a real-time situational awareness across the deployed system. Additionally, the DNDO will maintain an information analysis function to integrate data collected from deployed systems with information gathered by the Intelligence Community (IC). This integrated approach to detection and information analysis will ultimately

provide substantial improvement in alarm resolution, threat assessments, data trend analysis, and, most importantly, overall probability of mission success.

How to you envision it working with other entities at the Departments of Defense, Energy, and State and elsewhere to address the full scope of the nuclear threat?

Response: First and foremost, the DNDO has been envisioned, from its inception, as a jointly staffed office, with detailees from all interagency partners. Beyond the immediate benefit of this joint staffing approach, the DNDO, as designed, has multiple mechanisms to ensure that interagency cooperation occurs constantly. These mechanisms have already proved beneficial. The DNDO has held technical exchange meetings with the DOD, DOE, the State Department, and the NRC to begin to determine where potential gaps or overlaps in mission exist. As issues arise through these meetings, the architecture development efforts, or other activities, they will be addressed by the Interagency Coordination Council (ICC) established within the DNDO. The ICC, made up of senior officials from each DNDO-related Federal agency, will provide a venue for high-level coordination on all relevant topics. Likely topics for near-term interaction include budget coordination, research and development planning, implementation of the global architecture, and information sharing mechanisms.

Though the ICC provides an opportunity for senior-level coordination, the working level coordination inherent in a jointly-staffed office will likely pay even greater dividends. Beyond the formal technical exchanges that have occurred, the interagency staff has provided the DNDO with an opportunity to interact with other department's non-Federal partners (such as the NRC's partnership with the Organization of Agreement States), to begin to integrate what had previously been completely segregated efforts.

As a nascent organization, the DNDO will continue to identify additional opportunities for coordination not previously realized. This was, in fact, one of the key reasons for establishing the DNDO. The recognition of the multitude of nuclear detection programs across the Federal, State, and local levels made it clear that there must be a single strategy to unite all of these previously disparate efforts.

As has been stated previously, the DNDO has been given the mission of "centralized planning with decentralized execution". While the DNDO will not have oversight over other agencies, it will continue to advocate beneficial programs to the Administration, as well as Congress, and identify duplicative or ineffectual programs when necessary.

2. The 9/11 Commission report states that one of our country's most pressing security needs is to ensure that a nuclear weapon or dirty bomb does not enter the United States in a cargo container. Yet, millions of containers currently enter our ports of entry without having been

screened for nuclear and radiological materials. The Department has embarked on a project to install radiation portal monitors at our seaports, airports, and border crossings. The project is funding-dependent, and to this point the Administration's budget request is short of what's necessary to complete this deployment before the end of the next fiscal year.

In light of the seriousness of the nuclear terrorist threat, when can the American people except that these devices will be installed at all of our seaports, airports, and border crossings to ensure cargo is screened for weapons of mass destruction?

Response: U.S. Customs & Border Protection (CBP) and the Domestic Nuclear Detection Office (DNDO) are currently working on a joint deployment strategy that will refine the current Project Execution Plan (PEP) regarding the technology, scope, schedule and cost of deploying radiation detection technology to U.S. ports of entry.

As has been outlined to the Committee previously, the DNDO is currently testing Advanced Spectroscopic Program (ASP) systems, which, if successful, would provide the ability to discriminate threat materials from medical materials or naturally occurring radioactive materials (NORM). When implemented, the ASP systems may potentially replace existing plastic-based RPM systems at the Nation's highest priority ports-of-entry (POEs), with the plastic-based RPMs being relocated to less-trafficked POEs. At these POEs, plastic-based systems can operate with much more sensitive threshold settings without creating insurmountable operational burdens in secondary inspection. The current projection for the completion of the installation of ASP systems at high-priority POEs and the relocation RPM systems to less-trafficked POEs is Fiscal Year 2012.

How much would Congress need to provide to ensure the deployment could be complete by the end of the next fiscal year?

Response: As indicated in the response to the previous question, U.S. Customs & Border Protection (CBP) and the Domestic Nuclear Detection Office (DNDO) are currently working on a Project Execution Plan (PEP) that will define the technology, scope, schedule and cost of deploying radiation detection technology to U.S. ports of entry. DHS will be in a position to fully respond to this question once the PEP is completed.

Current projections for total deployed system cost, assuming a project completion in Fiscal Year 2010, are approximately $998 million over a three- year period, beginning in Fiscal Year 2008. However, an accelerated schedule would require far more than these aggregated budgetary resources. Even with nearly unlimited financial resources, logistical difficulties may ultimately render this type of acceleration impossible.

For instance, current projections are close to surpassing detector material (sodium iodide) industrial production capacity over the entire five year process. Accordingly, significant schedule acceleration similar to that described will require substantial industrial facilitation prior to any major production accelerations. Additionally, a significant staff augmentation would be required to complete the site surveys and oversee installation and logistics to facilitate this acceleration.

Threat and Vulnerability Assessment

3. It's been an ongoing frustration of mine that more than 2 years after DHS was established, critical decisions are still being made in the absence of a reliable threat and vulnerability assessment. I understand the complexities of this undertaking, and I am sure many people are working hard to complete the task. Nevertheless, I find it unfathomable that these assessments are still being cobbled together, while at the same time we're allocating scarce resources year after year without a meaningful basis for our decisions.

   You have acknowledged the importance of this threat and vulnerability assessment as well. As you know, this type of assessment must be multi-faceted and will require a variety of ingredients, including:
   - an accurate, comprehensive and prioritized list of critical infrastructure and key assets; and
   - a solid definition of what constitutes risk.

   Given your proposed changes to the Department, and in particular the separation of Information Analysis and Infrastructure Protection, who is now ultimately responsible for the completion of this threat and vulnerability assessment, and what is its status?

Response: The responsibility for developing and managing a common risk analysis methodology for critical infrastructure and key resources (CI/KR) will remain with the Office of Infrastructure Protection, which moves to the new Directorate for Preparedness.

DHS has a solid definition of Risk; that Risk is the combination of the Consequences of an attack (or other unplanned event), the Vulnerability of an asset, system or capability to damage/destruction by certain means, and the Threat to that asset, system or capability. We express this as an equation: R *f* C, V, T.

The separation of the Office of Information Analysis (formerly the "IA" component of IAIP) and the Office of Infrastructure Protection (now part of the Directorate for Preparedness) has no material effect on the execution of Risk Analysis. The infrastructure data required for that analysis (consequence and vulnerability information) resides in the National Asset Database, and is both collected and managed by the Office of Infrastructure Protection. Threat information is collected and analyzed by the Office of Information Analysis, which develops a number of

different "threat" products used to report out the results of their work. These threat products are provided to (among many others) the Homeland Infrastructure Threat and Risk Analysis Center (HITRAC), a fusion center of the Office of Intelligence and Analysis and the Office of Infrastructure Protection that combines both intelligence personnel and infrastructure experts, produces a range of products, including threat assessments tied to specific infrastructure components, systems and capabilities. Those assessment products are provided to the Risk Management Division (RMD), the division of the Office of Infrastructure Protection where consequence and vulnerability information is collected, amassed and analyzed. RMD brings the threat component into their assessment and produces a full Risk Assessment pertinent to an asset, system or capability. RMD also provides the results of their consequence and vulnerability analysis to HITRAC, which is then able to factor that insight into a high-level, strategic report of the Risk to the Nation and to broad sectors of the economy.

To facilitate RMD's ability to conduct Comparative Risk Assessments, (assessments that allow the comparison and prioritization of dissimilar types of infrastructure or dissimilar regions) the Office of Infrastructure Protection is developing a suite of tools called Risk Analysis and Management for Critical Asset Protection (RAMCAP). RAMCAP provides asset owners and operators the means to calculate the potential consequences and vulnerability to an attack using a common, and therefore consistent, system of measurements, or the means to convert the results from prior assessments performed with quality methodologies, into results that can be compared to those obtained using the RAMCAP methodologies.

By helping standardize these ranked factors, RAMCAP will enable DHS to perform detailed and rationalized cross-sector analysis. At the same time, by distributing a high-quality sector specific Threat Handbook (a HITRAC Product) in conjunction a sector specific RAMCAP module, the owner/operators of assets in that sector are enabled to evaluate his risk using the same approach employed by DHS, and to make business decisions, investment decisions, and to prioritize efforts accordingly. DHS is working with the Sector-Specific Agencies and other sector partners to develop, implement, and validate RAMCAP consequence and vulnerability assessment methodologies across the seventeen CI/KR sectors. The RAMCAP module for the Nuclear, Chemical, Petroleum Refining and Liquid Natural Gas Processing Sectors are complete, and several other modules have been initiated, including Water, Cyber Systems, and Electrical Generation.

Threat analysis will remain the primary mission of the Office of Intelligence and Analysis. The Office of Intelligence and Analysis's threat assessments will be used as the basis for DHS risk analysis within Infrastructure Protection and elsewhere in the Department. These risk assessments are ongoing and will guide how DHS and other Federal agencies use their resources to support critical infrastructure protection efforts around the country.

Once completed, where will it be "housed," how will it be disseminated, and how will we

ensure that the various elements of DHS are utilizing it for decision-making?

Response: The Department's risk assessments on our nation's CI/KR are ongoing and are built on the concept of a "rolling net assessment" that allows continuous refinement of national critical infrastructure protection activities. Our national risk profile is constantly evolving with the implementation of each new protective program and changes in threat streams. As such, we do not envision a definitive end-date. DHS has a designated National Critical Infrastructure Protection Manager who is responsible for coordinating national efforts, but different sectors of CI/KR are led by different Sector-Specific Agencies (SSAs). Risk assessments will be housed in whichever SSA completes the assessment, and national cross-sector risk assessments will reside within the DHS Office of Infrastructure Protection. Completed assessments will be disseminated to those agencies that require the information for operational planning. However, the sensitive nature of these reports (which may contain classified information) prevent broad distribution.

The National Infrastructure Protection Plan (NIPP), currently being finalized, provides the framework for integrating critical infrastructure protection initiatives into a single, national effort. The implementation and execution of the NIPP is an ongoing process requiring participation from all security partners. The NIPP will provide specific guidance on how risk assessments should be used by all security partners with infrastructure protection responsibilities so that resources are applied in the most effective manner to reduce risk, deter threats, and minimize consequences of attacks.

Chief Intelligence Officer

4. Your restructuring proposal includes creation of a new Chief Intelligence Officer. While I think this is a promising development, many questions remain about the role and responsibility of this new department-wide officer.

    - Will the Chief Intelligence Officer have direct line authority over intelligence offices in other agencies, such as TSA and CBP, so that he or she can drive a common intelligence mission?

Response: As you know, Mr. Charles E. Allen is the new Assistant Secretary for Intelligence and Analysis. The Secretary is looking forward to working closely with Mr. Allen to ensure he has the appropriate authorities as Chief Intelligence Officer to lead and manage the DHS intelligence activity. With the issuance of MD #8110, the CINT has several authorities that will influence the development of an intelligence enterprise across the Department (see response to Q02763.) The first-ever DHS Intelligence Enterprise Strategic Plan was issued in January 2006. This document serves as the framework for developing, executing, and evaluating the DHS intelligence program.

- What will his or her role be vis a vis the new Director of National Intelligence and the rest of the Intelligence Community? This Committee has often struggled to understand where the intelligence component of DHS fits in with the rest of the community – have you thought about this issue as part of your review? What conclusions did you reach?

Response: The creation of a Chief Intelligence Officer will unambiguously strengthen DHS's relationship with the Intelligence Community (IC). It has given DHS a clearer voice as a leader in the IC for homeland security intelligence. It has enabled DHS to become a more sophisticated customer of other IC agencies. It will make DHS a more powerful advocate for the intelligence requirements and contributions of State, local, territorial, and tribal governments and the private sector. Finally, it will make DHS a more effective contributor of intelligence capabilities to the IC. In short, the creation of a Chief Intelligence Officer will benefit DHS, the Intelligence Community, and the nation's security.

- Will the new Chief Intelligence Officer "bolt together" the intelligence components of the Department -- not simply coordinate their efforts, but truly become a common repository for intelligence information that can be accessed by each component of the Department?

Response: The Chief Intelligence Officer is leading and managing all intelligence information resources within the Department of Homeland Security. All intelligence professionals in the Department will have access to these intelligence information resources as required by their mission and responsibilities. These resources will be managed in accordance with all applicable security standards, laws and regulations and in full cooperation with the DHS Privacy Office, DHS Civil Rights and Liberties Office, and the DHS Chief Information Officer and will be fully interoperable with the Federal Information Sharing Environments.

- How will the Chief Intelligence Officer provide specific, actionable intelligence information to state, local and tribal law enforcement authorities and the private sector, especially given continuing problems with de-classifying information?

Response: The question above has three areas of response, each identifying a specific logistical characteristic to the defined problem. Presently, the Department of Homeland Security is reviewing support to State and Local Fusion Centers.

The first area concerns the mechanics of how information will be passed between State, local, tribal, and private sector, in other words—how should the information flow occur physically. The current approach is through the Homeland Security Information Network (HSIN) and/or for classified information HSIN Secret [HSIN(S)]. HSIN is the primary DHS conduit through which

information on domestic terrorist threats and incident management is shared at all levels of government. It is a suite of secure portals providing applications and data sources to support multiple communities of interest. It also provides for collaboration and information sharing, while enabling end-users to determine what information and communications streams they wish to receive rather than being restricted by others. HSIN provides secure, real-time interactive connectivity among all HSIN users, including critical sector and private industry users with the HSOC. By communicating the information from the Office of Intelligence and Analysis (OIA) to the HSOC utilizing HSIN or HSIN(S), real-time information would be passed.

Providing actionable information is the second area of concern. When information passes from the OIA through the HSOC via HSIN, it must be vetted to ensure the information is actionable by our partners. The use of tear-lines is the preferred method of ensuring the information has some utility to the end-user. Raw, unevaluated intelligence concerning "perishable" or time-limited information concerning criminal or national security issues will often contain information that could reveal sources or methods. This dilemma can be mitigated if the information that the State, local, tribal, and private sector agencies need in order to respond is forwarded to them. In kind, the secure portions of the information are filtered out and protected from inappropriate distribution. DHS emphasizes sharing information at the lowest possible classification and tear-lines facilitate this process.

The final method for providing information to the State, local, tribal, and private sector entities is through the potential staffing of DHS intelligence officers/reports officers in the Emergency Operation Centers or Fusion Centers of the State and local governments. A person trained to understand the significance of the information provided by the OIA and able to relay the information to the end-user in an unambiguous fashion might be the most valuable piece of an information strategy. We should also consider the potential for State, local, tribal, and private sector intelligence professionals to be unfamiliar in diagnosing information that would likely be routine for Federal intelligence professionals. For example, certain terms of reference or vernacular could be confusing to or misinterpreted by State, local, tribal, and private sector personnel, but easily digested and interpreted by resident DHS assets. Information that is not clearly understood is meaningless no matter what the content may provide. In the absence of direct DHS support to the State, local, tribal, and private sector recipients, training would be provided that would ensure each representative tasked at the receiving end would clearly understand the information communicated by the OIA.

Presently, we have component representation in some State and Local Fusion Centers as well as the JTTFs. We are placing intelligence officers in New York City and Los Angeles. We are planning to expand our presence to other Fusion Centers in the coming months. Placement of intelligence professionals in Fusion Centers remains a high priority for the OIA.

- Conversely, how will the Chief Intelligence Officer encourage the private sector to share sensitive but unclassified information about the vast amounts of privately-owned critical infrastructure within the U.S., given private industry's concerns about business losses due to public disclosure of proprietary information?

Response: The Chief Intelligence Officer will encourage sharing by regularly creating products that assist the private sector in understanding the threat environment. Additionally, the OIA receives and analyzes information collected from the private sector under the Protected Critical Infrastructure Information (PCII) program run by the Office of Infrastructure Protection. The PCII program is strictly voluntary on behalf of the private sector. The Office of Infrastructure Protection does not have statutory rights to force industry to provide proprietary information. However, PCII provides:

- An exemption to disclosure under the Freedom of Information Act;
- Restrictions on use in civil actions;
- Restrictions on dissemination for purposes other than those specified without the submitters consent; and
- Exemption from State and local laws requiring disclosure of information or records.

Transportation Security

5. Your reorganization did not change the functions of the TSA. Since the creation of the Department, TSA has essentially become the Aviation Security Administration – aviation is all that TSA has really focused on. The 9/11 Commission report states that 90 percent of TSA's $5 billion budget goes to aviation security.

   Given the bombings in Madrid and London, how will the Department re-focus to address the need to improve funding? How will it implement programs to enhance rail security?

Response: The Transportation Security Administration (TSA) and the Congress have focused the majority of transportation security funding towards what has been considered the largest and most consistent potential threat - attacks on our aviation system, including attacks using our aviation system as a weapon. At the same time, TSA has been working to improve security in other modes of transportation. The Nation's transportation system is vast and complex; however, our history has shown that only in aviation security is the Federal role direct and pre-eminent. For that reason, TSA and the Department of Homeland Security (DHS) have known that the aviation model of security would not work as well for securing other modes of transportation. Thus, TSA continues to work with State, tribal, local, regional and private partners to help secure non-aviation sectors of our transportation system. These efforts span the spectrum of security, from intelligence and information sharing through raising awareness to all aspects of prevention, response, and recovery from a potential terrorist attack in the United States.

As has been described in some detail in prior Congressional testimony by DHS, including TSA, each of the major transportation modes has unique characteristics, operating models, responsibilities and stakeholders. The transportation modes also differ with respect to the level of Federal involvement. The Federal government has played a more limited role in surface transportation security due to the extent of State and local government involvement, private sector ownership, and the general openness and breadth of these systems compared to aviation.

The success of transportation security rests on the close partnership between DHS and transportation stakeholders. TSA continues to assist system operators in identifying their security risks through: (1) security assessments, both government-facilitated and through use of self-assessment tools, (2) compliance efforts, and (3) through cooperative partnerships with industry associations and operators to develop effective and cost-efficient mitigation strategies. To foster these efforts, TSA has reorganized into a more flexible and adaptive structure suited to the network systems and the resulting challenges in the transportation sector. This initiative better aligns TSA's expertise with that of transportation stakeholders. In January 2006, the Transportation Sector Government Coordinating Council (GCC) convened, establishing the forum for coordinated, consistent, and effective communication with and outreach to the private sector. As one of its initial priorities, the GCC will hold an informational forum to catalyze the stakeholder community to organize Sector Coordinating Councils and modal sub-councils.

The Federal government also provides funding in the form of security grants to help ameliorate the cost borne by the non-Federal stakeholders. While private investment in security is expected, has been made, and continues to be made, the threat-based risk-managed approach coupled with performance-based standards and appropriate security grants, mitigates the national cost borne by the private stakeholders. On-site verification of compliance with national transportation security standards helps ensure acceptable risk management for the national transportation security system. To this end, TSA has deployed a trained force of 100 Surface Transportation Security Inspectors to various locations throughout the country on a risk-based prioritization of the national rail and mass transit system and its key infrastructures. These TSA inspectors are developing relationships with system owners/operators and conducting system security evaluations to enhance security generally and foster compliance with all appropriate TSA security guidelines and regulations.

6. Because TSA has failed to focus on non-aviation travel, the Department has not made significant steps in securing rail and subway stations. A study conducted by the Heritage Foundation and the Center for Security and International Studies recommended that you rename and refocus TSA's mission, given that the majority of their efforts have focused on aviation.

   Why didn't you make any changes to TSA given the lack of progress on improving security of non-aviation modes of transportation?

Response: The United States Government has made significant enhancements to transportation security, specific to rail and mass transit. Specific measures have been put into place since September 11th as well as following the Madrid and London attacks. The Department of Homeland Security (DHS), in cooperation with other Federal agencies and in partnership with public and private sector owners and operators, has taken steps to enhance mass transit and rail security. Our efforts have focused on greater information sharing between the industry and all levels of government, addressing vulnerabilities, developing new security measures and plans, increasing training and public awareness campaigns, and providing greater assistance and funding, mostly in the form of security grants, to help ameliorate the cost borne by the non-Federal stakeholders.

In fact, total Federal funding specifically dedicated to rail and mass transit security since 9/11 is approximately $1.4 billion. This figure includes funds distributed under Homeland Security grant programs and the Urban Area Security Initiative (UASI) specifically dedicated to rail and mass transit security under the Transit Security Grant Program (TSGP) or under other grant programs that allow for spending on security, such as those administered by the Department of Transportation's (DOT) Federal Transit Administration (FTA). These resources cannot be considered in a vacuum. Rather, considerable assets and resources available through other DHS programs as well as those from the DOT are leveraged and contribute to enhanced security. Total allocations under grant programs related to homeland security total approximately $8.6 billion since 9/11. Recipients have had the authority to devote portions of these distributions to rail and public transportation security.

Not included in the total for rail and mass transit security is the funding of the Transportation Security Operations Center, the Transportation Security Intelligence Service, the DOT's Crisis Management Center, DOT's Office of Intelligence, Security and Emergency Response, and other support services which contribute to the accomplishment of the surface transportation security mission.

Additionally, since 9/11 security standards for rail have been put in place, criticality and vulnerability assessments have been completed and are continuing, inspectors are being deployed across the country, and new technologies have been tested.

Key rail security initiatives of the Transportation Security Administration (TSA) include:

- Issuance of mandatory passenger rail and mass transit Security Directives setting security standards for all commuter rail, heavy rail (subway), and light rail operators, as well as Amtrak and the Alaska Railroad Corporation. These standards establish a formal baseline and standardize protective measures for all passenger rail assets, including personnel and physical assets and critical facilities. The directive established baseline security measures and contained 15 action items, including:
    - Designating Security Coordinators as contacts between TSA and mass transit

operators to oversee compliance with TSA Security Directives;
- Providing TSA with the date of the latest vulnerability assessment conducted on the system;
- Utilizing explosive detection canine teams if available; and
- Performing frequent inspections of key facilities including stations, terminals and passenger conveyances for suspicious or unattended items.

In addition, TSA:
- Has sponsored jointly with DOT (through the Federal Law Enforcement Training Center) the Land Transportation Anti-Terrorism Training Program which has trained over 400 law enforcement and transit personnel as of the end of FY05;
- Has tested the National Explosive Detection Canine Team Program (NEDCTP) into the nation's mass transit system, providing effective detection and response to suspected explosives and a proven deterrent to terrorism in passenger conveyances;
- Has conducted jointly with DOT roundtable meetings in communities across the country to facilitate the sharing of security information with community agencies and leaders;
- Is leading the DHS/DOT team to validate vulnerability assessments in High Threat Urban Areas and to develop protective measures to address hazardous materials security. Several cities have been completed and more will be by the end of 2005;
- Has hired and deployed 100 surface transportation compliance inspectors, who have focused on transit rail security, to enhance the level of public transportation security by leveraging private and public partnerships through the development of professional relationships and implementation of a consistent national program of system security reviews, compliance inspections, and enforcement actions pertaining to required standards and directives;
- Has and continues to partner with FTA and DOT's Federal Railroad Administration (FRA) on a number of initiatives, including awareness and prevention programs, training, and stakeholder outreach and education;
- Provided $450,000 in support of the joint FTA/Office of State and Local Government Coordination and Preparedness/TSA Security Roundtable, Transit Watch, and Connecting Communities programs(see examples of this work posted on FTA's Web site at http://www.fta.dot.gov);
- Continues to partner with the DHS's Science & Technology Directorate to pursue and test detection and other technologies applicable in the rail and mass transit environment;
- Conducted exercises to develop the capability to deploy assets into public transportation systems to enhance security during periods of heightened risk. This initiative has proven invaluable in developing liaisons with local transit systems and law enforcement and gaining operational experience in a multi-modal and multi-jurisdictional environment.

TSA will continue to assist rail and mass transit system operators identify their security risks through: (1) security assessments, both government-facilitated and through use of self-

assessment tools, (2) compliance efforts, and (3) through cooperative partnerships with industry associations and operators to develop effective and cost-efficient risk-mitigation strategies.

7. You mention in an announcement on the Second Stage Review yesterday that $8.6 billion is available for transit operators under the State Homeland Security and Urban Area Security Initiative Grant Programs. While this money *can* be used for transit security, it is really intended for first responders. Using these grants for rail security would mean first responders are shortchanged, especially given the Council on Foreign Relations' assessment that an additional $27 billion in federal funds are still needed to adequately prepare first responders. Forcing two critical sectors to compete against each other for scarce funding does not seem like the best way to ensure continuing needs are met.

   What other funds will be available to transit operators to improve their security?

Response: Enhancing the security of the Nation's critical infrastructure, including transit systems, continues to represent a high priority for the Department. In addition to the funds available for securing mass transit systems in the State Homeland Security Grant Program (SHSGP) and the Urban Areas Security Initiative (UASI), the Transit Security Grant Program (TSGP) provides grants to public transportation systems through a regional structure based on need, risk, and consistency with national priorities. Consistent with the requirement at section 3028 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU) (Public Law 109-59), DHS and DOT are engaged in a joint rulemaking to define the characteristics of and requirements for grants under the TSGP. This effort will foster broader public awareness and understanding of the program and the processes that govern applications for and award of funds.

   Is the $150 million appropriated by the House and the proposed $100 million in the Senate bill enough?

Response: Since September 11, 2001, the Department of Homeland Security has made $8.6 billion, including $250 million specifically, available to states to improve mass transit security. Further, states can choose to allocate portions of their SHSGP and UASI funds for transit security initiatives. It must be stressed that securing mass transit is a shared responsibility between the Nation's Federal, and State and local governments. The billions of dollars in Homeland security grant funds should serve as a supplemental funding resource, and are not intended to supplant state and local security efforts. Furthermore, the Department is confident that the amount of dedicated transit security funds is sufficient to assist State and local government with transit security efforts.

What would you ask Congress to provide DHS to better protect rail systems?

Response: Funds should be distributed via a threat-based, risk management approach. To that end, I can assure the Committee that the FY 2007 budget request will reflect the methodology of the best possible use for every dollar made available for transportation security.

Questions for the Record from Kendrick B. Meek, Florida

1) I understand that your Second Stage Review includes 6 imperatives which you say will drive the near-term agenda for DHS. One of your 6 imperatives is to strengthen interior enforcement. As you are aware, in early July, Immigration and Customs Enforcement officials conducted an immigration raid at an Air Force Base in North Carolina luring workers using a ruse with a flier announcing a mandatory Occupational Safety & Health Administration (OSHA) meeting featuring free coffee and donuts. While ICE apparently coordinated with other agencies in conducting the ruse, it failed to tell OSHA, whose name it was using to conduct the raid. I'm troubled about the level of coordination.

Why didn't ICE inform or consult with OSHA?

Response: The operation conducted at SJAFB was a joint operation with the U.S. Air Force's (USAF) Office of Special Investigation and the Defense Criminal Investigative Service. As you know, the operation consisted of ICE agents posing as Occupational Safety and Health Administration (OSHA) officials who were conducting mandatory worker safety classes for SJAFB personnel. This operation resulted in the arrest of 48 unauthorized workers. In addition to administrative removal charges, 42 of these unauthorized workers pled guilty to criminal charges for illegally entering the United States or for possessing fraudulent identification documents.

After this operation, senior staff from the Department of Homeland Security and the Department of Labor had discussion about the operation. I understand that Department of Labor officials expressed to their DHS counterparts a strong objection to using an Occupational Safety and Health Administration briefing as a ruse in an immigration enforcement action. Subsequent to that operation, I directed that ICE no longer use ruses involving health and safety programs, such as OSHA, for the purposes of immigration worksite enforcement.

Why would ICE compromise OSHA's mission "to assure the safety and health of America's workers"?

Response: Worksite enforcement operations targeting unauthorized workers employed in

critical infrastructure facilities are conducted to enhance the safety of all Americans. The use of a ruse is an established law enforcement practice employed to enhance officer safety, prevent suspects from fleeing, and assist in the location and arrest of targeted individuals. However, we must do a better job of coordinating in advance of operations. And I do not believe that it is appropriate to employ ruses using OSHA for immigration worksite employment purposes and I have prohibited this practice.

Don't actions such as these create distrust within immigrant populations with whom the government should be forging alliances in order to better protect the homeland?

Response: I agree that this particular incident was unfortunate. However, it is important to bear in mind that ruses are an appropriate law enforcement tool that can and should be used with proper coordination and with appropriate consideration for the context in which they are deployed. To that end, effective law enforcement operations are critical to ensuring the country's security. At the same time, we are consistently striving to forge alliances with immigrant populations, many of whom regularly cooperate in our enforcement actions.

Do you condone this type of activity and do you anticipate using ploys like this that undermine public trust as part of DHS' interior enforcement strategy?

Response: I was very concerned when I learned of this particular operation. In response to this action, I specifically ordered ICE to cease the use of immigration worksite enforcement ruses under the cover of OSHA's name.

2) As you may know, in November 2004, an 81-year old Haitian national, Reverend Joseph Dantica, died while in DHS custody after he requested asylum. Reverend Dantica was sent to Miami's Krome Detention Center and, it was during his "credible fear" hearing at Krome that he became very ill. I have learned that part of the problem when Reverend Dantica became sick was the absence of Haitian-Creole-speaking medical staff and time spent scrambling for a Creole speaker to translate for Reverend Dantica as he became sicker. Reverend Dantica was eventually sent to Miami's Jackson Memorial Hospital where he died.

The DHS Inspector General conducted an investigation into the matter and concluded that there was no evidence to indicate that appropriate care was withheld from Rev. Dantica. However, it is also clear from the IG report that medical personnel, including doctors and nurses, do not have the language skills to properly treat the patients they are required to treat, who predictably speak either English, Creole or Spanish.

Has the Department reviewed this IG Investigation? What, if any, lessons has the Department learned from the Dantica case? What, if any, changes in regulation or procedure is the Department initiating as a result of your review of the handling of his case?

Response: Yes, the Department has reviewed the OIG Report of Investigation. The IG found no evidence of mistreatment or malfeasance by any CBP, ICE, or Jackson Memorial Hospital staff. However, the Department is dedicated to continually reviewing its policies and procedures to ensure that all detainees receive compassionate and humane treatment while the Department enforces its removal mission.

Will the Department change its requirements, or study a change in requirements, to ensure that the medical personnel it hires to treat detainees have the language skills necessary to treat such patients in an emergency?

Response: In the case of Mr. Dantica, language translation was not an issue. The detainee's son was brought from the criminal alien dormitory to provide the needed and previously not divulged medical history on his father after Mr. Dantica became ill. Several ICE employees and contract security personnel at the Krome Service Processing Center, speak the Creole language. At this time, there are over 73 countries represented in the detainee population at Krome, and many other nationalities represented at ICE facilities across the United States. The Department does not have an expectation that every detention facility will have medical personnel who speak the language of every detainee. However, in addition to many bilingual medical and non-medical personnel, the Department has contracts for several telephonic translation services that are available 24 hours a day, 365 days a year. These services are used daily to provide ready access to most major, and many less common, foreign languages.

3) The federal inspection facilities at Miami International Airport (MIA), where passengers arriving on international flights are admitted into the United States and processed through customs, consistently has some of the worst passenger processing wait times of any U.S. airport – This according to CBP's own data. At peak times, not all booths are staffed. MIA also has a shortage of CBP officers and agriculture specialists for inspecting cargo and agriculture goods like produce and flowers. These long wait times at MIA's facilities put the airport at an economic disadvantage to other airports because passengers avoid flying into MIA. As one of the largest employers in my district, this negatively affects my constituents.

The General Accountability Office recently conducted a study (GAO-05-663) that concludes that long wait lines at airport CBP stations are attributable to three factors: passenger volume, the number of inspection stations available and the number of CBP officers on duty. At peak times at MIA, many inspection stations are not staffed by CBP personnel, which greatly contributes to congestion, inefficiency and customer dissatisfaction.

What specific actions is the Department taking to address these problems at MIA, and when will these actions be implemented? Please include FY '07 budget recommendations or changes.

Response: CBP Headquarters (Office of Field Operations) is fully aware of the facilitation issues at Miami International Airport, and has been taking an active role in addressing them. To obtain a greater understanding of all the issues involved, CBP has deployed an Operational Review Team (ORT) in July to perform an on-site review of MIA's primary passenger processing. Prior to the on-site review, the ORT met with CBP Miami management, the Miami Dade Aviation Department (airport owner/operator), carriers and other airport stakeholders to address issues impacting international passengers. These groups addressed port specific challenges to alleviate the long passenger wait times, such as the need to enhance technological equipment and improve staffing resources at crucial locations and at peak passenger hours.

As a part of the team's assessment, members reviewed the day's projected arrivals and determined which flights and passenger-processing areas would be identified for observation. Each identified flight was met upon arrival to document the following: block time, first passenger off, last passenger off, walk time to field inspection station (FIS), time first and/or last passenger arrived in the FIS, and time first and/or last passenger is processed at the primary line.

ORT in coordination with CBP Miami, and the Miami Dade Aviation Department (MDAD) came to the several conclusions and actions to move forward with a resolution to resolve the passenger wait times at the Miami International Airport.

For instance, the group recognized a need to ensure that all parties are operating from an agreed upon set of definitions and standards. As part of their observations, the ORT noted that a significant factor that is contributing to the recordation of excessive wait-times is the long passenger walk-times between the jet ways and FIS area. This coupled with inoperable people movers, broken jet ways, out of service elevator/escalators, incessant/difficult corridors and large groups of passengers has contributed to the overall wait-time calculations. As a result of this observation and resolution from participating parties, a 10-minute walk-time has been approved and implemented.

In addition, the ORT review also found that appropriate levels of staffing by CBP did not by itself decrease the passenger wait times. As part of its observations, the ORT noted that CBP has been allocating its resources appropriately in providing maximum staffing (staffing available at location) at primary booths at peak traffic hours and appropriately reducing staff upon off-peak hours. However, both ORT and MDAD determined that other mitigating factors are contributing to the passenger processing issue. A significant factor that is contributing to the long wait time is the current major expansion and construction at MIA. At Concourse A/B, 9 out of 16 passenger gates have been closed. This has forced flights/passengers to be processed at Concourse E, creating difficult conditions for CBP at both sites to accommodate a large influx of international

passengers.

CBP Miami and MDAD have indicated that the major expansion (renovation) of MIA, however burdensome at present, will provide additional space and amenities to international travelers upon completion. Specifically, in Fall of 2006, the South Terminal will have 40 extra primary booths, which will provide capacity for an additional 1,600 pax per hour. By mid-year 2008, the North Terminal will have 72 extra primary booths, which will provide an additional 3,200 pax per hour. CBP, recognizing the implications of the expansion, has already included funding and personnel requests to support the increased inspection capacity at the new terminals.

CBP will continue to coordinate with MDAD, carrier representatives, and other stakeholders to discuss ongoing and future processing procedures, partnering together to resolve issues that contribute to passenger wait times while supporting CBP's mission of preventing terrorists and terrorist weapons from entering the United States. To further this partnership and to foster the sharing of cooperative ideas and procedures, the Director of Field Operations (Miami) has requested that a joint working group (CBP, MDAD, Airline representatives, etc.,) be established. The joint working group will be referred to as the Process Analysis Team (PAT), and as of current, the group is working together on a passenger processing wait line analysis, as well as exploring the possibility of utilizing satellite locations as alternate passenger processing areas. CBP will continue to work with Miami-Dade Aviation Department, other government agencies within the port and the international carriers that service Miami International Airport in an effort to meet the needs of the traveling public.