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THE HOMELAND SECURITY DEPARTMENT'S BUDGET SUBMISSION FOR FISCAL YEAR 2008

HEARING

BEFORE THE

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS UNITED STATES SENATE

ONE HUNDRED TENTH CONGRESS

FIRST SESSION

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THE HOMELAND SECURITY DEPARTMENT'S BUDGET SUBMISSION FOR FISCAL YEAR 2008

TUESDAY, FEBRUARY 13, 2007

U.S. SENATE,
COMMITTEE ON HOMELAND SECURITY
AND GOVERNMENTAL AFFAIRS,
Washington, DC.

The Committee met, pursuant to notice, at 10:06 a.m., in room SD–342, Dirksen Senate Office Building, Hon. Joseph I. Lieberman, Chairman of the Committee, presiding.

Present: Senators Lieberman, Levin, Pryor, Landrieu, Obama, McCaskill, Collins, Voinovich, Coleman, Domenici, and Warner.

OPENING STATEMENT OF CHAIRMAN LIEBERMAN

Chairman LIEBERMAN. Good morning. Welcome to this hearing. Secretary Chertoff, a particular welcome to you as we convene to discuss the Department of Homeland Security's fiscal year 2008 budget request.

Mr. Secretary, as you know, but I will say publicly, I appreciate very much the leadership that you have brought to the Department in melding these 180,000 employees, previously 22 separate agencies, into an effective, united Department that can protect the American people here at home from disasters, natural and manmade terrorist disasters. And as I look at the budget, I do note and I will indicate during the hearing some of the places where I think there is some encouraging news. But I must say that I am deeply disappointed that this year's Administration budget request continues what I believe is a high-risk policy of underfunding some of the Nation's most pressing homeland security priorities.

For the fourth year in a row, the Department's budget request cuts crucial support for our underequipped and undertrained first responders—the firefighters, police officers, and emergency medical workers who prepare for and respond to disasters, both natural and manmade.

The Administration's budget proposal would cut overall homeland security grant funding by a staggering 40 percent, which I believe will seriously limit the ability of State and local officials to protect their communities the way they should be protected. And this goes not just to our ongoing effort to be prepared for and to prevent, of course, another terrorist attack here in the United States, but to be ready for the natural disasters that inevitably will come.

We were lucky to have a mild hurricane season in 2006, but the next hurricane season is less than 4 months away, and I fear that

these cuts in the homeland security grant funding programs will reduce the ability of every State and city to prevent and respond effectively. Under the Administration's proposal, the minimum amount each State would receive would be reduced from approximately $6.75 million in this fiscal year 2007 to $625,000 for fiscal year 2008, which is obviously a very deep cut that will be difficult for many States to absorb.

Second, rail and transit security is another area that I believe is seriously underfunded by the Department's budget request, although I guess I should say that at $175 million, it is a marked improvement over last year's request of zero. Mr. Secretary, you know well the vulnerabilities of our transportation systems and the history of al Qaeda attacks on those systems in London and Madrid. I know we can do more, and I believe it is urgent in this rail and transit security area that we do more.

Third, last year this Committee worked in collaboration with the Commerce Committee and others in the House and the Administration to pass the Safe Port Act, which authorized $400 million in Port Security Grant Program funding. I believe that was a reasonable, in fact in some ways, a moderate estimate of the needs in this critical area that everyone agrees is a vulnerability, which is port security. The Department is requesting just $210 million. I hope that we can find a way to go up to the $400 million that the bill authorizes because I truly do not believe that the $210 million is enough.

I will say on the brighter side that I am heartened that the Department has recognized the recommendations made in the bipartisan Hurricane Katrina Report that came out of this Committee and the subsequent bipartisan legislation passed by Congress last year. The $142 million increase to FEMA's operating budget is a promising beginning toward helping the agency address critical shortcomings, such as incident management, disaster logistics, and emergency communications. I hope over the next several years the budget continues to provide the resources necessary to restore FEMA to an agency we can all be proud of again.

As I believe you know, and I just want to state this briefly, 2 weeks ago, Senators Landrieu, Obama, and I traveled on behalf of this Committee to New Orleans for a field hearing on Gulf Coast recovery efforts. We toured the hardest hit parts of the city and heard firsthand the frustrations of people desperately trying to rebuild their communities against enormous odds.

And here I would say the most poignant plea we heard was not for more money to be appropriated now, but for the money that has been appropriated to get to the victims for whom it was intended. The fact is that the Gulf Coast recovery 1½ years after the hurricane is painfully slow, needs the attention of your Department and the Administration, although it was clear to me at least that just as was the case in the inadequate reaction to Hurricane Katrina, the blame here for the slowness of the money that we have appropriated moving to the places where it is intended to go is shared at all levels of government as well.

Finally, on a different note, I do want to indicate that I am pleased to see that the Department intends to conduct a Quadrennial Homeland Security Review in 2008. This requirement that was

put into law, urged on you, is patterned after legislation that passed in 1997 that established the Department of Defense's Quadrennial Defense Review, which I believe has played an important role in helping both the DOD realign its strategies and missions, but also Congress to respond to those strategies and missions. And I wish you well as you go forward with your own Quadrennial Review as we approach, to me, surprisingly, the fifth anniversary of the Department.

And let me indicate to you that tomorrow we will be marking up our bill on the so-called unimplemented 9/11 Commission recommendations, which contains provisions that we believe will strengthen the Department's information sharing, terrorist travel, emergency response, and private sector preparedness efforts. I know there has been cooperation together between the Committee staff and your Department staff, and we hope that we can continue to work with you on that to move the legislation forward.

Thanks for being here. I look forward to your testimony, and I would now call on the Committee's Ranking Member, Senator Collins.

OPENING STATEMENT OF SENATOR COLLINS

Senator COLLINS. Thank you, Mr. Chairman. Welcome back, Mr. Secretary.

The budget for homeland security presents a mixed picture. On the positive side, the 8 percent increase in funding for the Department of Homeland Security stands as clear recognition of the vital importance of preventing and responding to terrorist attacks and preparing for and responding to natural disasters. Similarly, the nearly 50 percent increase in DHS budget authority since fiscal year 2003 is also notable. But we must not underestimate the daunting task that remains before us or forget that State and local first responders are on our Nation's front lines.

Homeland security depends on partnerships—partnerships across Federal agencies, among various levels of government, and with the private sector. Key to these effective partnerships are our first responders. That is why I join the Chairman in being extremely concerned about the large cuts in grant funding proposed in this budget.

First responder grants have been chronically underfunded since 2004, yet the new budget proposes only $250 million for the State Homeland Security Grant Program. That is a cut of more than 50 percent from the amount appropriated for fiscal year 2007. We must reverse this trend. Communities rely heavily on State Homeland Security Grants for emergency planning, risk assessments, mutual aid agreements, equipment, training, and exercises for first responders. Combined with the proposed reduction in the minimum allocation, the minimum State grant level would fall to only $625,000, as the Chairman has pointed out, if the President's budget is accepted.

Now, to give you some comparison, that is less than what it costs Maine to staff its fusion center, employ the personnel who coordinate the training and exercises statewide, and to ensure that it effectively implements the National Incident Management System. We simply need a more robust level of minimum funding in order

to ensure that all States are prepared in order to fortify our prevention and response capabilities as a Nation.

The proposed budget also slashes grants for firefighters by $362 million. It zeroes out funds for the Metropolitan Medical Response System grants and the Commercial Equipment Direct Assistance Program.

Now, these are not arcane budget details. These are vital programs that provide Americans, whether they live in New York City or the Connecticut suburbs or Maine's small towns, with additional security. I fear that funding cuts of this magnitude would be a blow to our homeland security.

In an effort to "offset" these cuts, the President's budget refers to a $1 billion Public Safety Interoperable Communications program. However, these interoperability funds do nothing to supplant the cuts in grants for enhancing other preparedness capabilities. It is also my understanding that the Department is considering awarding grants under this program solely to urban areas. Such a plan, if implemented, would ignore the lessons learned from Hurricane Katrina. While the emergency communications needs of our urban metropolitan areas are certainly great, it is imperative that the Department use the $1 billion interoperability grant program to help build a national all-hazards emergency communications system.

Like our Chairman, I am also very disappointed with the funding level for the Port Security Grant Program. We worked very hard in this Committee to produce significant port security legislation. We included an authorization level of $400 million. That was a level carefully arrived at, and yet the budget provides barely half the amount that we authorized.

Another legislative accomplishment of the last Congress was enacting authority for the Secretary to regulate the security of thousands of facilities that manufacture, store, or use hazardous chemicals. Now, the budget includes $25 million to establish an office to exercise this new authority. I am pleased that is a $15 million increase over last year, but considering the scope of the new mandate and the risks that it addresses, I question whether that level of funding is adequate. And that is an area that I want to pursue further with the Secretary.

The Administration deserves credit for increasing FEMA's budget by $101 million. This is strong reinforcement and includes funding for an additional 275 personnel. Strong leadership combined with more resources should put FEMA on a sound financial footing. The Administration also commits substantial resources to securing the border. As we work to defend our Southern border, however, we must not neglect our Northern border or our coasts.

As we strengthen our defenses to the South, we increase the appeal of other avenues of approach for our enemies. We know from the case of the Millennium Plot that the Northern border is already attractive as a point of entry for those who would do us harm. Our Nation's security demands a balanced approach to border protection.

The last concern that I will mention here involves those who were perhaps the most conspicuous heroes of the response to Hurricane Katrina, and that is the men and women of our Coast Guard.

The new budget request for the Coast Guard is only 1.2 percent higher than the amount enacted for this past year. That is an increase that does not match the rate of inflation, and it slights the fact that the Coast Guard is continuing to play more and more of an important role in homeland security, particularly in port security. In addition, the Coast Guard faces the challenge of the aging of its cutters and its helicopters.

Now, the Deepwater Program has been poorly managed, and that has been a disappointment to all of us, but that does not take away the urgent need for modern, effective, and efficient assets for the Coast Guard.

Thank you, Mr. Chairman.

Chairman LIEBERMAN. Thanks very much, Senator Collins, for that excellent statement.

Secretary Chertoff, we welcome your testimony at this time.

TESTIMONY OF HON. MICHAEL CHERTOFF,[1] SECRETARY, U.S. DEPARTMENT OF HOMELAND SECURITY

Secretary CHERTOFF. Well, thank you, Mr. Chairman, and thank you, Ranking Member Collins. I am delighted to kick off my testimonial season before this Committee talking about the 2008 budget proposal for DHS. Before I get into the meat of the budget proposal, let me say that I look forward to working with the new Congress and with the new Committee Members. We have worked well together in the past, and I believe we will continue to do so. I am particularly pleased that my Department is one of two that actually got a full appropriation bill out for 2007, and I know Members of this Committee worked hard to make that happen. And that has certainly made our life easier and produced better results this fiscal year.

Now, for 2008, we are looking at a $46.4 billion budget, as the Ranking Member said, an 8 percent increase over the fiscal year 2007 request and an increase of nearly 50 percent over the 2003 fiscal year. So this is a strong budget.

There is no doubt, as the preceding remarks have made clear, that there are many worthy objectives for this Department that deserve funding. Not surprisingly, we have to make trade-offs and we have to be disciplined in deciding where to allocate even a significant budget increase among these many deserving programs. And part of what we try to do in particular is to look at those areas where there is a unique value-added responsibility or capability on the part of the Federal Government. And I would observe that, for example, as we consider the allocation of grants, the $1 billion of money for interoperable communications is money that will be in the hands of the first responders next year, that will not be limited just to cities—it will be a national program—and that will address completing a task which I think everybody here agrees has been one long overdue to be completed.

Rather than go through the typical testimony where I try to touch on every element of the budget, I am going to ask that my full statement be entered into the record.

Chairman LIEBERMAN. Without objection.

[1] The prepared statement of Secretary Chertoff appears in the Appendix on page 41.

Secretary CHERTOFF. And I am going to focus just on one issue, which I think may be particularly timely, and that is the effort that our 2008 budget focuses on building and enhancing our systems to detect, identify, and resolve threats posed by individuals who are trying to get into the United States through our ports of entry or between our ports of entry.

Now, we have built over the last few years a very substantial border management system. We have US–VISIT's current biometric capability that takes two prints from everybody entering the country and has identified a host of people who, rightly, have been forbidden entry. We have new travel and identity document requirements under the Western Hemisphere Travel Initiative. The passport requirement for air travelers went into effect just about a month ago. It has been implemented virtually seamlessly, with very little delay, and has dramatically increased the ability of our inspectors to be able to rely upon the documentation people use when they fly up, for example, from the Caribbean or from the southern part of the hemisphere. And we are continuing to develop enhanced targeting capabilities that allow us to identify and defend ourselves against people who want to enter who would do us harm.

A big part of what we want to do in 2008 is move the biometric program up significantly to continue collecting 10 fingerprints from foreign visitors and to promote completion of database interoperability between US–VISIT and the FBI. Let me tell you why this 10-print capability is so important.

We are now collecting latent fingerprints, kind of like that TV program "CSI," from battlefields and safe houses all over the world. By putting them in the database and then getting the 10 prints from people who come across the border, either overseas when they get their visa or here at the port of entry, we can run these fingerprints against the latent prints and begin to identify terrorists, people who have trained in camps or been involved in building bombs, even though we don't know their names. So this really takes the watchlist to the next level and allows us to identify the remnants, the evidence that people leave behind them when they commit acts of terror so that we can identify them when they cross our borders.

But it is important that we be comprehensive. So even as we are building up our airports of entry and seaports of entry capabilities in terms of people coming from overseas, we also have to worry about our Northern and Southern borders.

One of the things which we have had a little bit of controversy over is the Western Hemisphere Travel Initiative, which is designed to build more secure documentation at our ports of entry in the land borders with Canada and Mexico. And here is a proposition I want to suggest to you, respectfully.

As we continue to build up the screening tools we have for people who want to fly directly into the United States from overseas, we want to also make sure they do not end-run around us, go into Canada, and then come through using phony documents that they use at the Canadian border. So what we are trying to do is, very significantly, a matter of comprehensiveness.

In this regard, let me focus on one issue which I know the Committee is going to be taking up, I think tomorrow, and that is the

Visa Waiver Program. In November of last year, the President announced his desire to work with Congress to make some changes to the Visa Waiver Program, which allows people from a couple dozen countries to enter without going through the visa process. This is a very appealing program from the standpoint of trade and tourism, but it does expose a significant vulnerability to the United States.

The visa process turns out to be a very good process for identifying bad people who should not be allowed in. So the question is: How do we promote trade and travel, but increase the degree of security we have under this program?

The President's proposal envisions a secure travel authorization system that would do something similar to what they do in Australia. We would get electronic travel data in advance of people coming in, we would be able to analyze the data in much the same way as you do in the Visa Program, and then we would be able to identify a subset of people that we do require to go in to have an interview before they are allowed to come in, and most everybody else can come in directly. So it gives us much of the value of the Visa Program and much of the convenience of the Visa Waiver Program. And, of course, this is a system we would be happy to operate with on a reciprocal basis because we ought to be prepared to do with our allies what we want them to do with us.

So I think the Senate's 9/11 proposed bill, which I think you are considering tomorrow, does make some of these very important security changes. I know, Senator Voinovich, you have been very active in working on this. But there are a couple of additional measures I think we ought to consider as the bill is before the Committee.

First of all, I think the Senate should expressly require that visa waiver countries accept for repatriation all of their citizens who are subject to final orders of removal. It is very frustrating for us when we have someone who is deportable from the United States and the home country simply refuses to accept him or drags their feet. And it makes it very difficult for us to manage our immigration program.

Second, I think the Senate should encourage member countries to assist us in the operation of an effective Air Marshal Program. Time and again, that program has proven to be an important element of our layers of defense which we use for air travel.

The third piece, however, is a little bit of a different focus, and that has to do with the current requirement that visa waiver countries have a visa refusal rate of 3 percent or less in order to qualify for the program. This requirement has been a sticking point for a number of our allies in Eastern Europe that would otherwise be eligible to participate in the program. It, frankly, reflects not a direct assessment of the risk of illegal immigration from these countries, but rather, it is kind of the equivalent of a bank shot in pool. We are looking to see how our consular officials assess the program, and the rate of refusal is being used as a surrogate for determining whether there is a significant risk of immigration fraud.

Frankly, we think a little bit of flexibility here would be useful. It is important to our allies. It does not increase vulnerability. In fact, the total package with the increased security measures actu-

ally dramatically increases our security. But it also promotes trade and travel and, most importantly, avoids what I have to say honestly is shaping up to be a fairly ugly dispute with Europe over this issue because there is a lot of push we are getting in terms of the fact that some of the Eastern European countries are not seeing progress forward on the path of getting into the program. So I think the President's proposal with the additional little bit of flexibility actually is a happy win-win situation.

Let me briefly just talk about the rest of land border security to round this out. Last year under the President's mandate, we began Operation Jump Start, which put the National Guard on the border. We ended "catch and release" at the border so that we now detain and return all illegal migrants we capture at the border who are here illegally. And this has produced real results in terms of decreased flow across the Southern border.

This year, to further the important progress, we are requesting $1 billion for additional technological and tactical infrastructure on the border. We are currently on the way, actually building fencing, as you can see, at the Barry Goldwater Range.[1] We do not believe fencing is a total solution. It does have its place, and where it has its place we are building it.

We are also on the way to increasing the Border Patrol to the prescribed doubling by the end of calendar year 2008, and the funding in the budget for this fiscal year puts us on course to complete that goal by adding 3,000 Border Patrol agents during the course of the year.[2] And as I have said, that does not reflect itself. If we measured the past three quarters against the comparable prior period, what you will see is the measures we have done at the border have actually produced a reversal of momentum and a decrease in apprehensions, as well as a decrease in other metrics that show people crossing the border. This is not a declaration of victory, but it is a sign of encouragement that we ought to build upon as we move forward.

Finally, of course, because we need to make sure that when we apprehend people we just do not push them out the back door and into the country, a combination of increased detention beds and significant streamlining of our removal processes has ended catch and release, and we are continuing to build on that with the request for almost 1,000 additional beds for this year to make sure we do not lose ground.[3]

Since August of last year, anybody that we can legally deport at the border has been detained until they are deported, and that, again, has proven itself to be very powerful as a deterrent because the decrease over the last three quarters in the number of non-Mexicans apprehended has been between 48 and 68 percent, which is even greater than the total decrease of Mexicans that were apprehended. That shows there is a real impact.[4]

Finally, we need, of course, to continue with interior enforcement. As I have testified previously, there has been a significant increase from 176 to 716 in criminal cases brought against employ-

[1] The photograph referenced by Secretary Chertoff appears in the Appendix on page 127.
[2] The chart referenced by Secretary Chertoff appears in the Appendix on page 129.
[3] The chart referenced by Secretary Chertoff appears in the Appendix on page 130.
[4] The chart referenced by Secretary Chertoff appears in the Appendix on page 131.

ers who systematically violate the rules.[1] And we have dramatically increased—tripled—the number of administrative apprehensions.

The President has made it clear that the solution here is a comprehensive approach and a total immigration program that deals with the temporary worker requirement. But we cannot expect to get that done and we cannot expect to have it work if we do not continue our commitment to upholding the rule of law and enforcing the law vigorously.

So I look forward to working with the Committee on these and other issues and to answering your questions in this hearing and in future hearings.

Chairman LIEBERMAN. Thanks very much, Secretary Chertoff. I will begin the questioning. We will do a first round of 6 minutes, and then we will see where we are as we go on with that.

I do want to say that in the contention that there is an 8 percent increase here, I want to explain how—that is technically correct, depending on how you look at the numbers, and I want to suggest that there is good news and bad news in that. And this is what I mean: The Department's fiscal year 2007 baseline used for the year-to-year comparison and the resulting 8 percent increase conclusion excludes the $1.8 billion in fiscal year 2007 border security emergency supplemental funding, which, as the word I have just used suggests, was added supplementally, and we all supported it.

If that $1.8 billion is included in the fiscal year 2007 levels, then the budget increase for the Department for the coming fiscal year is not 8 percent but significantly lower. It is 1.4 percent in net discretionary funding and 2.1 percent in gross discretionary funding.

So, to me, if people are following this—and I know you are and you understand it—what this means is that you can have what you describe as an 8 percent overall funding increase, which means that you are basically renewing the $1.8 billion supplemental funding for border security, but it leaves the rest of the Department with very small increases, which explains why, I presume—well, some of it may be a matter of ideology or philosophy, but some of it was what turned out to be the constraints on the money available, which led to what I believe and many of us on the Committee believe is inadequate funding for first responders, etc.

The interesting other aspect of this—and perhaps it is why you appropriately focused on what is being done at the borders. I looked at one of the pie charts, and it is quite interesting. At this point, if you put together the requested funding for the Customs and Border Patrol section and ICE, it comes to exactly 33 percent of the Department's budget. So one-third of the budget is being spent on border-related, immigration-related activities.

I totally support the funding level, but what I am suggesting is that we are not doing as well by a lot of the rest of the Department, and that is why we end up with the funding shortages that both Senator Collins and I spoke about in our opening statements.

Let me ask you specifically about the Homeland Security Grants. As Senator Collins said, this budget cuts the State Homeland Security Grant Program by 52 percent and overall State grant funding

[1] The chart referenced by Secretary Chertoff appears in the Appendix on page 132.

by 72 percent. It would cut the FIRE Grants for our fire departments by 55 percent, and it would cut training and technical assistance programs to States and localities almost in half. This is on top of what each of us observes, notwithstanding the occasional much publicized use of some of this funding for something that does not seem directly related. But, generally speaking, certainly I can say for myself whenever I go out and see what they are using it for, it is very fundamental homeland security-related equipment. And we build on top of the 2003 Rudman report for the Council on Foreign Relations, which said we needed $100 billion additional funding for first responders over a 5-year period.

Are these cuts simply because OMB did not give you enough money and you had to cut somewhere? Or is there some evidence that you have that I think most of us do not have that our first responders are sufficiently trained, equipped, and prepared now to respond to a catastrophic disaster, including a terrorist attack?

Secretary CHERTOFF. I think, Mr. Chairman, you have very well characterized what the budgeting process is. It is a question of allocating among priorities. It does not mean that there are not many worthwhile things that could not be funded more. But as with any budget, even a budget that is generous, you have still got to make decisions about where you put things.

Now, you quite rightly point out that when we compare our budget to last year's baseline budget, we exclude the emergency supplemental. Of course, to most people, I think, the idea of an emergency suggests one time. And if we start to treat emergencies as part of the baseline, it is a quick way to have the budget go out of control—in addition to which I will say a lot of the emergency supplemental is what I would call capital investment, investment in things like airframes, for example, for CBP, which one would not expect to be recurrent costs. So I think that what one sees is an attempt to actually increase the budget in terms of recurrent costs, recognizing that supplementals come along as emergencies require.

I would say with respect to the way we have prioritized the amount of money available among the various missions, we have looked at, first of all, those things which everybody seems to say are uniquely Federal responsibilities. The border issue has been out there for 20 years. I hear actually from a lot of local and State responders across the country that they feel they are bearing the burden of our failure to enforce the border. Therefore, when we put—and I accept—about a third of the budget into border security measures, whether they are at the ports of entry or between them, I think in some ways we are actually doing a favor for first responders. We are doing what they have asked us to do, which is to get control of the border.

As far as the grants are concerned, again, I would have to say I view the $1 billion that is going to be in the hands of first responders in 2008 as part of the money you have to consider. And I think if you add that in, when we look at this, we have about $3.2 billion that we expect to be in the hands of State and locals in fiscal year 2008, which is very close to the $3.4 billion we had last year. And we do expect, by the way, the interoperability funds to be made available to the Nation, not just the big cities.

So, again, I think we are sustaining the basic level of spending. We do regard a lot of the grants as capital investments. If someone says give me the money to build a fence around my house and I give them the money and they build the fence, I do not expect to give them the same amount of money every year. So as we look at the budget, we try to put money into capital investments that should not be recurrent.

The final issue, which I think you have alluded to, which I think we ought to have a candid conversation about, is how we allocate the money among many deserving recipients. We have committed ourselves at the Department to risk-based funding, and that does tend to look at putting a disproportionate sum, but not all the money, in those areas of highest risk.

I will tell you that over the last 2 years, I have been beaten soundly about the face and head by those people who think that all the money ought to go to New York, Los Angeles, Chicago, and——

Chairman LIEBERMAN. So have we.

Secretary CHERTOFF. Right. I know you have. And those who believe it ought to go evenly to everybody. We have kind of taken the middle position.

But I think it is worth putting this on the table because I think the country and Congress ought to come to a final resolution and give the Department direction. We believe what we are doing is right. We are being risk based. We think eventually, as the high-risk cities have their capabilities met, more money will be available to the lower-risk cities. That will mean eventually New York will start to get less money. But help us out here. Give us congressional guidance. The worst thing you can do is tell the guys who are writing grants, give them contrary instructions.

Chairman LIEBERMAN. Thanks. My time is up, but I do want to say that, of course, I agree with you, we should put that question of the Homeland Security Grant funding formula on the table. In fact, Senator Collins and I are going to recommend to the Committee as part of the so-called 9/11 bill tomorrow what we think is a compromise proposal because I agree that Congress ought to be setting the rules here and not forcing you every year to come up with a system of allocating. And the proposal we are going to make certainly does tip toward a risk-based system.

I certainly can pledge my full support, and I know Senator Collins, to working with the House in conference to try to resolve this, this year. I am going to leave the response on the grant funding to others. I know Senator Collins made a very important statement about where that $1 billion in interoperability grant money is going. It is something different than what we believe is the continuing need out there. And I guess I would say this is why I believe in the end the cuts are harmful. We are not giving the Department enough money—yes, of course, the local first responders, particularly police, end up having to deal with some of the consequences of inadequate border security. But, frankly, if you asked any—I would say most—first responders across America whether they would want more money in the first responder grant programs or in border security, they would say, "We desperately need it in the first responder grant programs." Thank you.

Senator Collins.

Senator COLLINS. Thank you.

Mr. Secretary, to finish up that discussion, I do hope the formula that we are proposing tomorrow will be adopted. It is reasonable. It is an attempt to compromise among all the various interests. And one reason that I joined the Chairman in being determined to get the Department guidance on this is we need predictability in the funding so that States and communities can embark on multi-year projects to improve their homeland security. And if there is so much uncertainty in what the formula is going to be from year to year, it impedes their ability to do that. So I look forward to working further with you and all of my colleagues.

Mr. Secretary, I want to switch to the issue of the REAL ID Act. You mentioned this in your written statement. When the 9/11 Commission made its recommendation for improving the security of driver's licenses, Senator Lieberman and I incorporated into the Intelligence Reform bill a negotiated rulemaking procedure which would bring all interested parties to the table—State officials, privacy advocates, technological experts, as well as the Federal Government—to try to come up with an appropriate and cost-effective way to achieve the goal. And the group was making great progress. Unfortunately, however, that process was repealed by an appropriations bill that came over from the House, and thus, it was replaced by the REAL ID Act.

Now, 2 years later, we are facing three problems that the States have brought to our attention.

The first is a lack of guidance. It has been 2 years since the REAL ID Act passed, and yet we do not have detailed regulations or guidance from the Department setting forth the standards that the States are going to have to follow.

The second problem is the cost. This is obviously an unfunded Federal mandate. The National Governors Association has estimated that the 5-year cost is $11 billion. In the State of Maine, the Secretary of State has estimated that compliance will cost six times the entire budget of his office. So the cost is not inconsequential.

And the third issue that I am hearing from State officials about are technological barriers. What is really possible? There are also, obviously, privacy concerns about having interlocking databases and States being able to tap into one another's databases.

Now, I do not think we should go back to square one, and I think the goal set forth by the 9/11 Commission is an important goal. But it seems to me that we would be far better off if we more fully involved State officials, in particular, in the design of the system.

So my question for you is twofold. First, when do you expect the Department to issue the regulations, which are overdue? And, second, would you find value in having a group constituted similar to the negotiated rulemaking process that Senator Lieberman and I proposed in 2004 to get together to review the regulations in a formal way rather than having every State giving comments, which they could do as well, but having a committee of State officials, of privacy experts, of technological experts advise the Department?

Secretary CHERTOFF. Well, let me respond as follows: The proposed regulations, which, of course, will then be subject to a comment period, will be out this month, in February. And I do want

to make it clear that one of the reasons it has taken a while is we have actually done quite a bit of consultation, even in a preliminary stage, with State officials and privacy advocates and other folks. I know we did a lot of work, for example, with the Association of Motor Vehicle Administrators because they are actually the association that has the most experience working with driver's licenses since their constituents do that.

So we do expect to have guidance out, and the guidance will reflect a very clear message we had to keep this as simple and as inexpensive as possible. And I am not convinced that $11 billion is an accurate assessment. I have heard some much lower estimates from individual States.

I also think that the technical barriers are vastly overstated. In terms of the ability to produce a biometric card, we have them all over the place now. I was just in Arlington, Virginia, yesterday, and they are putting together a biometric credential for law enforcement that we are going to use. Ultimately, we hope to make a national credential that can be used interoperably. And the card is pretty easy to put together. I think the hard issue is going to be determining issues of citizenship and what are the rules that are going to be required.

In terms of setting a group up, I guess I have two reactions. One is that typically, of course, everybody thinks they ought to be in the group, and you have a large group, and you do not get a lot of progress. I am not in principle opposed to meeting with a group, but I think it is very important to continue to move forward with the deadline that we have originally set, recognizing that the deadline only begins a 5-year implementation period, so it is not a drop-dead deadline. And I say that because my experience with the WHTI air rule has confirmed my opinion that if you set a deadline and you introduce some level of flexibility but you hold people to it, they will actually accommodate. But if people continue to feel they can get the deadline put off, they will postpone, and they will temporize.

And, look, at the end of the day, there is no way to say it is not going to have some expense. It is going to be somewhat inconvenient. But if we do not get it done now, someone is going to be sitting around in 3 or 4 years explaining to the next 9/11 Commission why we did not do it.

So I think we owe everybody an open process, a transparent process, but I do want to keep in place the discipline of kicking this off in the spring or summer of next year, which was the original deadline.

Senator COLLINS. Mr. Chairman, if I could just make one quick comment.

Chairman LIEBERMAN. Yes.

Senator COLLINS. I think it is unfair to ask States to comply with a costly unfunded mandate when the Department has yet to issue the guidance. The deadline is May of next year. That is not much time. States are preparing their budgets now. They are looking ahead at this. And it would be one thing if the Department had issued the guidance last year, but I do not think it is unreasonable to give States 2 years to comply given the cost and all that needs to be done in light of the Department's delay.

I think it is unfortunate that we did not stick with the first system that we designed because I think we would be further along by now.

Thank you, Mr. Chairman.

Chairman LIEBERMAN. I definitely agree with that, Senator Collins. Thank you.

Senator Levin.

OPENING STATEMENT OF SENATOR LEVIN

Senator LEVIN. Thank you, Mr. Chairman.

First, let me say I agree with the Chairman and Ranking Member's comments relative to the budget overall. I think their points reflect not a consensus of sentiment, because there may not be such a consensus, but a very widely supported view on this Committee relative to the budget and its shortfalls and its strengths as well. So I just want to associate myself with their comments overall.

On the REAL ID Act implementation, was there not, when this act passed, an understanding that there would be some Federal funding for the implementation of the REAL ID Act at a State level?

Secretary CHERTOFF. Well, I am not sure there was an understanding. I would have to look at the statute to see whether the statute authorized it.

Senator LEVIN. In any event, there is no funding in this year's budget request. Is that correct?

Secretary CHERTOFF. There is some funding for the piece that we have to do.

Senator LEVIN. Right.

Secretary CHERTOFF. But I do not think it is viewed as being something the Federal Government is going to pick up the cost for.

Senator LEVIN. Or part of it, of the States' costs. Would you go back—and I do not know the answer to this question myself, and we will, too—and review when that act was passed whether or not there were not representations made that the States' costs of this would be borne, at least in part, by the Federal Government?

Secretary CHERTOFF. I will check that.

Senator LEVIN. Second, there are a number of States—first of all, Secretaries of States are involved in this issue, including Michigan, because many of our Secretaries of States are the ones that issue driver's licenses. A number of State officials have suggested that there be pilot States, a couple of States that would be allowed to have a pilot project to demonstrate that the driver's license could meet the requirements of both the REAL ID Act and the Western Hemisphere Travel Initiative.

Would you be willing to support such trials in a number of States to see whether that is possible to avoid this multiplicity of documentation, the expense, and the confusion? And this is particularly important in States that have large numbers of people that come in daily to work, such as our State of Michigan.

Secretary CHERTOFF. We have currently authorized a pilot in the State of Washington with British Columbia to do that. So I think we are certainly interested, and I think the vision of having driver's licenses do double duty is a very good vision.

Again, the only thing I want to say is I am pretty adamant on the issue that we have got to keep essentially to the deadline we have set because what I very much fear is a succession of pilots that leads to drift. And you have been in Congress longer than I have been in Washington, many of you here. You know there is a typical thing where we set a requirement; we then have lots of pilot programs; then after 5 or 6 years of kicking the can down the road, someone is called up in front of the Committee and they say, "Why haven't we implemented this yet? We have been postponing."

So I am all in favor of flexibility in doing pilots. I just want to make sure we keep to a disciplined set of deadlines.

Senator LEVIN. You are going to be in Detroit, I believe, in the next——

Secretary CHERTOFF. Next week.

Senator LEVIN. Next week. Would you be willing to meet with our Secretary of State on this issue? Because she has got a very specific idea.

Secretary CHERTOFF. Sure.

Senator LEVIN. And I think it is a very sound idea, to try to make one driver's license serve three purposes.

Secretary CHERTOFF. Sure. And, by the way, I would encourage you to speak to the governor and Secretary of State of Washington because they have got something they are looking at right now.

Senator LEVIN. Good. She already has done that, and, of course, our governor and our legislature are very much supportive of this. It is an unnecessarily burdensome requirement to have these three documents if, in fact, a driver's license can meet the security needs as well as the other needs. So if you would have your staff get a hold of her——

Secretary CHERTOFF. Sure, we will.

Senator LEVIN. There was some discussion here about the formulas that are being used in the programs of the Department. What is the minimum funding level or the percentage that the Administration is proposing in its budget for allocation of Homeland Security Grant Program funds?

Secretary CHERTOFF. It is 0.25 percent per State.

Senator LEVIN. And in your budget request, you are giving the rationale for the 0.25 percent argument that you are making? If not, would you provide that for the record?

Secretary CHERTOFF. I do not think it is in the budget. I can tell you, because we have been consistent about it since I have been here, which is we believe the funding—fixed formulas are generally contrary to the issue of being risk based, but I think with some nod to reality, I think we are prepared to say that some level is appropriate. But we are trying to reduce it from the PATRIOT Act 0.75 percent, which absorbed about 40 percent of the total funding, down to 0.25 percent, which would be about a third of that.

Senator LEVIN. All right. Now, did the 9/11 Commission have a recommendation on this, do you know?

Secretary CHERTOFF. I believe they want it entirely risk based, which would take it down to zero.

Senator LEVIN. The Intelligence Reform and Terrorism Prevention Act authorized your agency to hire an additional 2,000 Border Patrol agents each year from 2006 to 2010. It also required that

20 percent of the annual increase in the agents be assigned to the Northern border, which has been significantly shorted over the years. We have the longest border in the country, but we have a much tinier percentage of Border Patrol agents than other borders do.

So apparently you have not complied with that act. Is that true?

Secretary CHERTOFF. I do not think right now 20 percent are going up there. Of course, the appropriations since that authorizing act have laid down their own formula, so from a legal standpoint, I guess the lawyers have to explain why it is that the subsequent act defines what the requirement is.

We did increase the Border Patrol to 1,000 at the Northern border, and we are putting air wings up there.

Senator LEVIN. The air wings you have not put up there that you committed to put up there.

Secretary CHERTOFF. I know.

Senator LEVIN. Including one in Michigan. Are you going to carry out that commitment?

Secretary CHERTOFF. We will carry that one out, and there is money in the 2008 budget for that.

Let me, though, explain exactly what the facts are. The facts are—and I had this checked the other day—of people coming between the ports of entry, not at the ports of entry, 98 percent of the illegals, Customs and Border Protection, are coming through the Southern border and 2 percent through the Northern border. So, if the house is burning, you want to get the part where the flames are the hottest first, and, frankly, that is kind of what our Strategic Plan is.

Senator LEVIN. Would you check and see if you have complied with our legal requirement?

Secretary CHERTOFF. I will.

Senator LEVIN. Thank you. Thank you, Mr. Chairman.

Chairman LIEBERMAN. Thanks, Senator Levin. Senator Warner.

OPENING STATEMENT OF SENATOR WARNER

Senator WARNER. Thank you very much, Mr. Chairman.

We welcome you, Mr. Secretary. I am one who continues to be amazed at how well you are able to function under the extraordinary diversity of your responsibilities and the constant drumbeat from Capitol Hill. But you seem to be weathering the storm quite well.

I am particularly pleased with the Office of the National Capital Region. This is a matter which I have taken an interest in, together with my colleagues from Maryland. For those that have not followed this, we recognize that the Nation's capital and the two adjoining States are clearly identified as one of the areas of the greatest sensitivity, and we wanted to put ourselves as a triumvirate—the District of Columbia, Virginia, and Maryland—with regional homeland security representation, similar to how the other States have their own homeland security coordinators. It does not replace our respective individual that represents Virginia and Maryland, but it brings together in one location the centralized requirements of the three jurisdictions. And through the years, I want to thank you and your Department because you have recog-

nized it, you have begun to fund it, and I guess my question to you is: Are you in a position yet to give a report card on its value that we felt would be there were it to be established, it is established, it is running, and what kind of report card can you give us?

Secretary CHERTOFF. Well, I am delighted—I tend to shy away from report cards because it brings back flashbacks from being in elementary school, but I think that the effort of this region has been outstanding.

First I have to say, as it relates not only to interoperability but to coordination among the various localities, the two States and the District, I think it is about as good as anywhere I have seen in the country.

Now, we are underway with emergency planning, including evacuation planning, that is particularly focused on what we would do if there was a mass event in the District and how the flow would proceed not only into the immediately adjoining counties, but even further into, for example, West Virginia or southeastern Pennsylvania. And that process is underway, and I think when it gets done, it will be another significant advance.

We have got Biowatch up and running here. I think we have done a better job in the last couple of years of integrating our warning and threat activities with those of the District and the surrounding areas. And we have two new governors or comparatively new governors and a new mayor, and I look forward in the next few weeks to meeting with them and talking about how we can continue to move forward on this.

Senator WARNER. I understand that the Capital Region is one of only five major metropolitan areas in the entire country deemed prepared with regard to interoperable communications by the DHS Interoperability Report. Could you comment on that, please?

Secretary CHERTOFF. You are correct, Senator, that we do give them very high marks for interoperability. I was actually out in Arlington at the Emergency Operations Center. One of the reasons they have high marks, it is not just equipment; they have governance. They have sat down, they have put their egos aside, and they have agreed on a common set of rules and protocols which are really the foundation of communication. And I think that is an area where it is not a money area, it is a will power area. That is a great model for the rest of the country.

Senator WARNER. Well, I think those are helpful comments.

I am going to tread into an area which borders on action that my distinguished colleague and Ranking Member are going to put in an amendment tomorrow on—this REAL ID and the 2-year delay. To me that REAL ID permit thing is a first step toward—well, it may be significant enough to put the national ID concept on hold. If you want to drive a car, you better have the proper identification. It also provides the individuals with that identification needed to go through our airports and other checkpoints.

Clearly, I am of the long-time group in this Senate that say if you are going to mandate to a State a requirement, you had better fund it. And I can understand the need to get some delay if we are not going to fund it. When you looked at the REAL ID program and you looked at all your other programs, did you weigh the benefits of REAL ID against some other program? It might have been the

controversial concept of the border fence because I think this REAL ID program could make tremendous inroads on bringing together greater security in all 50 States if they begin to have a common system of identification and an identification that, to the extent science is able to do it, defies counterfeiting.

So did you, in fact, weigh a program this year in your budget to partially or, if necessary, wholly fund the States' requirements under that program to get it going?

Secretary CHERTOFF. Well, I think it is a very important program because having a secure form of driver's license not only is a major step forward in security, it actually protects privacy because it reduces the ability for someone to forge my name and address on a driver's license and then invade my privacy and degrade my reputation.

I think the concept, though, was that this, like all driver's licenses, is largely a fee-based system and that ultimately the cost of building REAL ID should be amortized over the driver's license fee. It is actually probably a one-time cost. I do not think it is a recurrent cost. Although there probably is a certain amount of money up front, I am hoping that the regulations that come out work sufficiently with the existing systems so that it does not require $11 billion and that any additional marginal cost would be picked up as part of the cost of paying for your driver's license.

Senator WARNER. Would you be bold enough today to take a stance on the proposed amendment by my distinguished colleague that would be put forth tomorrow in a markup?

Secretary CHERTOFF. I have not seen it.

Chairman LIEBERMAN. That is no excuse.

Secretary CHERTOFF. I think I have expressed my view about the importance of—we want flexibility, but we do want to make sure that we move forward, that we do not kick the can down the road.

Senator WARNER. Well, we will wait until tomorrow, and I always want to support my distinguished Ranking Member. But I tell you this program, I think, in the concept of the average citizen, at long last government is really beginning to do something to cut down all the forgery and other things. And there is nothing more important to a person than their home, but next to their home is the car and the ability to operate that car. So I am going to be agitating in this area to see what we can do to make sure that we just do not park this whole concept on the side of the road for 2 years and go on about our merry way.

I thank our witness.

Chairman LIEBERMAN. Thanks, Senator Warner.

Senator Landrieu.

OPENING STATEMENT OF SENATOR LANDRIEU

Senator LANDRIEU. Thank you, Mr. Chairman.

Again, I want to thank the Chairman for my position on this Committee, and, Mr. Secretary, I look forward to working closely with you to improve significantly the response of this Department to people in need when a catastrophe strikes, regardless of the reasons, whether it is a terrorist attack or natural disaster.

I want to begin by saying that it is disconcerting to me to have you appear before this Committee as the Secretary of Homeland

Security for the first time this year and not even mention the more than a quarter of a million people who are still out of homes, many of whom are out of jobs, many of their businesses destroyed, neighborhoods destroyed, and future in question because there is a part of this Nation, a part of this homeland that is still struggling to stand up.

I mentioned after the State of the Union on behalf of the 4.5 million people that I represent how disappointed I was in the President that he could not even manage one line out of his State of the Union. And I want to say to you that I am very disappointed in your opening statement that there was no mention of it verbally. There is some reference in your testimony.

Second, I would like to believe, Mr. Chairman, that the information that I receive in this Committee is true and accurate from the Department. But I will say that in reading the prepared statement—I do not have a page number, I am sorry, but it is under "Goal 4: Build a Nimble, Effective Emergency Response System and a Culture of Preparedness"—in the fourth paragraph it says that there is a 90 percent satisfaction rate with Individual Recovery Assistance programs for FEMA.

I would have to say, without the benefit of that survey, that we would not come anywhere near 90 percent satisfaction in Louisiana, Mississippi, Alabama, or South Texas. So I am going to ask your staff to provide for me the details of this because if we are basing policy on effective communication from customers and clients and taxpaying citizens, I think we need to have much more accurate information. Now, perhaps that is an overall goal of the Nation, but I can promise you that it is not the satisfaction level along the Gulf Coast.

Third—and I will get to my questions in a minute—Mr. Chairman, I cannot tell you and the Ranking Member how concerned I am, having watched us try to evacuate over 2 million people without a public communications system and an interoperability system, why we would possibly be taking $1 billion from the State Preparedness Grant Program to fund interoperability. In the entire budget, we cannot find an extra $1 billion? So from 2006 where we used to fund State Preparedness at $1.185 billion, we are now funding it, Mr. Chairman, at $465,000? Am I reading this document correctly? $1.185 billion in 2006, and this year, after Hurricane Katrina, after Hurricane Rita, after more than 250,000 people are displaced, after tens of thousands of people have lost their businesses, still living in trailers, and without their jobs, we have now cut this from $1.1 billion to $465,000. Is that correct?

Secretary CHERTOFF. Well, actually, no. That does not include the $1 billion that is going to be available through the interoperability grants. So if you add in the $1 billion that is available in interoperability grants, that would be $1 billion plus the $465 million.

Senator LANDRIEU. But it is still a very minor increase for the State Homeland Security Grants that have decreased, according to this, from $550,000 to $260,000, or the Firefighters Grants that have been reduced, State and local training program, from $210,000 to $95,000, or the FIRE Act from $655,000 to $300,000.

Secretary CHERTOFF. I think, Senator, first of all, before I forget, let me respond to your earlier observation. If you read my prepared testimony, I do talk about Hurricane Katrina. Obviously, I mean, I could talk for 15 or 20 minutes in my opening statement. I do not think that would be a benefit to everybody. I chose to speak about an issue that I knew was on the legislative agenda for tomorrow, but it does not reflect any lack of concern or focus on Hurricane Katrina, which does occupy a significant amount of time for me and the Department.

As far as this budget is concerned in terms of grants, the bottom line is that with the $1 billion in interoperability, we are talking about $3.2 billion in the hands of communities next year, and I might add there are over $5 billion yet unspent from prior years of grants. So the pipeline is very full of money, and while I understand that there are always needs that are deserving and that cannot be met in any budget context—we all live with that even in our home lives—I think this is a very generous budget and puts a lot of capability in the hands of responders.

I also have to say, wholly apart from the grants, we are spending, as the Chairman and the Ranking Member noted, significantly more at FEMA, giving FEMA the capabilities to develop communications. And we are standing up an Office of Emergency Communications which is going to be working with communities around the country to build communications systems with them and to get the early warning system into the 21st Century with reverse 911 and text messaging and all of that.

So you cannot look at the grants as the totality of what we are spending on preparedness. It is merely one slice of the pie.

Senator LANDRIEU. Well, let me just respond because my time is up. I am looking forward to working with the new Subcommittee, with Senator Pryor's Subcommittee on State, Local, and Private Sector Preparedness and Intergration. And as you know, I am going to be chairing the Subcommittee on Disaster Recovery. And I hope that we share enthusiasm to redesign and retool and reform FEMA so that it actually responds much better than it did the last time.

I do not want this country to believe that there is plenty of money in the system and that there is not a need to get additional funding for interoperability. Some of those grants, Mr. Secretary, are not being pulled down because there is no standard, and people do not want to waste money taking and spending it on interoperability, only to find out that after they have spent it, they cannot talk to the county next door. We have a lot of work to do to get standards out there to be able to pull that funding down.

I have a long list of questions, but my time is up, and, Mr. Chairman, I will submit those for the record and continue to work with you and the Ranking Member to get more of a focus, not just on our border security, not just on what might occur if a terrorist attacked, but the damage could not have been greater had a terrorist attacked, Mr. Chairman, than for a hurricane to strike and put 250,000 people out of their permanent homes. We have counties that are still virtually empty—parishes, in our case—and a major American city, not a minor city, a major American city that is less than half occupied—and a Secretary that shows up at this Com-

mittee and a President that gave a State of the Union that could not spare 5 seconds of an opening statement on the subject.

Thank you.

PREPARED STATEMENT OF SENATOR LANDRIEU

Mr. Chairman, thank you for allowing me to address Secretary Chertoff concerning the Department of Homeland Security's budget and its proposal to reshape the Federal Emergency Management Agency. My time is short, so I will make just a few comments. As you may know, Secretary Chertoff, I now chair the Subcommittee on Disaster Recovery. The Subcommittee is charged with oversight of disaster recovery, and I plan to look at FEMA reform, woefully needed Stafford Act changes, how the Federal Government responds to a disaster, and short term needs and fixes for the Gulf Coast recovery.

In reviewing your budget, I have some concerns and am not certain that we are meeting the necessary objectives.

We need to ensure the Federal Response and Recovery structure is synchronized. Local, State, and Federal agencies, including the military, must all be working off the same "sheet of music." Everyone must know who is in charge; relationships and lines of authority must be developed before the disaster, not during the disaster. This means that drills and exercises must be held on a regular basis.

Radio interoperability must also be fixed in this country. It is not acceptable that emergency responders cannot talk to each other. All local, State, and Federal agencies and the military should be able to talk with each other when responding to the same disaster.

We must remove every impediment that prevents a community from recovering that has been hit by a catastrophic disaster. This means removing regulations that don't make sense, while obviously making sure we account for tax dollars. In order to really make a recovery work, you must ensure your department's first responders are professionals, who understand the Stafford Act and how it impacts a local and State government's ability to recover. This has been an ongoing problem for this agency and one that I am not certain is met in this budget.

So the question remains, does this budget accomplish these goals?

Chairman LIEBERMAN. Thank you, Senator Landrieu. As you know, when Senator Obama, you, and I were there, it is stunning to see how much of New Orleans remains devastated. A lot of the debris is cleaned up, but there is just a lot of empty street after empty street. And as I said to you when we were there, as a member of the Senate Armed Services Committee, I have been to now four war zones after the wars are over, and I have never seen devastation as comprehensive and broad as I did in New Orleans and Mississippi along the Gulf Coast after Hurricane Katrina. So I appreciate what you have said.

Senator Voinovich.

OPENING STATEMENT OF SENATOR VOINOVICH

Senator VOINOVICH. Thank you Mr. Chairman.

Mr. Secretary, in your opening statement you mentioned the Administration's desire to modify the Visa Waiver Program, and as you have mentioned, I have been working with Senators Akaka, Stevens, and Mikulski on legislation that would simultaneously enhance travel security and create common security standards in providing the Department with the flexibility needed to expand the program to additional countries who do not pose a threat to our security, law enforcement, or immigration interests.

You mentioned there were three things DHS wants in the legislation. I want to thank you very much for your input on this issue. I want to make clear that my legislation has already incorporated the repatriation of citizens who violate the law, air marshal co-

operation, and flexibility and discretion with regard to the 3 percent visa refusal rate requirement.

I think one of the things that some of my colleagues do not understand is what you referred to as an "ugly dispute" the United States has with some of our best allies. I think of 10 countries that we brought into NATO, there is only one that has visa waiver, and that is Slovenia. I think you also know that U.S. public diplomacy and our image abroad probably is at the lowest point it has ever been. Modifying the Visa Waiver Program will mean a great deal to these countries. Every time I talk to an Ambassador or Foreign Minister, they are up in arms about their desire to join the Visa Waiver Program. They do not think they are being treated fairly.

The point I would like to make is—and maybe you can explain it a little bit more—that we are not only talking about expanding the program, but we are also talking about modernizing and improving the Visa Waiver Program.

Secretary CHERTOFF. This is a very important point, Senator. As I said in my opening statement, it is a vulnerability, and we do worry about the possibility of terrorists coming in from countries in Western Europe that have been part of the program. So this is most definitely, net-net, an upgrade in security to a very significant degree. And although the 3 percent flexibility, I think, has a very positive element with respect to showing a more welcoming face to some very good allies, no one should be under any illusion. This proposal is, first and foremost, a security measure that dramatically increases the level of security not only for the new countries, but for existing countries.

Senator VOINOVICH. Thank you. As you know, I have been harping regarding management issues. The GAO has designated implementing and transforming the Department of Homeland Security as a high-risk area. DHS has been on the high-risk list since 2003, and that is understandable because you are talking about the complex merger of 22 agencies and 180,000 employees. But one of the things that is really of concern to me is that Clay Johnson with the Office of Management and Budget has taken all of the high-risk departments and approved a corrective action plan on how they can get off the high-risk list. And to my understanding, DHS is the only Department that does not have a published strategic plan on how you are going to take corrective action to get off the high-risk list.

For example, I am working specifically on supply change management with the Department of Defense. They have developed a strategic plan. I am also working on security clearances with OPM; they have a plan. Congress can monitor their performance in getting the plans implemented. We do not have that in your case. You and I have talked about this. The remaining 2 years of this Administration is going to go by fast. And from this Committee's oversight point of view, I would like to know where you are in developing the Department's strategic plans to improve management and remove the Department from the GAO high-risk list. It is important that you lay a strong foundation for the next Administration to build on.

Of course, that gets into another issue, and that is having a CMO, chief management officer, in the Department of Homeland

Security. I think you have to have one. If you don't have one, when you leave, progress will halt for 6 months, and then we will have to start from scratch. We will never get the Department off the high-risk list.

So I would like you to comment. When are we going to have a strategic plan that is published, that we can monitor in terms of your performance? Also, I would like your opinion on the need to have a chief management officer that will carry the ball forward into the next Administration.

Secretary CHERTOFF. Well, first of all, I agree with you that it is very important to institutionalize what have been some significant management reforms and continue and complete the process of what we need to do to get off the high-risk list—which, as you point out, is not surprising given that we are a new Department.

We are building and have a set of plans to get off this list. I know the Deputy has been working with Clay Johnson on putting together something that can be published. And I cannot tell you right now what the timeline is, but we certainly need to get it done, and I will get back to you as to the timeline.

We have a chief management officer who is the Under Secretary for Management. We have a new Under Secretary, Paul Schneider, who comes to us——

Senator VOINOVICH. I am very impressed with him. I would love to have him have a 5-year term and be in charge of carrying the ball into the next Administration, or somebody with his qualifications. He is terrific.

Secretary CHERTOFF. And, Senator, I think it would be a great thing if the next President decides he wants to keep Paul Schneider on. I think that the issue with 5-year terms—and here I am going to be a little altruistic because I am speaking for the next President, as yet unknown. That President may choose to replace the Under Secretary for Management with his own person. So putting aside the various legal issues raised about it, let me say this: We are very committed to actually embedding at senior levels in the Department at every level Deputies who are career people. I think it is very important to put this Department on a career footing, and that is with career civil service professionals.

When it comes to the top job, the Under Secretary job, I do think you have to balance the desire for continuity with the need for a President and a Secretary to have confidence in the person in the job. For the sake of future Presidents, not this one, who are going to inherit someone with a 5-year term, I think that is the issue that you need to reflect upon.

Senator VOINOVICH. All right. We will talk about it some more. Thank you.

PREPARED STATEMENT OF SENATOR VOINOVICH

Thank you, Mr. Chairman, for holding today's hearing to consider the Department of Homeland Security's budget submission for fiscal year 2008.

The Department's budget request coincides with its third major reorganization. March 1 marks the 4-year anniversary of the Department. As this date approaches, we must examine both the Department's accomplishments and its deficiencies.

I am concerned that the array of management and programmatic challenges continue to limit the Department's ability to accomplish its mission. As we discuss the details of the budget request, I look forward to learning the Department's plan to

employ effective management strategies to ensure its resources are spent in a cost-effective manner.

One deficiency that continues to plague the Department's ability to accomplish its mission is the lack of a Chief Management Officer. Accordingly, I introduced legislation yesterday to elevate the existing Under Secretary for Management to Deputy Secretary. This position will provide the sustained, top-level leadership and continuity necessary for improving the long-term efficiency and effectiveness of the Department. I look forward to discussing with Secretary Chertoff today how this legislation and the overall budget will produce far better results for the Department.

Accomplishment of the mission will depend in large part on whether or not the Department has the workforce it needs. The recent OPM Federal Human Capital Survey ranked DHS at or near the bottom in the four major categories, including job satisfaction and performance. The low employee morale identified by the survey is especially disturbing for an agency responsible for securing our homeland.

Secretary Chertoff, it is our job to ensure that you have the resources you need to get the job done. With the bulk of the increase in discretionary spending devoted to border security, I question whether the Department's budget allocates its resources in a manner that does so. Including this year's budget request, total budgetary authority for the Department will have grown 49 percent since the Department's creation in 2003. Government-wide homeland security spending has more than tripled since 2001.

A thoughtful discussion of the need to secure our homeland against terrorism and strengthen our response capabilities is pointless absent an acknowledgment of the fact that our country has finite budgetary resources. As we work to improve our risk management capabilities, we must ensure that the accompanying growth in Federal homeland security spending does not come at the detriment of our other national priorities, particularly when we lack a plan to restore the fiscal health of our Nation.

It is simply not possible for us to guard against every threat—and frankly, if we tried to, we would bankrupt our Nation in the process. As our national homeland security policy matures, we have to use our common sense and begin to prioritize by allocating our limited resources based upon risk assessments. Mr. Secretary, you have been a consistent advocate for increasing our use of risk assessments in determining homeland security policy and spending priorities. I applaud you for this position. You have rightly noted that it is impossible to eliminate every threat, and while we can minimize risk, we can never fully eliminate it.

I look forward to learning of your strategic vision for the Department, and how your goals and priorities are reflected in the Department's fiscal year 2008 budget request.

Thank you, Mr. Chairman.

Chairman LIEBERMAN. Thanks very much, Senator Voinovich.

Senator McCaskill.

OPENING STATEMENT OF SENATOR MCCASKILL

Senator MCCASKILL. Thank you, Mr. Chairman.

I wanted to first briefly go over some concerns I have concerning the way GAO has been handled within your Department. Delay is the archenemy of accountability. There is nothing that is more damaging to the ability of independent auditors to help us do our job than their inability to do their work quickly and efficiently. In visiting with David Walker this week—I called him after I saw some accounts because I wanted to hear from him firsthand how bad the problem is at the Department of Homeland Security. He said that your Department was one of the very worst, if not worst, in terms of access issues; that they continually have access issues, not just to people but also to records. Let me first ask about the records.

He indicated that you were perhaps the only Department that requires every request for records that GAO makes to go through the lawyer's office. I would like to understand that. It seems incredibly cumbersome and inappropriate, completely unnecessary—in fact, wastes taxpayer money, a lot of taxpayer money.

I would like to hear your view on whether you are willing to make the decision that no longer will all the requests for access for records go through the lawyer's office at GAO. And, second, the policy that you have had there that puts lawyers in interviews. It is so important for a government auditor to be able to get information that is not being chilled, or there not be any sense that they, the people being interviewed, have to be careful what they say. You put a lawyer in the room from the Department, and the quality of the product will be impacted. And to have a lawyer in the room when auditors are interviewing government employees—to somebody who has spent a great deal of time doing this—it is like fingernails on a blackboard. And I would like your comments on both access to records and access to people without the interference of lawyers from your Department.

Secretary CHERTOFF. Well, first of all, with respect to records, I think it depends on what the nature of the inquiry is. I do not have a problem in a significant majority of cases where I think the records are being sought; it is probably pretty self-evident and pretty contained. There are times when there is a broad request for records, and I think it is important to make sure that we actually respond to the requests accurately and comprehensively, and sometimes actually the lawyers facilitate that.

I am always a little taken aback when Mr. Walker never calls me or writes me or raises a complaint with me personally, but airs it first in a public forum. That always makes me feel a little bit upbraided because if there was a particular issue, I could deal with it. That does not mean I am always going to agree with him, though.

As to the issue of lawyers in interviews, I do not know that it is true that lawyers are in interviews all the time. My understanding from talking to the General Counsel's office is that, in fact, in many cases they are not in the interviews. However, in some cases they are, and I frankly do not understand—putting aside whistleblowers, which is a separate issue and treated separately—why that would have a chilling effect.

I have to say I also have a lot of experience investigating, and I was accustomed to having lawyers in rooms when I interviewed people and sometimes actually found it facilitating in terms of accuracy.

So, again, I do not think there is any desire here to delay or to make things cumbersome. I do think we have a desire to make sure we are accurate, that when we say we are turning things over and we are doing a complete turnover, it is a complete turnover; that we are protecting whatever legal rights the Department and the Executive Branch have so we are not taking a position that we should not be taking, or letting something go that we should be raising an objection to.

So I am very practical about these things, and I have talked to the Acting General Counsel about being as accommodating as possible. I cannot tell you, though, that I necessarily think it is always a bad thing or a wrong thing to have lawyers in an interview.

Senator MCCASKILL. Well, let me just say that unlike an investigatory interview, where you are dealing in a law enforcement capacity, an auditing interview is a much different animal, and hav-

ing experience with both, they are much different. The auditing process has many different reviews for accuracy. The information that an auditor gets from a line employee, that is not something that is disseminated to the public. That is something that is checked and checked again through the government auditing standards. And, in fact, the lawyers in your Department would have every access to that exit report before it is even made a public document.

So there is plenty of opportunity to review for accuracy, and I fundamentally disagree with you. A lawyer in the room with a government employee when an auditor is asking questions sends a signal. And I would urge you to take a look at a policy that would set out when you thought lawyers would be there as opposed to the current policy, which evidently allows the lawyers to go whenever they feel like it, because I do think it really hampers the ability of the GAO to do their job.

Secretary CHERTOFF. Well, I certainly will look at it and work with the General Counsel to make sure we are not—I do not want to waste anybody's time. I certainly do not want to waste a lawyer's time. So certainly on routine things, I do not think they do, and I certainly will make sure they have an approach that makes sense in terms of making sure we are not just putting lawyers in there when there is no reason to do so. There should be a good reason, a sound reason.

Senator MCCASKILL. Finally, briefly—and I will submit these questions, some of these, for the record. But there is in this budget a three-quarters of a billion dollar request for Deepwater. I am aware of the problems that have been brought to the attention. The question that I would like answered, and if you cannot answer it today—it is a yes or no question: Is it true that red ink warnings on design flaws were deleted from documents given to the Homeland Security auditors?

Secretary CHERTOFF. I believe that Admiral Allen answered that question in another hearing, and I think probably the best thing for me to do, since I have no first hand knowledge, is to suggest that you look at the answer that he furnished, which we can give you.

Senator MCCASKILL. And then the other question I would have—once again if you need to make the answer later, that is fine, if it is too lengthy because I am out of time. But is there a commitment to redraft the Deepwater agreement so that it does not presume that Lockheed and Northrop continue to be the only contractors on that system?

Secretary CHERTOFF. I know Admiral Allen has been working with the contractors and with his procurement people to redesign this to give him and his people greater visibility and greater control. But, again, I probably ought to have someone get back to you with the specifics of what they are going to do.

Senator MCCASKILL. Thank you very much. Thank you, Mr. Chairman.

Chairman LIEBERMAN. Thank you, Senator McCaskill. Senator Coleman.

OPENING STATEMENT OF SENATOR COLEMAN

Senator COLEMAN. Thank you, Mr. Chairman.

Mr. Secretary, thank you. Thanks for what you do. When we went through your confirmation, I said you have perhaps the most difficult job of all Cabinet Secretaries. One failure for you is not acceptable, and I think you understand that.

Let me talk a little bit about the Western Hemisphere Travel Initiative. I appreciate your perspective on wanting to push this forward. We have had a number of hearings on this, and I think across the Northern border, the uniform concern is that if you do not do it right, there are going to be great impacts, great consequences. So the concern is to make sure we do it right.

You have indicated that you are in discussion with the State of Washington to carry out a pilot. Is that correct?

Secretary CHERTOFF. Yes, we are.

Senator COLEMAN. Do you have a Memorandum of Understanding, do you have a signed agreement with the State of Washington as to how this is going to proceed and how long it is going to take and how you are going to measure the results of the pilot?

Secretary CHERTOFF. I did not sign it myself. I know we are working with them. I cannot tell you exactly how it has been embodied, but I will get back to you.

Senator COLEMAN. I would certainly like to see a Memorandum of Understanding. Again, the consequences of failure in this, the economic consequences, the delays, there are a lot of human consequences. One of the encouraging things about this whole discussion is typically in dealing with Canada we are dealing with fights about fishing rights and timber and wheat, and yet in the process of looking at this issue, I saw communities across the border come together with a shared interest. I just want to make sure that what we do we do right.

Tied into that, do you intend to issue a report? Do you intend to analyze the Washington pilot? Is there a set period of time before you issue a report that we in Congress could take a look at before we proceed further?

Secretary CHERTOFF. Well, I don't think we are envisioning the completion of the pilot as something that is a pre-condition to putting this into effect. I think we are viewing that, as in any process, as a parallel process. We are more than happy to put into place alternatives. For example, the NEXUS card is one alternative that we are going to embrace, the PASS card that the State Department is going to issue, as well as the passport. But the one thing that we really do not want to do is put a significant amount of delay into this because I go back to what I said earlier about the passport. When we put the air requirement in effect earlier this year, in the 6 months before, all I heard was the sky is going to fall. And by keeping to the deadline, working with the destinations, and doing a communications plan, we had a flawless roll-out. There was better than 99 percent compliance. All the doom and gloom turned out not to come out, and that is because we stuck to the program.

Senator COLEMAN. I would maintain there is a perceptible difference between the air program and the sea program and the type of travel that you get. That is what our hearings were. We had a lot of discussion on this. I did not hear the doom and gloom over

the air program. I did not hear the problems about the sea program. What I heard were neighbors saying I want to go fishing in Minnesota, and I have a resort that is across the border, and all of a sudden we are going to now require a passport.

My concern is that, for instance, in the budget you have $250 million for PASS card readers at 13 high-volume border ports of entry. Is that correct?

Secretary CHERTOFF. Yes.

Senator COLEMAN. How many border ports of entry are there?

Secretary CHERTOFF. Oh, there are many. But most of them do not need high-tech readers because all that we are going to need is for someone to present the appropriate document instead of one of the 8,000 types of documentation currently being presented.

Senator COLEMAN. And I understand that we need to have them, but my concern is this: That we will have the PASS card readers at high-volume border crossings.

Secretary CHERTOFF. Right.

Senator COLEMAN. But for the individuals in the small towns along the Maine border and the Minnesota border who do not have that high technology, if, in fact, we do not have a system that allows for the smooth flow of traffic—and it may not be big volume, but for them and their businesses and their lives, these have huge impacts. We want the same result.

Secretary CHERTOFF. Yes.

Senator COLEMAN. I just do not want the small towns and small communities kind of glossed over in this and let them do what they may if we do not have in place a system that allows for quick, accelerated entry between Canada and the United States.

Secretary CHERTOFF. I agree. I think at the small ports of entry—I carry this around with me. This is a NEXUS card. This card will do it.

Senator COLEMAN. But there are not NEXUS ports along the way. So for the smaller communities, they cannot use that card.

Secretary CHERTOFF. Well, you could because all we will need to do at the smaller border crossing is simply present the card, and the border inspector will look at the card, and that will be sufficient.

Senator COLEMAN. So NEXUS will be available at every border crossing?

Secretary CHERTOFF. The NEXUS card will be usable at every border crossing for this purpose. Now, the real value of NEXUS comes in the high-volume ports because of the special lane. But in terms of the identification, this does the trick at a small border crossing. So it is not going to slow you up at all, and there will be a PASS card similar to that. You do not need the reader if you have low volume because then the inspector can just look at it himself.

Senator COLEMAN. Again, my concern is that as we move forward, the smaller communities are not put in a place where you have the negative economic impact. And, from a percentage perspective, it is as important to them as the high volume. It is their lives.

Secretary CHERTOFF. Sure. I agree with that.

Senator COLEMAN. And I just do not want them getting lost in the mix. I do hope that we see the results of the pilot and, if there are problems, that we address them before we institute this across the border.

I think my time is up.

Chairman LIEBERMAN. Thanks, Senator Coleman. Senator Obama.

OPENING STATEMENT OF SENATOR OBAMA

Senator OBAMA. Thank you very much, Mr. Chairman.

Mr. Secretary, thank you for your testimony. I have two areas that I want to touch on real quickly. The first goes to the budget. I know that this has been touched on somewhat, but I just want to make sure that I am understanding this correctly.

As I understand it, the President has requested a 52 percent reduction in State Homeland Security Grant programs, and that reduction is actually a 72 percent reduction in overall funding when it is combined with the President's decision not to fund the Law Enforcement Terrorism Prevention Program. But under the President's proposal, States have to spend 25 percent of their SHSGP funds for the Law Enforcement Terrorism Prevention Program. Is that a fair assessment or do you think that mischaracterizes it?

Secretary CHERTOFF. I think that I would put it this way: In addition to the Homeland Security Grants, which are funded at $250 million, there is an additional $1 billion coming through the interoperability grants which will be made available to the States. So that although there are some differences in the categories that we fund as opposed to last year's funding, the bottom line is that in fiscal year 2008, we will have $3.2 billion in the hands of first responders as opposed to about $3.4 billion last year.

Senator OBAMA. But let me just, on the interoperability—because I recognize that you may be shifting some money around. We do not want to get too caught up in categories. But my understanding is the $1 billion that you are talking about in terms of interoperability comes out the Department of Commerce and that it is actually fiscal year 2007 money which is supposed to be for this year, not for next year. But you seem to be counting that as sort of the stopgap to justify the reductions that we are making here.

Secretary CHERTOFF. Right.

Senator OBAMA. Am I misunderstanding that?

Secretary CHERTOFF. Let me clarify. We will co-administer this money with the Department of Commerce. Putting aside whether we come back to Congress and actually ask for more time to distribute it past the end of the fiscal year, even if we were to allocate it by September 30, 2007, at the end of the fiscal year, it would not be expended until fiscal year 2008. So in the real-world sense of when the money actually starts to go out the door, State and local responders will have that money, plus the other money, totaling $3.2 billion in fiscal year 2008, plus the $5 billion that has not been spent yet.

Senator OBAMA. Can we talk about that just for a second? Because you mentioned that earlier. Why is there $5 billion in the pipeline that has not been spent? Is it because of the incapacity to absorb the money in an effective way at the local level? Is it be-

cause local communities are coming up with a bunch of good ideas but your Department cannot process these requests? Because I think there is nobody on this Committee who is not hearing from their State and local communities saying, "We need the money, and we know exactly what we want to do for it."

Secretary CHERTOFF. I think that there is not a single answer to all the questions. Obviously, there is always a delay while we get out the grant guidance. This year we were far ahead of where we were in previous years. Then there is some delay—there is nothing wrong with this—because the States may obligate the money, they may contract for certain things, but if they are smart, they are not going to actually pay the vendor until the stuff is delivered and it actually works. So there is a whole process of getting the money allocated. Then you go out and you figure out exactly what you want to get from the vendor. Then the vendor delivers it, and then you pay him.

So it is part of a stream of work, and I am not being critical in suggesting it. I am just saying that there is plenty of money that is working its way through the pipeline, and it is not as if the pipeline is dry at this point. And that is a lot of work for States and locals to make sure they continue to spend the money wisely.

Senator OBAMA. OK. Well, I have got another area that I want to explore real quickly, and I am running out of time. So let me just make this note. Your Department made a decision to deny some pretty major cities, like Las Vegas and San Diego and Phoenix, UASI dollars. Although Chicago has done well, and so this is not a parochial question that I am asking here, I think there are communities like New York, Boston, and others around the country that would argue that they still have been shortchanged.

It just strikes me that the President's drastic cuts in these areas are inexplicable, and I recognize it takes some time to get the money out, but these communities have very real needs. They are talking to me about them on an ongoing basis, and it seems to me that this is a shortsighted decision on the Department's part.

Secretary CHERTOFF. If I could just respectfully correct you in one respect.

Senator OBAMA. Only if I can maybe get half a minute.

Secretary CHERTOFF. If I could ask the Chairman to add that time. In 2006, Las Vegas, San Diego, and Phoenix were told that they did get the money, but they were told that they would not get it the following year, proving that we do listen.

I met with the mayors. We reanalyzed what was going on, and we announced for 2007 that they were on the list. So actually, all those cities are——

Senator OBAMA. Are now on the list.

Secretary CHERTOFF. And have remained on the list. They have never dropped off the list.

Senator OBAMA. Let the record reflect my wrong information on that.

The final question I wanted to ask about was on the rise in immigration fees. We are all concerned about illegal immigration. Your Department has budgeted significant amounts for this. I have been supportive of controlling our borders in the context of comprehensive reform, but we are now talking about the process of

naturalization for people who are legally pursuing the dream of becoming an American citizen.

The fees involved for naturalization have gone from $95 in 1998 to $310 in 2002. Today it is $330, and as I understand it, the latest proposal is to raise it to $595. So if you are a family of four residing here legally, trying to pursue naturalization, you are now looking at shelling out over $2,000 just for the application process.

Now, I recognize that the Immigration and Naturalization Act authorizes you to do this. It says you may do it, but it does not mandate you do it. And so I am just curious as to whether you have thought about some process to cushion the blow for low-income legal residents who are trying to pursue citizenship. Have we thought about staging this in ways that do not prevent legal residents from obtaining their citizenship?

It strikes me that there is something fundamentally unfair if whether or not you can become naturalized ends up depending on your wealth as opposed to your commitment to becoming a U.S. citizen. Do you want to address that real quick?

Secretary CHERTOFF. Well, we drove the backlog substantially down, which was a good thing, and the rise in fees reflected the fact that if we were to continue to maintain and actually do a better job of servicing the people who wanted to become citizens, we needed to make some investments. So we needed the money to do it.

We did exclude, for example, refugees and some other categories from having to pay fees. The actual budgeting of the additional fees was based upon a quite rigorous analysis of the costs. In some respect, what we did was we moved from a model that charged a lower initial fee but required you to pay every time there was an extension, which had the perverse economic effect of actually incentivizing the Department to delay because you actually made more money that way, to a system that you pay once but then that covers you until you are cleared.

In terms of people who are truly in economic need and cannot make the difference, I do not know whether we have a program for true indigency, to waive the fees or to scale it out over a period of time. But I will get back to you on that.

Senator OBAMA. Well, I would like to work with you on that. I do not think you have to be a true indigent to not be able to come up with $2,000 for fees. I think a lot of working families around the country would say $2,000 is real money. And so people who are working every day as a home health care worker, for example, and are trying to get naturalized, they may just be above the poverty line but, nevertheless, still need some help.

I would like to work with your office on this because I think this could have some negative consequences, particularly when we are trying to send a signal that if you do things right and you come here legally, then you have the opportunity to pursue the American dream.

Secretary CHERTOFF. We would be happy to do that.

Senator OBAMA. Thank you, Mr. Chairman. I apologize for the delay.

Chairman LIEBERMAN. Thank you, Senator Obama. Senator Domenici.

OPENING STATEMENT OF SENATOR DOMENICI

Senator DOMENICI. Thanks very much.

How are you? I am just looking at you there, and thinking back to when we confirmed you to be a circuit court judge for life and just wondering what you think about your decision to change jobs. [Laughter.]

But I will not make you answer it. You look all right today, but about a year and a half ago, you did not look so good. I thought then you might want to go back to the court. But today you look all right. Things going pretty well?

Secretary CHERTOFF. I think they are, Senator. Thanks.

Senator DOMENICI. Now, you have a $37.7 billion budget. Do you think that the various agencies and departments that you were charged with starting up are now all in place? Would that be a fair question for you to answer?

Secretary CHERTOFF. I think things are much better in place now than they were a year ago and when they were when I arrived. But we still have work to do.

Senator DOMENICI. Well, how long do you think it will take?

Secretary CHERTOFF. Well, I always use the example of the Defense Department, which it took them 40 years until there was Goldwater-Nichols, and then the first Secretary committed suicide, and someone told me the second one was fired.

Senator DOMENICI. Look, we do not want any of that to happen at DHS.

Secretary CHERTOFF. Right, we do not want any of that. I am confident by the time—and I am committed to this—the President leaves office, we will be a fully mature Department.

Senator DOMENICI. OK. I have three things you do or use that I am wondering about. One is called NISAC. You know that.

Secretary CHERTOFF. I have been out there.

Senator DOMENICI. You have been out there, the National Infrastructure Simulation and Analysis Center. It is a rather fantastic facility. It is run by the two national laboratories in my State, and it answers questions for anybody, and DHS is supposed to use it. DHS pays for it. And I am just wondering what does the Department propose for NISAC's 2008 budget and what are your plans to coordinate the Department's efforts so NISAC is utilized by the entire Department?

Secretary CHERTOFF. We have proposed $16 million for 2008, and we do propose not only for the Department but for other agencies we work with, as they report to us about what they are doing in terms of their homeland security planning, to build into it having them report on their use of the modeling capabilities for purposes of their planning. We do use it for planning for catastrophes and a whole host of activities, and we think it is valuable.

Senator DOMENICI. Still a pretty valuable tool?

Secretary CHERTOFF. Yes.

Senator DOMENICI. Let me quickly go to another one, the Domestic Nuclear Detection Office, DNDO. That is given the job of deploying radiation detection technologies and systems designed to detect attempts to smuggle nuclear weapons material into the United States.

How is DNDO interacting with the Department of Energy where they have efforts that are similar?

Secretary CHERTOFF. Actually, many of the research and development activities undertaken by DNDO under its auspices and funded by it are done through the laboratories of Sandia and I think also Livermore. And I have actually been out myself to see some of the tools that they are developing that we are going to deploy eventually under this program.

Senator DOMENICI. So where they have the capacity or are developing it, you are saying you welcome that?

Secretary CHERTOFF. Yes, and we use it.

Senator DOMENICI. Last, the Federal Law Enforcement Training Center (FLETC) has its principal location in Georgia and three other sites, one of which just happens, for the last 20 years, to be in Artesia, New Mexico. That is the one where you are training all of the people who work for you on the border, and you are training people like the Air Marshals that occupy seats in airplanes and are equipped to handle problems that come up.

Do you agree that each of these FLETC sites is now integrated in a way and being used in a way that they should be utilized by the Federal agencies?

Secretary CHERTOFF. Yes, and we are actually expanding Artesia. I think we are building an additional dormitory because of the increase in the flow of Border Patrol we are going to be training. We are bringing back some retired Border Patrol to instruct, so we are going to be actually increasing the capacity there over the next couple of years.

Senator DOMENICI. Can you give us an idea of which of the FLETC facilities are operating at full capacity?

Secretary CHERTOFF. Well, I know Artesia is probably exceeding capacity, which is why we are building the new dorm, and I believe the others are, if not fully utilized, close to fully utilized.

Senator DOMENICI. I did not run out of time yet so I can tell you a little story. When I was a brand-new Senator, we were trying to find a location to put FLETC at, and someplace in Maryland was supposed to get it. And they got mad. They did not want it. They thought it was a bad thing to have FLETC there. So we put it off, and we were going to buy a big piece of property and spend millions. And I said to the Chairman, "Why don't we adopt a resolution that the GAO will look all over the country for the next 6 months? Maybe they will find a property we could use." And they all said to me, "You know, you are a young Senator. Why don't you kind of keep your mouth shut?" I said, "Well, I will keep it shut if you do that."

Do you know what? They found FLETC-Artesia. It was a college that was being abandoned. That is why we got it free.

Secretary CHERTOFF. Good investment.

Senator DOMENICI. Good investment. Thank you, Mr. Chairman.

Chairman LIEBERMAN. Thank you, Senator Domenici. You are always free to tell your stories whether you have time or not.

Senator DOMENICI. Well, thank you.

Chairman LIEBERMAN. Thank you. I appreciated that one.

Senator DOMENICI. You are terrific. I know why you won up there. [Laughter.]

Chairman LIEBERMAN. Many people are still asking that question, so I appreciate your answer.

Senator DOMENICI. They do not know which side to be on as a result of that.

Chairman LIEBERMAN. Right in the middle here.

Senator Chertoff, if you have got the time, Senator Collins and I will do one more round of 6 minutes each. I want to come back to you on the funds in the pipeline response about explaining why there is not more funding for States and locals because my staff follows this pretty closely and says that they get reports regularly from the Department of Homeland Security that lead them to conclude that well over 90 percent of the Homeland Security Grants that have been awarded actually are already committed, they have been obligated by the States, and, therefore, are not really available to provide additional support for communities in fiscal year 2008.

So isn't it true that those funds in the pipeline that you talk about are not actually available to provide additional assistance in this coming fiscal year and, therefore, it is not a substitute for the money that we believe should have been in the grant programs?

Secretary CHERTOFF. I agree with you. A significant amount of the money is obligated. My point was not that it is a substitute. It is that the States and locals are not just cooling their heels. They have a lot to do, from the time of obligating to the time of expending, to manage, deploy, and train on the systems they are requiring. So that it is not so much that it is meant to say let's take a year off because we are trying to resorb the money; it is, rather, to indicate that we actually have a steady flow of money and people are occupied. And to the extent that there is a lag in seeing the results of the money, the lag comes in that gap between the time we push it out the door and the time it is expended after the equipment is received.

So it not meant to be a knock on anybody, and you are quite right that much more of the money is obligated than is expended.

Chairman LIEBERMAN. Right.

Secretary CHERTOFF. But that is part of an ongoing process.

Chairman LIEBERMAN. OK. I appreciate the clarification, and that is why, of course, I think we need to appropriate more money.

Let me ask you a question about chemical security regulations. I know we all agree on the urgency of moving forward with the chemical security program, and I compliment you and the Department for moving ahead promptly with the regulatory authority Congress gave you last fall.

However, I am troubled by three or four aspects of the regulations. I particularly want to ask you on the question of preemption, which is whether these Federal regulations will preempt the States from taking steps that are perhaps more demanding in the exercise of their individual judgment about what they need to do to protect their citizens from an accident or a terrorist attack on a chemical security facility.

Also, I believe that it is important to note here that when we worked this over, Senator Collins and I and others, Congress had alternatives before us, and we specifically chose to remain silent on the issue of preemption. We had two sides that were arguing on it

from different points of view, and we thought in this case that silence was golden. But you have opted not to be silent in the regulations. And I want to ask you whether you are open to consider revising the regulations with respect to preempting State action to protect our people with regard to chemical facility accidents. And the revision would be simply to remain silent.

Secretary CHERTOFF. Well, the short answer is we are actually in the comment period, the reason we put them out and get comments.

Chairman LIEBERMAN. Right.

Secretary CHERTOFF. And we actually read the comments, and sometimes we make revisions. So we are in the middle of a process of considering that.

I do want to say I think the original intent of that passage was not to suggest that we are altering the standard set by Congress or by the law or setting ourselves up as the deciders of what is preempted or not because I do not think that we can do that legally. I think it was merely to indicate that we would be willing to advise on whether we viewed something as preempted or not under the pre-existing legal standard that exists, and then also make our advice known.

The courts ultimately decide these issues and accord the agency whatever weight is appropriate under the law.

So certainly we are going to look at that provision and make sure that it is clear about what we want to do and what we do not want to do and make it clear that we are not arrogating unto ourselves power to adjudicate these things that really ultimately rest with the courts.

Chairman LIEBERMAN. So you interpret the language in the draft regulations as not of itself preempting greater State protections, but simply saying that the Department is available to advise.

Secretary CHERTOFF. Yes, and I do not have the text in front of me, but my understanding of the law is that preemption comes from the statute and what the statute authorizes or does not authorize, and that the provision in question indicated—and maybe I have to go back and look at the wording—that we would take a position, but a recognition that this position is ultimately one which gets before a court and a court either decides to accept, reject, or give it some weight.

There might be some element of moral suasion that we could inject into it, but I do not think it was meant to say that we somehow have the conclusive ability to make that judgment because I do not think that is actually what the law indicates.

Chairman LIEBERMAN. I agree, or the ability to essentially freeze—give the States the impression that they do not have the right to regulate, or legislate, more particularly, beyond that.

I am going to follow the comment period and continue to work with you on it because I think it is very important that the regulations you adopt create a floor, which would be a significant step forward, of protection but that if individual States because if their individual circumstances want to go beyond that, they should have the right to do that.

Senator Collins.

Senator COLLINS. Thank you, Mr. Chairman.

Let me follow up on that point, and you and I have discussed this issue before the regulations were issued. The intent of Congress was very clear. We decided to be silent on the issue of preemption and to leave it up to the courts. And my reading of the regulations is that you go beyond that intent, so I would urge you to take a second look at them to see if you can clarify that issue.

My own belief is that States will stop legislating in this area now that there is a Federal standard. I think it was the void that caused States like New Jersey to step forward and legislate, but most States recognize that they do not have the expertise or the resources and would rather leave it to the Federal Government. So my hope is that States will stop legislating in this area, but I would urge you to tread very carefully on the preemption issue.

I do want to switch to the issue that I brought up in my opening statement about the adequacy of the $25 million budget for chemical security efforts. There are some 15,000 chemical facilities that are likely to be assessed and classified under the new law. The Department has indicated that perhaps 500 of them would fall in the higher-level tiers.

Do you really think $25 million is adequate to accomplish this task?

Secretary CHERTOFF. Well, I think it is if you recognize that we are not going to fund the improvements. The improvements are going to be funded by the chemical companies. And I am not going to suggest that the taxpayer pay to make ExxonMobil have the capability to protect its own assets.

So in terms of what our function is, which is to work with them and do the assessments—it is an increase of $15 million. We think this will allow us to do the job. If it turns out that at some point we need a little more and there is money, obviously we could seek to get Congress to allow us to reprogram from some other function to do that. But we are going to try to leverage as much as possible the private sector's assets and, frankly, money to do a job which in the long run benefits them as much as it benefits the communities.

Senator COLLINS. I hope you will keep in touch with us. I think it is very difficult at the launch of a new regulatory program that has this scope, that has so many facilities, to really determine what amount of money is right. And that is why I questioned rather than criticized the amount because I think it is very difficult to determine at this point. But I hope you will not hesitate to come back to us if you find that it is insufficient because the task is so vital.

I want to end my questioning on the FIRE Grant program. This has been an enormously effective program that is really welcomed by fire departments across the country. They like it because there is a minimum of bureaucracy in applying for the grants. They like it because it is a peer-reviewed grant process. And over the past few years, it has allowed thousands of fire departments all over the Nation to increase their level of readiness to respond to potential threats. And I think that benefits our country as a whole.

I would point out that the Department received an astonishing $3 billion worth of applications for funding, and I think that shows the great demand for this program. Yet you are actually cutting it back.

Doesn't the ratio between demand and what you are suggesting for supply trouble you in that program?

Secretary CHERTOFF. Well, let me preface what I say by saying I have no quarrel with the fact that the program provides needed tools to firefighters, and in fact, although we have requested less than Congress appropriated last year, we have requested actually slightly more than we requested last year.

So we really get down to a philosophical issue. To what extent is Homeland Security funding a risk-based movement of money to the States that is focused on issues of homeland security, issues of national significance? And to what extent is it a revenue-sharing program for police and firefighters and things of that sort where we just give money out to the States, a certain amount of just general sustainment money?

I think the Administration—I think this even pre-dates my presence in the job—has typically looked at Homeland Security funding as money that should be not exclusively, but heavily oriented to risk-based and particularly homeland-wide issues of national scope, rather than revenue-sharing like the old COPS program, which we haven't supported. And I had a conversation—or testimony, rather, but it was almost a conversation—with Chairman Price on the House Appropriations Committee about this. It is a philosophical issue.

I think obviously making tough choices, we have funded more fully the elements that we think are really what homeland security is about. In the end, if Congress thinks that money ought to move more to the kind of traditional sustainment stuff that was done in the 1980s and 1990s, Congress will do that. But we think that where the National Government really adds value and where the urgency is, because we are still in an emergency situation, is building the capabilities that are most relevant to the core Homeland Security mission. And that is not denigrating the importance of the FIRE grants. It is just trying to be really open about the fact that there is a little bit of a philosophical divergence here.

Senator COLLINS. I think there is a difference in philosophy, but what I would encourage you to remember is that homeland security really does depend on partnerships, and that if there is a terrorist attack or a natural disaster tomorrow, people are not calling the Washington, DC, area code. They are calling 911. And it is the firefighters and the police officers and the emergency medical personnel and the State and local emergency managers that are first on the scene.

We have seen that with every natural disaster, and we certainly saw it on September 11, 2001, when more than 360 firefighters lost their lives.

So I understand the priorities that you have to set. I understand that the Federal Government cannot meet every need in every community. But this is a critical partnership, and our troops, if you will, are the first responders. They are the ones who are called upon, and that is why I strongly support this program because they are the ones on the front lines.

So I hope we can continue to work on this, and, again, I thank you for your leadership.

Secretary CHERTOFF. Thank you very much.

Chairman LIEBERMAN. Thanks very much, Senator Collins. And, of course, I agree with you.

Secretary CHERTOFF. Let me just clarify one thing for the record. I told Senator Landrieu that I had mentioned Hurricane Katrina in my written statement here. I think the answer is I did not do it here. I think I did it in the House, if I am not mistaken. I want to check that. And I have to confess, testifying three times in a week does tend to conflate the memory a little bit.

I will get back and we will verify for the Committee where it appeared. I can assure you that we do spend a lot of time thinking about it.

Chairman LIEBERMAN. I appreciate your clarifying that for the record. I would just continue to say that I agree with what Senator Collins has said. This is an interesting governmental, philosophical discussion. Obviously, a lot of it has to do with who pays. But it does seem to me today, particularly post-September 11, that the State and local first responders are increasingly fulfilling a national role. There is certainly a national preventive role and a national response role when disaster strikes. And the problem, of course, goes back to who pays because traditionally at the local level, and certainly in my State, most of the local budget goes for education, and most of the fire and police budgets go for personnel. So what gets left out is the kind of capital investments that, for instance, these FIRE Grants make possible.

I thank you for your testimony. You have a tough job, as everybody agrees. I know you are working very hard and making progress at doing it. We have some disagreements about the budget. I presume if Congress rises up on a bipartisan basis and gives you more money for Homeland Security Grants and First Responder Grants, you will not refuse to accept and spend it.

Secretary CHERTOFF. We will follow the law, and we will do it in a way that is responsible in our role as stewards of the taxpayers' money.

Chairman LIEBERMAN. Hear, hear. So I thank you.

I am going to leave the record open for 15 days for the submission of additional statements or questions that we will forward to you. I thank you very much.

The hearing is adjourned.

[Whereupon, at 12:10 p.m., the Committee was adjourned.]

APPENDIX

PREPARED STATEMENT OF SENATOR AKAKA

Today's hearing on the proposed Department of Homeland Security (DHS) FY08 budget is timely. Tomorrow, the Committee will consider legislation to implement fully the recommendations of the 9/11 Commission, a significant part of which is focused on DHS and its activities. Although I am unable to be present for this critical hearing due to the need to chair a Veteran's Committee hearing, I welcome the opportunity to comment on the Department's proposed budget.

This budget hearing is being held amid a number of troubling findings about the Department, including its continued inclusion on the Government Accountability Office (GAO) High-Risk List, recent findings of the DHS Inspector General critical of financial management and internal control systems, and the results of the semi-annual survey by the Office of Personnel Management evaluating the level of employee satisfaction at government agencies. It is important that they be considered alongside the proposed budget.

I am concerned by the Administration's FY08 budget priorities. Despite mandating more homeland security requirements for State and local governments, funding for first responders, State and local emergency management and homeland security professionals—our first line of defense—continue to be insufficient. While I understand that State and local governments must shoulder an appropriate part of this burden, homeland security is a Federal mandate and, as such, the government must assist State and local governments with the means to meet these mandates. I am concerned that States are being short-changed in this budget. States are dependent on such funding for the effective implementation of State homeland security strategies, which include programs such as pre-disaster mitigation, effective interoperable communications, protection of critical infrastructure, and the conduct of appropriate training and exercises.

I am particularly concerned about three programs: The Emergency Management Performance Grant (EMPG), the State Homeland Security Grant Program (SHSGP) and the National Pre-Disaster Mitigation (PDM) fund.

In the case of funding for the Emergency Management Performance Grant (EMPG), a program that provides grant funding to sustain and enhance State and local emergency management capabilities, the Federal Government should be holding up its end of the bargain by providing 50 percent of the matching funds, as required by Congress. It is my understanding that this is currently not happening. In order to compensate for a funding shortfall, the National Emergency Management Association (NEMA) has noted that States have been forced to overmatch their share by about $96 million annually. Because the FY08 budget request does not add any Federal dollars to EMPG, the shortfall will continue, forcing State and local governments to continue to overmatch their share, further draining their coffers of scarce resources. A shortfall in funding for EMPG has also meant that a number of States' high-priority projects are not funded at all.

I am also concerned with the sizable reduction in overall funding for the State Homeland Security Grant Programs (SHSGP) in the budget request. A cut of $275 million in this important grant program, which funds enhancements in the ability of States, territories, and urban areas to prepare for, prevent, and respond to terrorist attacks, and other major disasters will impact all States, including my own home State of Hawaii, in their ability to continue developing an all-hazards capability for preparedness and response. This grant program is a critical funding source for building homeland security capabilities at the State and local levels, capabilities that are focused on an all-hazards approach to preparedness and response.

In my own State, these programs provide critical capabilities and equipment for effective preparedness and response. For example, in FY2006, Hawaii received $4.5 million from this program to fund key communications equipment including radios,

towers, fiber optics and mesh networking, equipment to support law enforcement and HAZMAT teams, power generation, critical infrastructure, and exercises and training.

Some State government agencies, including the Hawaii State Civil Defense, rely on homeland security grant programs, including the EMPG to pay for 50 percent of salary and other personnel costs. The lack of any increase in FY08 over the FY07 level of $200 million will leave State emergency response agencies unable to respond to unexpected funding contingencies, shortfalls or the ability to pay for required program implementation costs.

EMPG and SHSGP are not the only programs to be short-changed. DHS should develop an anticipatory culture of preventing and responding to disasters, but the program designed to do this, the National Pre-Disaster Mitigation Fund (PDM), does not receive the support it needs. In the proposed FY08 budget, PDM, which is dedicated to competitive pre-disaster mitigation activities to reduce the risk of flood damage to structures, receives a paltry $53,000 increase over FY07 funding level, despite the fact that pre-disaster preparation has been demonstrated to be one of the most cost-effective means to reduce the consequences of disasters. This is only about $1,000 per State.

In my home State of Hawaii, PDM grants supplement available State funding by providing funding for drought mitigation, multi-hazard mitigation planning, flood-proofing, and an all-hazards evaluation of critical facilities. The proposed minimal increases in PDM grant funding will keep States from fully implementing mitigation efforts in all sectors that could reduce the effects of a natural disaster like Hurricanes Katrina or Rita, or a 9/11-style terrorist attack.

I would like to comment on two other issues. The first is the need for DHS to be more responsible to Congress and, second is the need to continue to consider ways to further rationalize the Department's structure.

The need to create a strong, unified Department of Homeland Security with sound and effective programs is a challenge. Gathering 22 disparate agencies, with 22 different cultures and problems under one roof presents unprecedented management challenges. But almost 6 years after the terrorist attacks of September 11, 2001, the Department is still struggling.

Creating an effective department can only be achieved through close cooperation between the Administration and the Congress. I am troubled that DHS continues to resist requests for information by Congress and the GAO. As David Walker, Comptroller General of the Government Accountability Office (GAO) testified on February 7, 2007 before the House Homeland Security Committee, "DHS has not been receptive towards oversight and its delays in providing Congress and us [GAO] with access to the various documents and officials have impeded our work." GAO has testified numerous times about the need for increasing transparency of operations at DHS. Unfortunately, this has not yet happened.

The creation of a separate Domestic Nuclear Detection Office (DNDO) is indicative of the continuing challenges to a unified DHS with clearly delineated roles and responsibilities. In this area, as in others, DHS is moving in the wrong direction. According to DHS, DNDO was established to improve the Nation's capability to detect and report unauthorized attempts to import, possess, store, develop, or transport radiological or nuclear material for use against the Nation, and to further enhance this capability over time.

By comparison, the Science and Technology (S&T) Directorate's mission is to protect the homeland by providing Federal, State, local, tribal and territorial officials with state-of-the-art technology and other resources. Both DNDO and S&T will be devoting considerable resources to developing Chemical, Biological, Radiological and Nuclear (CBRN) technologies. We should be seeking ways to leverage this investment rather than risk spending scarce resources on duplicative or parallel programs by considering putting the DNDO function back where it was initially placed: In the S&T directorate.

Thank you Mr. Chairman. I look forward to working with you and discussing the Department's FY 08 budget proposal today.

Statement for the Record

Michael Chertoff

Secretary
United States Department of Homeland Security

Before the

United States Senate
Homeland Security and
Governmental Affairs Committee

February 13, 2007

Mr. Chairman, Senator Collins, and Members of the Committee:

As this is my first opportunity to appear before you in the 110th Congress, let me start by saying that I look forward to working with this Committee to achieve the goals we've set for the Department, make sure we continue to operate and use our resources in the most effective and efficient manner possible, and build a 21st century Department able to meet our important duty to protect the homeland and the American people. While we have had many successes, there are numerous challenges that still remain. I am here today to ask for your partnership and support as we face these challenges. We may not see eye to eye on all issues, but we certainly agree that our interests are best served when we work together to achieve our common goal of securing this great Nation.

I am pleased to appear before the Committee today to highlight some of our key accomplishments of the last year and present President Bush's FY 2008 budget for the Department of Homeland Security (DHS). Five years after September 11, 2001, DHS is more dedicated than ever to our vision and accomplishing our mission. September 11, 2001, will forever be etched in our souls as we remember the lives lost, the terror felt, the sacrifices made, and the courage shown. As a result of the deliberate and malicious acts of our enemies that occurred on that day, the Department was formed and charged with the significant responsibility of securing America. As we approach our fourth anniversary on March 1, 2007, we recognize that the Department has endured challenges, yet bravely stood in the face of our Nation's enemies, diligently building systems to secure our homeland with urgency, flexibility and resolve.

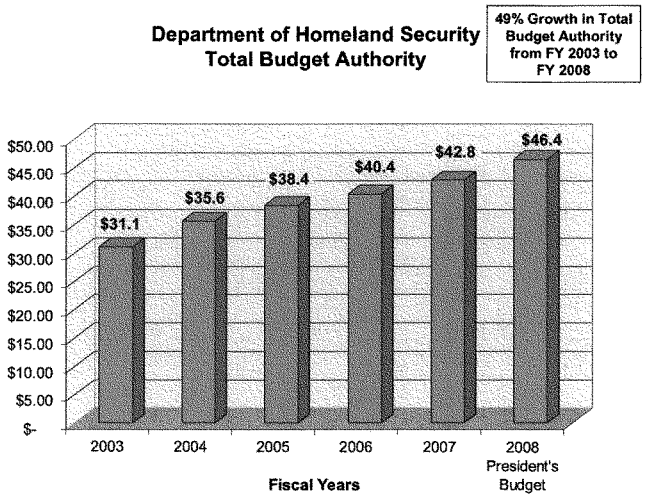
We must focus on the greatest risks and be flexible to changing threats, disciplined in our use of resources, and fully committed to building a Department that will meet future challenges, preserve freedom and privacy, and protect the American people. To achieve this, we will place considerable attention over the next two-year period on the following five goals:

Goal 1.	Protect our Nation from Dangerous People
Goal 2.	Protect our Nation from Dangerous Goods
Goal 3.	Protect Critical Infrastructure
Goal 4.	Build a Nimble, Effective Emergency Response System and a Culture of Preparedness
Goal 5.	Strengthen and Unify DHS Operations and Management

We have already made great progress in each of these areas, and with the FY 2008 Budget, we will continue that momentum. Let me highlight some of our key accomplishments along with initiatives and ongoing programs in our FY 2008 budget request.

Overall, the FY 2008 budget request for the Department of Homeland Security represents an eight percent increase over FY 2007, with a total request of $46.4 billion in funding. The Department's FY 2008 gross discretionary budget is $37.7 billion, an increase of eight percent. Gross discretionary funding does not include funding such as Coast Guard's retirement pay accounts and fees paid for immigration benefits. The Department's FY 2008 net discretionary budget is $34.3 billion, which does not include fee collections such as funding for the Federal Protective Service

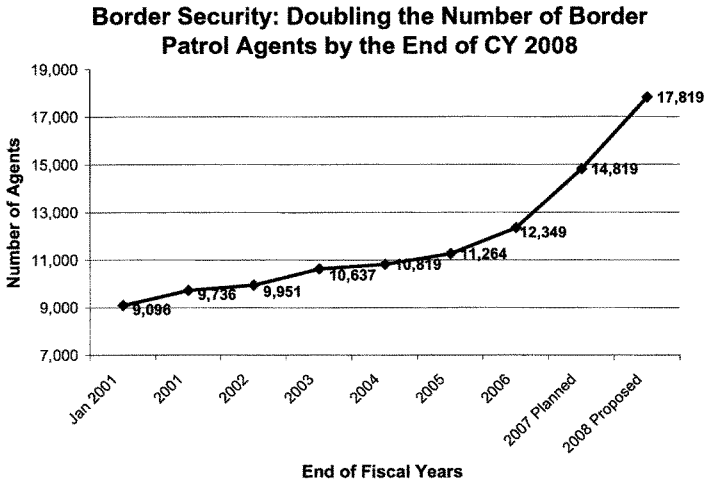
(ICE), aviation security passenger and carrier fees (TSA), credentialing fees (such as TWIC - TSA), and premium collections (National Flood Insurance Fund, FEMA). It should also be noted that the FY 2008 President's Budget request reflects the Notice of Implementation of the Post–Katrina Emergency Reform Act of 2006 (P.L. 109-295) and of Additional Changes Pursuant to Section 872 of the Homeland Security Act of 2002, provided to Congress on January 18, 2007.



GOAL 1: PROTECT OUR NATION FROM DANGEROUS PEOPLE

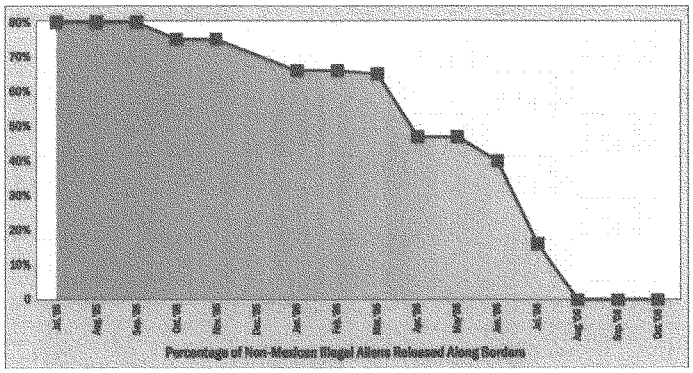
We have accomplished a lot in terms of continuing to protect our nation from dangerous people. Key accomplishments supporting this goal are as follows:

6,000 National Guard Deployed to Border: In support of the President's initiative to secure the border, 6,000 National Guard personnel were deployed to the Southwest border as part of *Operation Jumpstart*. In addition to the National Guard deployment, Border Patrol agent staffing increased by 8 percent, from over 11,200 to 12,349, as shown in the chart below.



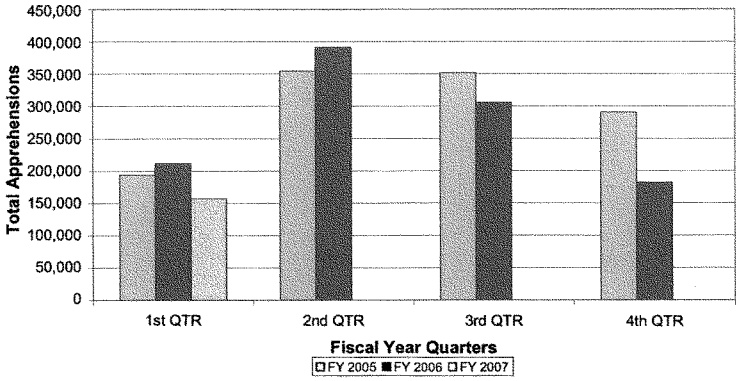
"Catch and Return" Replaced "Catch and Release" Along the Borders: As part of the Secure Border Initiative, the Department ended the practice of "catch and release" along the Southern and Northern borders. In the past, we apprehended illegal aliens from countries other than Mexico and then released them on their own recognizance. Often these illegal aliens failed to return for their immigration hearings. In July of 2005, we were releasing up to 80 percent of non-Mexican illegal aliens because we did not have the bed space to hold them. As of August 2006, we are holding 100 percent. When people know they will be held in detention and then returned to their home country, it creates a strong disincentive to cross illegally in the first place. Ending this practice and replacing it with "catch and return" is a breakthrough in deterring illegal immigration on the Southern border. This accomplishment is one that many considered impossible in 2005 when only approximately 34 percent of apprehended non-Mexican aliens were detained.

SBI Ends Catch and R l ase



Apprehension Rates Declined: FY 2006 showed a marked decrease in the apprehension rate due, in principle, to the end of "catch and release," the implementation of *Operation Jumpstart*, and the expanded use of expedited removal procedures. The graph below provides historical data by fiscal year for total apprehensions of both Mexican and non-Mexican aliens between U.S. ports of entry. CBP's Office of Border Patrol (OBP) made nearly 100,000 fewer apprehensions in FY 2006 than in FY 2005 due to these factors. This decline is represented below by quarter.

Border Security Deterrence



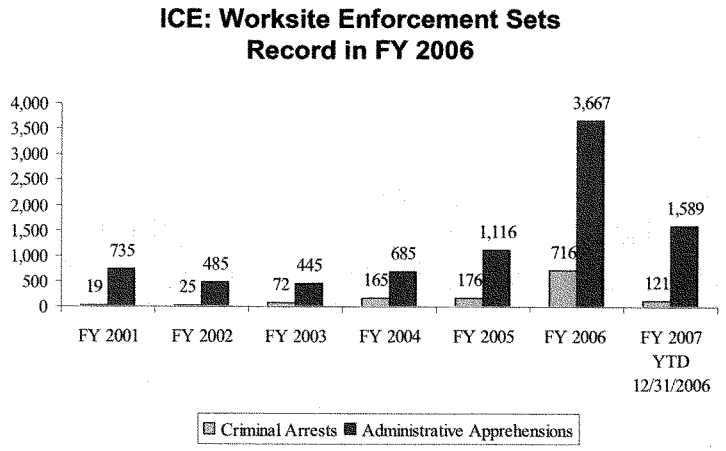
Border Security At and Between the Nation's Ports of Entry Increased: By deterring illegal immigration, security has been strengthened. DHS can more effectively target resources to control

our borders with fewer alien crossings. As shown in the chart above, CBP Border Patrol agents reduced the number of apprehensions at the borders by more than 8 percent in fiscal year 2006. As a result of targeted coordinated enforcement efforts, CBP Border Patrol reduced non-Mexican illegal alien apprehensions by 35 percent.

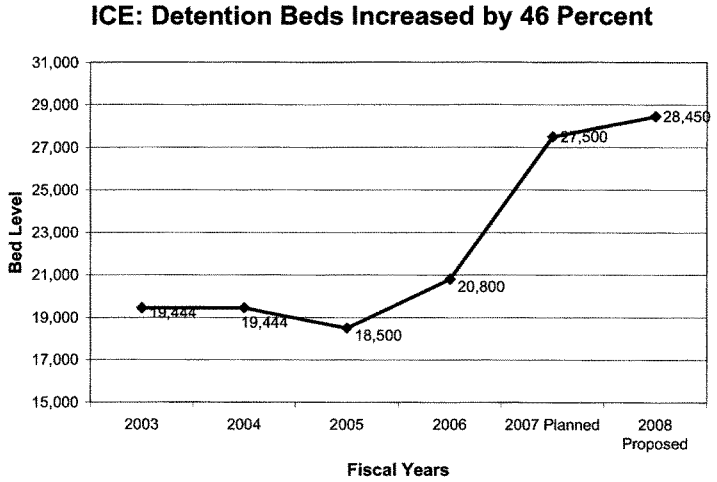
CBP Increased Capability to Secure the Northern Border: CBP Air and Marine opened its third of five Air Branches planned for the Northern border of the United States. The Great Falls Air Branch in Montana joins the Bellingham, Washington, and Plattsburgh, New York, Air Branches in supporting Homeland Security efforts along the Northern tier.

Ports of Entry Inspections Formed First Line of Defense at Land Borders: CBP officers inspected 422 million travelers and more than 132 million cars, trucks, buses, trains, vessels, and aircraft. CBP officers inspected 1.19 million private vehicles, 11.48 million trucks, and more than 1 million aircraft.

ICE Set New Records for Worksite Enforcement and Compliance Enforcement: As depicted in the graph below, in FY 2006 more than 4,300 arrests and apprehensions were made in ICE worksite enforcement cases, more than seven times the arrests and apprehensions in FY 2002, the last full year of operations for the U.S. Immigration and Naturalization Service (INS). ICE completed 5,956 compliance enforcement investigations resulting in the administrative arrest of 1,710 overstay and status violators, a 75 percent increase over the number of administrative arrests in FY 2005.



ICE Set New Record for Alien Removals: ICE removed 189,670 illegal aliens from the country in fiscal year 2006, a 12 percent increase over the number of removals during the prior fiscal year. As shown in the following chart, ICE also increased its detention bed space by 6,700 and is now funded for a total of 27,500 beds for FY 2007.



US-VISIT's Biometric Program Kept Terrorists and Other Criminals Out of Our Country: US-VISIT's biometric program increased watch list hits by 185 percent at consular offices. Keeping terrorists and other criminals out of our country protects the American people, while facilitating visits from legitimate travelers. In FY 2006 there were 2,558 watch list hits at consular offices, up from 897 hits in FY 2005. The use of biometrics has allowed DHS to deny entry to more than 1,100 known criminals and visa violators.

TSA Responded to Liquid Explosive Threat: Although over 600 million people fly each year, the Transportation Security Administration was able to perform necessary passenger screening operations preventing and protecting against adverse actions while attaining a new high in customer satisfaction. Customer satisfaction reached 81 percent, a new high for screening operations at the Nation's security checkpoints. In addition, in response to the foiled terror plot in England, TSA trained its 43,000 security officers to address the threat of liquid explosives. After two days, security wait times returned to normal levels. Six weeks later, after conducting extensive explosive testing with our Federal partners, TSA again proved its flexibility by modifying its ban on liquids by allowing limited quantities onboard aircraft. Again, efficiency was not seriously affected and in fact wait times during the Thanksgiving holiday in 2006 were slightly lower than in 2005.

U.S. Coast Guard Migrant Interdiction Efforts Contributed to Border Security: The Coast Guard evaluates its migrant interdiction effectiveness by counting the number of undocumented migrants from four primary source countries (Cuba, Haiti, the Dominican Republic, and the Peoples Republic of China) against the combined estimated yearly migration threat from these countries. There were 5,552 successful migrant arrivals out of an estimated threat of 51,134 migrants in FY 2006, yielding a deterrence and interdiction rate of 89 percent.

Intelligence Campaign Plan for Border Security (ICP): The ICP, managed by the Office of Intelligence and Analysis, is a departmental planning effort to provide comprehensive and coordinated intelligence support for the full spectrum of the Department's border security operations. The ICP is linking DHS intelligence resources, and those of state and local partners, with the Intelligence Community in order to deliver actionable intelligence to front-line operators and to fuse national intelligence with law enforcement information. As part of the ICP, we began developing and implementing, in partnership with the Director of National Intelligence, a robust strategy for collection and analysis of border security intelligence to support our operational missions. In addition, DHS intelligence analysts draw on their extensive experience in the Intelligence Community to help ensure that the Department gets full benefit from national collection assets.

The FY 2008 budget request includes funding to continue the progress made in protecting our Nation from dangerous people. Examples are as follows:

- Total funding of $1 billion is requested for the **SBInet** program to support the deployment of an integrated infrastructure and technology solutions for effective control of the border to include fencing and virtual barriers to prevent illegal entry into the United States.

- Total funding of $778 million will provide for **3,000 additional Border Patrol agents** as well as the facilities to house the agents, the support personnel, and equipment necessary to gain operational control of our borders. This will bring the total number of Border Patrol agents to 17,819 at the end of FY 2008. This will keep us on track to achieve the President's goal of doubling the Border Patrol by the time he leaves office.

- Increased funding of $252 million is requested for implementation of the **Western Hemisphere Travel Initiative (WHTI)** at land ports of entry. The requested resources will advance the WHTI goal of ensuring that all people arriving at U.S. ports of entry have a valid and appropriate means of identification and can be processed in an efficient manner.

- An increase of $146.2 million for the transition to **10-Print and IDENT/IAFIS Interoperability**. The funding will provide the capability to biometrically screen foreign visitors requesting entry to the United States through the collection of 10-print (slap) capture at enrollment. US-VISIT, along with the Departments of State and Justice, will be able to capture ten fingerprints rather than the current two, as well as increased interoperability between DHS' Automated Biometric Identification System (IDENT) and Justice's Integrated Automated Fingerprint Identification System (IAFIS).

- An increase of $224.2 million in funding will support the Transportation Security Administration's screening operations. This includes funding for the **Transportation Security Officers (TSO), Document Checkers, Career Progression Program**, and procurement and installation of checkpoint support and explosives detection systems. TSA has evolved its TSO workforce to be highly responsive and effective in addressing the variety of potential threats, such as those presented in August 2006 by liquids, aerosols and gels. In FY 2008, TSA will add an important layer of defense for aviation security by assuming responsibility of document checking.

- An increase of $38 million in funding will support development of the **Secure Flight** system. This includes funding for hardware procurement, operations ramp-up and training, and network interface engineering between the Secure Flight and the U.S. Customs and Border Protection (CBP) Advance Passenger Information System (APIS) network. Secure Flight will strengthen watch list screening and vet all domestic air travelers.

- An increase of $28.7 million for the ICE **Criminal Alien Program** (CAP) will ensure the safety of the American public through the addition of 22 CAP teams. These teams will identify and remove incarcerated criminal aliens so they are not released back into the general population.

- An increase of estimated fee revenue of $16.5 million in funding will support the **Transportation Worker Identification Credential** (TWIC) which will establish an integrated, credential-based, identity verification program through the use of biometric technology. In order to gain unescorted access to the secure areas within the Nation's transportation system, transportation workers who need access to these areas will go through identity verification, a satisfactory background check and be issued a biometrically verifiable identity card to be used with local access systems. The TWIC final rule has very recently been issued, and initial enrollment for this program is scheduled to begin in March 2007.

- A total of $788.1 million is requested for the Coast Guard's **Integrated Deepwater System.** This funding will: complete the acquisition of four National Security Cutters; fund engineering and design costs for the Replacement Patrol Boat; and purchase four additional Maritime Patrol Aircraft. These long-awaited upgrades to its fleet will strengthen the Coast Guard's ability to safeguard our seaports from terrorists seeking to enter the country or transport dangerous weapons or materials.

- A funding request of $30 million for U.S. Citizenship and Immigration Services' **Employment Eligibility Verification** (EEV) Program. Through this voluntary web-based program U.S. employers are able to quickly verify the employment eligibility of their employees, helping them avoid the hiring of unauthorized workers.

- Total funding of $263 million requested for the **Federal Law Enforcement Training Center** (FLETC) will provide the most current basic and advanced training for our Nation's law enforcement officers. FLETC will provide training for over 53,000 students in FY 2008 including an estimated 4,350 Border Patrol Agents, 60 ICE Investigators and 530 ICE Detention Personnel in support of the Secure Border Initiative.

GOAL 2: PROTECT OUR NATION FROM DANGEROUS GOODS

We have also made a lot of progress in protecting our nation from dangerous goods. Key accomplishments include:

Increased the Number of Containers Inspected Prior to Entering the United States: Almost seven million cargo containers arrive and are offloaded at U.S. seaports each year. CBP increased the percent of shipping containers processed through its Container Security Initiative prior to

entering U.S. ports from 48 percent in FY 2004 to 82 percent in FY 2006. This significantly decreases the risk of terrorist materials entering our country while providing processes to facilitate the flow of safe and legitimate trade and travel from more foreign ports.

DHS Deployed Over 880 Radiation Portal Monitors at Land and Sea Ports: DHS deployed 283 new radiation portal monitors throughout the Nation's ports of entry, bringing the number of radiation portal monitors to 884 at the Nation's land and sea ports of entry. These additional RPMs allow us to inspect 90 percent of incoming cargo containers, an increase of approximately 30 percent from this time last year.

DNDO Awarded over $1 Billion for Next Generation Nuclear Detection Devices: DNDO announced the award of Advanced Spectroscopic Portal (ASP) program contracts totaling $1.15 billion to enhance the detection of radiological and nuclear materials at the Nation's ports of entry. ASP models were deployed to the Nevada Test Site, where they will be tested using nuclear threat material. Portals have also been delivered to the New York Container Terminal for data collection.

Secure Freight Initiative Launched to Begin Screening at Foreign Ports: DHS and the Department of Energy announced the first phase of the Secure Freight Initiative, an unprecedented effort to build upon existing port security measures by enhancing the federal government's ability to scan containers for nuclear and radiological materials overseas and to better assess the risk of inbound containers. The initial phase involves the deployment of a combination of existing technology and proven nuclear detection devices.

Protected Air Cargo: Recently published air cargo security rules help prevent the use of air cargo as a means of attacking aircraft. The rules mark the first substantial changes to air cargo regulations since 1999, and represent a joint government-industry vision of an enhanced security baseline. These new measures will be enforced by an expanded force of air cargo inspectors, who will be stationed at the 102 airports where 95 percent of domestic air cargo originates.

U.S. Coast Guard Set Records for Drug Seizures and Arrests: This year, counter-drug boardings from U.S. and Royal Navy vessels resulted in all-time records for seizures and arrests. The 93,209 pounds of drugs that were seized was more than the combined amount seized in the last two years.

The FY 2008 budget request includes funding to build on the accomplishments made in protecting our Nation from dangerous goods. Some examples include:

- Total funding of $178 million is requested for the **procurement and deployment of radiation portal monitors**, including next-generation Advanced Spectroscopic Portal (ASP) systems. Our goal is to screen almost 100 percent of arriving cargo at seaports by the end of this year, and nearly 100 percent at all of our ports of entry by the end of FY 2008.

- An increase of $15 million is requested for the **Secure Freight Initiative** that is designed to maximize radiological and nuclear screening of U.S. bound containers from foreign ports. Secure Freight includes a next generation risk assessment screening program and an overseas detection network, while merging existing and new information regarding containers transiting through the supply chain to assist customs and screening officials in making security and trade decisions.

- An increase of $47.4 million is requested for **DNDO's "The Acceleration of Next-Generation Research and Development"** program which will increase funding across multiple DNDO Research, Development, and Operations program areas. The largest increases will be for the Systems Development (including multiple variants of Advanced Spectroscopic Portal systems) and Transformational Research and Development program areas.

GOAL 3: PROTECT CRITICAL INFRASTRUCTURE

Working closely with State and local officials, other Federal agencies, and the private sector, DHS helps to ensure that proper steps are taken to protect critical infrastructure, property and the economy of our nation from acts of terrorism, natural disasters or other emergencies. America's critical infrastructure includes food and water systems, agriculture, health systems and emergency services, information and telecommunications, banking and finance, energy (electrical, nuclear, gas and oil, dams), transportation (air, road, rail, ports, waterways), the chemical and defense industries, postal and shipping entities, and national monuments and icons.

Summarized below are some of the key accomplishments associated with the goal of protecting critical infrastructure:

Buffer Zone Protection Plans Helped Protect Communities from Potential Terrorist Attacks Against Chemical Facilities: In 2006, 58 percent of identified critical infrastructure has implemented Buffer Zone Protection (BZP) Plans, up significantly from our FY 2005 percentage of 18 percent. The Department worked in collaboration with State, local, and tribal entities by providing training workshops, seminars, technical assistance and a common template to standardize the BZP plan development process.

DHS Completed the National Infrastructure Protection Plan (NIPP): The NIPP is a comprehensive risk management framework that clearly defines critical infrastructure protection roles and responsibilities for all levels of government, private industry, nongovernmental agencies and tribal partners.

TSA Conducted Rail Security Explosives Detection Pilot Programs: Rail Security Explosives Detection Pilot Programs were conducted in Baltimore, MD and Jersey City, NJ to test and evaluate security equipment and operating procedures as part of DHS' broader efforts to protect citizens and critical infrastructure from possible terrorist attacks.

U.S. Coast Guard Implemented the National Capital Region Air Defense Mission: The U.S. Coast Guard officially assumed responsibility for air intercept operations in the Nation's capital from CBP. The Coast Guard will support the North American Aerospace Defense Command's mission with its rotary wing air intercept capability. Coast Guard HH-65C helicopters and crews will be responsible for intercepting unauthorized aircraft which fly into an air defense identification zone that surrounds Washington, D.C. Since assuming the mission on September 25, 2006, the Coast Guard has successfully responded to 23 of the 23 incursions into the National Capital Region Air Space.

The Secret Service Continued its 100 Percent Protection Rate of Our Nation's Leaders: To safeguard our Nation's leaders, the Department operates the Domestic Protectees program 24 hours a day, 365 days a year to protect the President and Vice President and their families, former Presidents and their spouses, and other individuals designated by statute or Presidential directive. All protectees arrived and departed safely 100 percent of the time at more than 6,275 travel stops during FY 2006.

We will protect critical infrastructure by continuing to foster mutually beneficial partnerships with industry owners and operators. Our FY 2008 budget request builds on the 17 sector-specific plans as identified in the National Infrastructure Protection Plan (NIPP), which will be complete this year. We will continue to enhance protection through our chemical plant security program and regulations to protect high risk rail shipments in urban areas. The FY 2008 budget request will support this goal by providing:

- An increase of $30 million is requested for DNDO's **"Securing the Cities"** initiative. Building off analytical work done in FY 2006 and FY 2007 in support of the New York region, DHS will begin the implementation of strategies developed through the course of this analysis. Activities included in the development of regional strategies include analyses of critical road networks, mass transit, maritime, and rail vulnerabilities. DNDO will engage State and local partners in additional urban areas beginning in FY 2008 to tailor strategies and lessons learned from the New York region to meet requirements specific to these regions.

- An increase of $21.9 million is proposed for the newly formed **Science and Technology Office of Innovation** to provide increases to programs developing game-changing and leap-ahead technologies to address some of the highest priority needs of the Department. The technologies being developed will be used to create a resilient electric grid to protect critical infrastructure sites, detect tunnels along the border, defeat improvised explosive devices, and utilize high-altitude platforms and/or ground-based systems for detection and engagement of MANPADS in order to offer alternative solutions to installing systems on aircraft.

- An increase of $15 million is requested to improve **Chemical Site Security** and regulate security of chemical plants. The funding will be used to establish the Chemical Security Compliance Division which will include a national program office to manage training of inspector staff, help desk personnel and other administrative staff. The division will also include an Inspector/field staff of subject matter experts in chemical engineering, process safety, as well as an adjudication office. Funds will also be spent on assisting chemical facilities with vulnerability assessments.

- TSA requests an increase of $3.5 million to expand its **National Explosive Detection Canine Team** program by approximately 45 teams to support the Nation's largest passenger transportation systems in both mass transit and ferry systems.

- An increase of $11.5 million is requested for the **Coast Guard's National Capital Region Air Defense** program. This funding is needed to make seven HH-65 helicopters fully mission ready, enabling the Coast Guard to continue protecting the National Capital Region against potential airborne attacks.

- An increase of $35.6 million for the **Presidential Campaign** will enable the Secret Service to provide the appropriate level of resources to adequately protect the candidates and nominees during the 2008 Presidential Campaign while sustaining other protective programs.

GOAL 4: BUILD A NIMBLE, EFFECTIVE EMERGENCY RESPONSE SYSTEM AND A CULTURE OF PREPAREDNESS

We have taken many steps toward building a nimble, effective emergency response system and culture of preparedness. Examples of major accomplishments supporting this goal are summarized below:

Federal, State, Local and Tribal Governments are Better Able to Protect Against Acts of Terrorism, Natural Disasters, or Other Emergencies: The percent of Federal, State, local and tribal governments that self-reported their compliance with the National Incident Management System (NIMS), for FY 2006 was 100 percent, up from 82 percent. NIMS establishes standardized processes, protocols, and procedures that all responders - Federal, State, tribal, and local - will use to coordinate and conduct response actions. With responders using the same standardized procedures, they will all share a common focus in national preparedness and readiness in responding to and recovering from an incident should one occur.

FEMA's Average Response Time to Arrive at a Disaster Scene Has Improved: With a goal of 48 hours for Federal response teams to arrive on scene at a disaster site, during FY 2006 our average response time was 25 hours. Improving the timeliness of specialized Federal response teams has saved lives, reduced property loss, enabled greater continuity of services, and enhanced logistical capability in the wake of disasters.

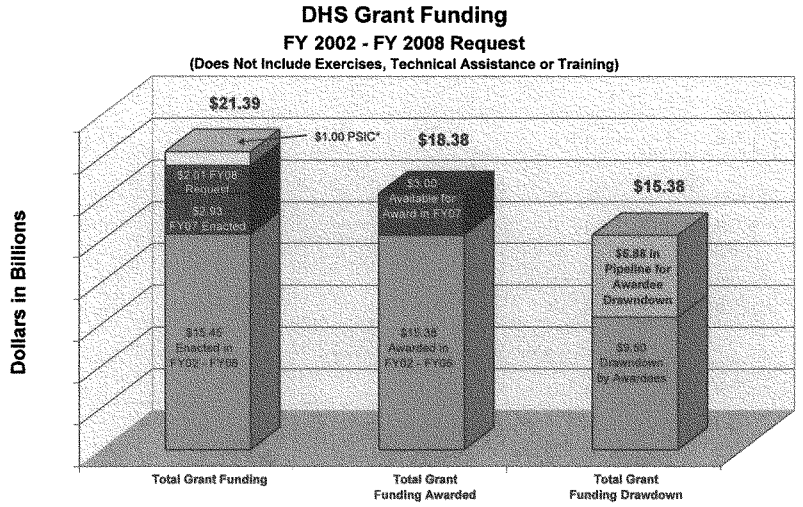
Customer Satisfaction with FEMA's Recovery Assistance Has Improved: To ensure that individuals and families that have been affected by disasters have access to the full range of response and recovery programs in a timely manner, the Department seeks to increase the annual customer satisfaction level among recipients, while reducing the program delivery cost and increasing the timeliness of service delivery. With a goal of 90 percent satisfaction with Individual Recovery Assistance programs, during FY 2006 we achieved a customer satisfaction rating of 91 percent in response to the question "Overall, how would you rate the information and support you received from FEMA since the disaster occurred?"

FEMA Expands Capability to Assist Disaster Victims: FEMA increased registration capability to 200,000 victims a day through its toll-free registration number, online registration process, registering individuals in shelters and using mobile units; increased home inspection capacity to 20,000 a day; activated a contract to assist in identity verification in future disasters; and tightened processes to speed up delivery of needed aid while simultaneously reducing waste, fraud and abuse.

FEMA Strengthened Logistics Management Capabilities: FEMA implemented the Total Asset Visibility (TAV) program in two Regions to provide enhanced visibility, awareness, and accountability over disaster relief supplies and resources. It assists in both resource flow and supply chain management.

FEMA Improved Communications and Situational Awareness: To improve upon existing communications systems, DHS has initiated technological advances and elevated the standard by using satellite imagery, upgrading radios, and employing frequency management. The new National Response Coordination Center at FEMA and Mobile Registration Intake Centers are now operational.

DHS Awarded $2.6 Billion for Preparedness: Included in this total, approximately $1.9 billion in Homeland Security Grant funds has been awarded to State and local governments for equipment, training, exercises and various other measures designed to increase the level of security in communities across the Nation. $400 million in grants was awarded to strengthen the Nation's ability to prevent, protect against, respond to, and recover from terrorist attacks, major disasters and other emergencies that could impact this country's critical infrastructure. Almost $300 million was also distributed in fire grants to fire departments and EMS organizations to enhance their response capabilities and to more effectively protect the health and safety of the public and emergency response personnel with respect to fire and all other hazards. Of the funds awarded to State and local governments, almost $400 million was used to support State and Local Fusion Centers - valuable partnerships in place across the nation in which interagency efforts are focused to better share intelligence with state and local governments. The graph below shows the funding available to States and localities since FY 2002.



* In coordination with the DHS State Preparedness Grant Program, DHS will be co-administering the $1.0 billion Public Safety Interoperable Communications (PSIC) grant program, in partnership with the Department of Commerce.

DHS Reviewed 131 State and Local Emergency Plans: By reviewing State and local disaster plans, collocating decision-makers, and pre-designating Federal leadership, DHS is improving coordination across all levels of government. Through the Nationwide Plan Review, DHS

completed visits to 131 sites (50 states, 6 territories, and 75 major urban areas) and reviewed the disaster and evacuation plans for each. These reviews will allow DHS, states and urban areas to identify deficiencies and improve catastrophic planning.

DHS issued **Tactical Interoperable Communication Scorecards for 75 Urban/Metropolitan Areas.** These scorecards measured the ability of Urban/Metropolitan Areas to provide tactical (within one hour) communications capabilities to first responders. This process included the creation of Tactical Interoperable Communications Plan (TICP), peer evaluation, full-scale exercise, and after action reports.

U.S. Coast Guard Search and Rescue Efforts: No one can predict when the next disaster will occur or whether it will be natural or man-made. Nevertheless, it will come, and the public expects the Coast Guard to be mission ready to answer the call and respond. The Coast Guard rescued 85 percent of mariners in imminent danger during 2006.

The FY 2008 budget request includes funding to build on these accomplishments. Examples include such things as:

- An increase of $100 million is requested for FEMA's **Vision Initiatives** that will enable the agency to intensify and speed the development of core competencies that are central to achieving its disaster readiness, response and recovery mission. A combination of staffing increases, new technologies, and targeted investment in equipment and supplies, will increase FEMA's mission capacity in the areas of Incident Management, Operational Planning, Continuity Programs, Public Disaster Communications, Hazard Mitigation, Disaster Logistics, and Service to Disaster Victims.

- A total of $3.2 billion will be available for **State and local preparedness expenditures as well as assistance to firefighters** in FY 2008, as shown in the following table. In addition to the $2.2 billion requested by DHS to fund its grant, training and exercise programs, DHS will also be co-administering the $1.0 billion Public Safety Interoperable Communications (PSIC) grant program, in partnership with the Department of Commerce.

Grants and Training

$ in Thousands

Budget Activity	FY 2006 Enacted	FY 2007 Request	FY 2007 Enacted	FY 2008 Request
State Preparedness Grants Program	**1,185,000**	**838,000**	**1,148,000**	**465,000**
State Homeland Security Grants	550,000	633,000	525,000	250,000
Interoperability (PSIC) Grants [1]				[1,000,000]
LETPP [2]	400,000	-	375,000	-
Emergency Management Performance Grants	185,000	170,000	200,000	200,000
Citizen Corps Grants	20,000	35,000	15,000	15,000
Metro Medical Response System	30,000	-	33,000	-
Targeted Infrastructure Capability Grants Program	**1,155,000**	**1,438,000**	**1,229,000**	**1,256,000**
Urban Area Security Initiative (UASI) Grants	765,000	838,000	770,000	800,000
Infratructure Protection Grants	-	600,000	-	-
Port Security Grants	175,000		210,000	210,000
Rail/Transit Grants	150,000		175,000	175,000
Intercity Bus Security Grants	10,000		12,000	12,000
Buffer Zone Protection Grants	50,000		50,000	50,000
Trucking Industry Security Grants	5,000		12,000	9,000
Subtotal - Homeland Grant Programs	**2,340,000**	**2,276,000**	**2,377,000**	**1,721,000**
National Exercise Program	**52,000**	**48,708**	**49,000**	**50,000**
State and Local Training Program	**210,000**	**92,351**	**218,000**	**95,000**
Continuing and Emerging Training Grants	25,000	3,000	31,000	3,000
Demonstration Grants	30,000	-	30,000	-
Center for Domestic Preparedness	57,000	50,000	57,000	54,000
National Domestic Preparedness Consortium	88,000	39,351	88,000	38,000
Rural Domestic Preparedness Consortium	10,000	-	12,000	-
Technical Assistance Program [3]	**20,000**	**11,500**	**18,000**	**6,000**
Eval and National Assessment Program	**14,300**	**23,000**	**19,000**	**19,000**
Commercial Equip Direct Assist. Program	**50,000**	**-**	**50,000**	**-**
Fire Act Program	**655,000**	**293,450**	**662,000**	**300,000**
Fire Program Activities	545,000	293,450	547,000	300,000
SAFER Act Hiring Program	110,000	-	115,000	-
REAL ID Act Grants	**40,000**	**-**	**-**	**-**
Management and Administration	**5,000**	**5,000**	**-**	**5,000**
Total, DHS G&T	**3,386,300**	**2,750,009**	**3,393,000**	**2,196,000**
Interoperability (PSIC) Grants [1]				1,000,000
Grand Total	**3,386,300**	**2,750,009**	**3,393,000**	**3,196,000**

1 In coordination with DHS' State Preparedness Grant Programs, FEMA will be co-administering the $1 billion Public Safety Interoperable Communications (PSIC) grant program in partnership with the Department of Commerce, pursuant to P.L. 109-171 and P.L. 109-459. The funding for this program was appropriated per The Deficit Reduction Act of 2005 from anticipate spectrum auction receipts, and therefore is not included as requested DHS budget authority. However, PSIC will support interoperable communications grants to States and local public safety agencies, and adjusted totals are provided to illustrate the level of grant funding that will become available for State and local preparedness projects

2 Funding for LETPP in FY 2008 is estimated to be $262.5 million and reflects a 25% carve out of State Homeland Security Grants and UASI Grants.

3 Reflects a $12 million transfer from Technical Assistance to the Office of Emergency Communications for the Interoperable Communications Technical Assistance Program (ICTAP).

- A realignment of $132.7 million in base resources is requested to establish a **Deployable Operations Group** and strengthen the Coast Guard's overall response capability. The alignment of Coast Guard's deployable, specialized forces under a single command will improve and strengthen Coast Guard's ability to perform day-to-day operations *and* respond to maritime disasters and threats to the Nation.

- A total of $48 million is requested to further professionalize **FEMA's disaster workforce** by converting Cadre of On-Call Response Employee (CORE) positions with 4-year terms into permanent full-time employees. This transition will stabilize the disaster workforce, allowing for the development and retention of employees with needed program expertise and increased staffing flexibility to ensure critical functions are maintained during disaster response surge operations.

- An increase of $12 million for the **Nationwide Automatic Identification System** will continue funding for this vital project that significantly enhances the Coast Guard's ability to identify, track and exchange information with vessels in the maritime domain, especially those vessels that may threaten our Nation.

GOAL 5: STRENGTHEN AND UNIFY DHS OPERATIONS AND MANAGEMENT

It has been a challenge to take 22 separate agencies, each with their own set culture and way of operating and merge them together into a unified Department with a common mission of securing the homeland from terrorist and other threats. We have made many strides in strengthening the Department's operations and management. Major accomplishments include the following:

Chief Human Capital Office Moved Forward with Performance Management Goals: DHS deployed its performance management program and its automated system to approximately 10,000 employees in multiple components and trained 350 senior executives and more than 11,000 managers and supervisors in performance leadership.

The Office of Security Completed HSPD-12 Goals: The Office of Security met all Homeland Security Presidential Directive (HSPD) 12 requirements by deploying an HSPD-12 compliant credentialing system and associated policy and procedures. This new credential meets all Federal requirements for interoperability and security.

The Chief Procurement Office Exceeded Small Business Goals: DHS awarded approximately 34 percent of DHS prime contracts to small businesses, exceeding the goal by 4 percent.

Chief Information Office Stood up New Data Center: Data Center Services completed the Stennis Space Center Data Center Construction Phase I, 24,000 square feet, on time and the first application has been transferred to this data center.

The FY 2008 budget request includes funding to build on the accomplishments made in this area. We will strengthen and unify DHS operations and management by joining DHS headquarters' facilities at a single campus, beginning in 2010. We will unify IT infrastructures by reducing 17 data centers to two, seven networks to one, and through a common email operation. We will meet HSPD-12 goals by providing all newly-hired DHS employees with a single, secure, tamper-proof

smartcard that allows interoperable access to DHS facilities and systems. We will integrate our hiring, retention, training and development, and performance programs by the end of 2008. Other specific examples of items included in the FY 2008 budget include:

- An increase of $139 million in premium processing fees will transform and improve **USCIS Business processes** and out-dated information technology systems. This investment will improve customer service and processing times of immigration applications, increase security and fraud detection, and support automation of USCIS operations by eliminating the current paper-based processes and antiquated technology.

- An increase of $120 million is requested for the **DHS Consolidated Headquarters Project** for the relocation of the USCG Headquarters and the consolidation of other DHS components on the St. Elizabeths West Campus and throughout the National Capital Region.

- A total of $99.1 million will continue to support the **Inspector General** activities to serve as an independent and objective inspection, audit, and investigative body to promote economy, efficiency, and effectiveness in DHS programs and operations.

- A total of $17 million in new funding within ICE and CBP will help improve the **internal oversight** of personnel. This is especially critical as the workforces of these organizations are continuing to expand. Timely attention to allegations of misconduct is critical to DHS success.

- An increase of $9.6 million for the **Office of the Chief Procurement Officer** is requested to improve acquisition operations. The Department is committed to establishing the staffing necessary to properly award and administer Department-wide acquisition programs to ensure effective delivery of services and proper procurement and contracting procedures in compliance with all Federal Laws and Regulations Governing Procurements.

- An increase of $5 million is requested for the **Policy Office** to strengthen the Department's Committee on Foreign Owned Investments in the United States, work with states on the Real ID Act, and expand the duties of the International Affairs Office.

- An increase of funding is requested for the **Office of Intelligence and Analysis** to strengthen the Department's intelligence and information sharing capability and to continue integrating the intelligence offices and programs of the Department.

Conclusion

I am sure you will recognize that with the support of Congress, the Department has had many successes. I have outlined many of them in my testimony today and how they relate to the Department's five goals. We have also learned from our experiences certain things that we could have approached differently to get better results. As we move forward to face the many challenges ahead, those lessons learned will be at the core of our planning and implementation efforts. I am looking forward to working in partnership with the 110th Congress to build on our many accomplishments and focus on getting the desired results.

Thank you for inviting me to appear before you today. I look forward to answering your questions and to working with you on the FY 2008 budget and other issues.

Question#:	1
Topic:	Interoperability grants
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Joseph I. Lieberman
Committee:	HOMELAND SECURITY (SENATE)
Question:	In FY07, Congress appropriated $1 billion for communications interoperability grants to improve the planning and implementation of operable and interoperable communications capabilities among federal, state and local officials. The funding was provided to the Department of Commerce, but will ultimately be distributed by the Department of Homeland Security. Please explain how the Department of Homeland Security plans to distribute the interoperability grants–will all states receive a portion of the funding? If so, what is the percentage? Although the $1 billion for interoperability grants was a one-time appropriation in FY07, the President's budget uses it as a justification for significantly reducing first responder grants in FY08. Do you expect that the $1 billion for interoperability grants will be included in the President's FY09 budget proposal or do you expect the funds will be restored to the State Homeland Security Grant Program?

Answer:
The Public Safety Interoperable Communications (PSIC) grant program will be co-administered by the Department of Commerce (DOC) and the Department of Homeland Security (DHS). PSIC grants will be distributed according to current DHS risk methodology, with one award made to all 56 States and territories by September 30, 2007. Up to 5 percent of the total available funds will be disbursed in fiscal year 2007 to assist grantees with completion of their statewide communications plans. Disbursement of additional funds under each award will be contingent upon submission of the Statewide Interoperable Communications Plan, as required by DHS under the 2007 Homeland Security Grant Program guidance announced in January, and DOC's National Telecommunications and Information Administration approval of applications containing investment justifications from States and territories. The program includes a statutory matching requirement. A qualitative peer evaluation will be conducted of the statewide plans and proposed investments to ensure consistency with the statewide planning process. Additionally, Safe Community's (SAFECOM) coordinated grant guidance will be included in the criteria when administering these grants to maximize resources. A more detailed allocation methodology is forthcoming and will be available as the planning process progresses.

The FY 2008 budget acknowledges that the $1 billion PSIC grant program between DHS and DOC will be awarded in FY 2007; however, the implementation of the program will commence in FY 2008-2010 as prescribed in the FY 2005 Deficit Reduction Act. As such, the Department believes ample resources will be available for interoperable

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communications projects in FY 2008. At this time there are no plans to include an interoperability-specific grant program in FY 2009.

Question#:	2
Topic:	FEMA long term strategy
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Joseph I. Lieberman
Committee:	HOMELAND SECURITY (SENATE)
Question:	Explain how the Fiscal Year 2008 request for FEM A fits into a strategic long term plan –over the next 5 to 7 years – to improve FEMA's operations.

Answer

FEMA is aggressively working through the many constructive recommendations that followed 2005's Hurricane Katrina and is working diligently to carry out the provisions of the Post-Katrina Emergency Management Reform Act of 2006. To ensure the success of these changes, however, FEMA must pursue a more fundamental shift in how it operates. Director Paulison has therefore laid out a vision for FEMA as the Nation's preeminent emergency management agency and is leading several strategic imperatives necessary to become that agency. To achieve this vision FEMA must ensure its ability to:

- Marshal an effective national response;
- Deliver service of value to the public;
- Reduce vulnerability to life and property; and
- Instill public confidence in FEMA's mitigation, response, and recovery operations.

In support of these imperatives FEMA is pursuing a number of overarching strategies critical to the Agency's success both operationally and in terms of the Agency's long-term ability to achieve the vision.

- Strengthen its core capabilities, competencies, and capacities;
- Build regional functional areas;
- Strengthen FEMA's partnership with States;
- Professionalize the national emergency management system;
- Foster a business approach to achieving desired results; and
- Shape the workforce to comprise well-trained, dedicated, efficient and knowledgeable personnel.

The work to create the New FEMA is already underway and is being incorporated into the Agency's long-term plans. In the current Fiscal Year, 2007, FEMA has reprogrammed a portion of its appropriated budget to support activities that are laying the foundation for more substantial changes in the next Fiscal Year. In FY 2008 these imperatives sit at the heart of FEMA's request in the President's Budget FY 2008 Request to Congress and are embodied in the nine FEMA operational core competencies: 1) Incident Management, 2) Operational Planning, 3) Disaster Logistics, 4) Emergency

Question#:	2
Topic:	FEMA long term strategy
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Joseph I. Lieberman
Committee:	HOMELAND SECURITY (SENATE)
Question:	Explain how the Fiscal Year 2008 request for FEM A fits into a strategic long term plan –over the next 5 to 7 years – to improve FEMA's operations.

Communications, 5) Service to Disaster Victims, 6) Public Disaster Communications, 7) Integrated Preparedness, 8) Continuity Programs and 9) Hazard Mitigation.

Question#:	3
Topic:	Grants and Training office
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Joseph I. Lieberman
Committee:	HOMELAND SECURITY (SENATE)
Question:	The Post-Katrina Emergency Management Reform Act of 2007 required the Office of Grants and Training to be transferred to FEMA. However, it appears that the functions of the Office of Grants and Training have been split between two separate Deputy Administrators of FEMA, and that other components of DHS outside of FEMA may be assuming a greater role in the grant process. Is the new Office of Grant Programs in FEMA going to be a one-stop shop for grants like the Grants and Training Office that previously existed, if not, how do you anticipate it will be different?

Answer:
The proposed Office of Grant Programs (OGP), within the Federal Emergency Management Agency (FEMA) will house the Office of Grants and Training's (G&T) Office of Grant Operations (OGO) staff and the full suite of grant-management services that grantees and stakeholders are accustomed to receiving from G&T. FEMA and G&T leadership are committed to keeping the transition seamless and as transparent as possible to G&T stakeholders and grantees. As a result, the processes in place to announce G&T grant guidance, receive and review applications, and announce awards will remain unchanged. Equally important to program continuity is the maintenance of the healthy mission-essential relationships G&T has fostered with its stakeholders. As such, G&T grantee access to programmatic oversight and management and their assigned Preparedness Officer will also remain unchanged. A Component of the National Preparedness Directorate within FEMA will be made up of the program-management elements of G&T's current Preparedness Programs Division. This alignment will both strengthen the financial- and grants-management functions and align the substantive grant-oversight functions within the new FEMA.

In as much as FEMA and G&T have retained current grant-management-related contacts and business practices, some of the required changes related to the realignment do impact G&T's grantees. For example, FEMA is in the process of bringing in-house the financial-management system and services that were provided to G&T by its legacy organization, the Department of Justice, Office of Justice Programs (OJP). As a result, the process by which G&T grantees request payments related to grant activity has changed. A change-management plan is in place, and the first of a series of communications was released on March 8, 2007.

Question#:	4
Topic:	Chemical security
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Joseph I. Lieberman
Committee:	HOMELAND SECURITY (SENATE)
Question:	The Fiscal Year 2008 budget requests $25 million to operate a chemical security program. Please describe what kind of thresholds you envision to designate high-risk facilities and how many you expect will be included in the regulatory program – particularly in the first year.

Answer:
Designation of high-risk facilities is a multi-step process. DHS has developed a list of chemicals and screening threshold quantities to indicate which facilities will be required to complete a Top Screen through a screening tool called the Chemical Security Assessment Tool (CSAT). The list of chemicals and screening threshold quantities will be an appendix to the interim final rule and the list will be available for public comment for 30 days after publication of the interim final rule in the *Federal Register*.

The CSAT is an easy-to-use, online consequence-based assessment which builds on the foundational assessment tool developed with industry, referred to as the Risk Analysis and Management for Critical Asset Protection, or RAMCAP. Those facilities that are initially designated high risk through the CSAT Top Screen must complete the online CSAT Security Vulnerability Assessment (SVA), which will factor into a final determination of a facility's risk level for purposes of the regulatory regime.

Using the results of the CSAT tools, DHS anticipates that all high-risk facilities will be placed into risk-based tiers. DHS will be using a phased approach in implementing the regulations, with implementation at the highest risk facilities beginning in an expedited manner, and implementation at lower-risk facilities occurring in a sequential fashion.

Question#:	5
Topic:	Infrastructure Protection
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Joseph I. Lieberman
Committee:	HOMELAND SECURITY (SENATE)
Question:	The President's budget requests a decrease for Infrastructure Protection (IP) programs of over $30 million, including cuts in information sharing, planning, and training, and exercises on infrastructure protection. In addition, the Infrastructure Protection base budget is being further reduced by $15 million in order to account for the increase for the Chemical Security Program. These cuts come after the GAO reported in April 2006 that despite a number of ongoing efforts, DHS has not yet established the necessary degree of trust across all 17 infrastructure sectors to enable the necessary sharing of information. Can you please clarify the need to make these reductions in the infrastructure protection programs, especially to the information sharing program and Infrastructure Planning, Training, and Exercises? Also, can you explain why the additional $15 million decrease in the base IP budget is not reflected in the President's budget documents and what programs will be affected by this additional reduction, which brings the total decrease for Infrastructure Protection to $45 million? Are there other reductions in the IP budget that are not reflected in the budget justifications?

Answer:
The Infrastructure Protection FY 2008 request is $240.1 million, an increase of $13 million over the FY 2007 enacted budget of $227.1 million. Increases to the base include $25 million of missions and pay which have transferred into the program, $15 million for the Chemical Site Security program, and $3.4 million for the Infrastructure Critical Asset Viewer (iCAV), for a total increase of $43.4 million. The increase for Chemical Site Security will accelerate the risk-based performance standards for chemical facilities and the modest increase for iCAV will give all Homeland Security partners a common geospatial context for viewing threat, asset and vulnerability information.

This $30.4 million decrease in Infrastructure Protection was realigned to fund high priority requirements within NPPD and DHS. These reductions impact incident management, the National Infrastructure simulation and Analysis Center, national planning support, and the Automated Critical Asset Management System, or ACAMS.

The responsibilities for infrastructure protection planning remain with IP, but other aspects of incident and planning support will shift to FEMA, the Coast Guard, and the DHS Operations Center. IP's responsibilities will be focused on just the critical infrastructure and key resources piece of planning and incident management and therefore these resource reductions will not have a significant impact on their ability to accomplish that part of the mission.

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By 2008 all of the 17 infrastructure protection sector plans will be complete. While we still face challenges to implement all of the plans, completion of the plans is a significant accomplishment. The National Infrastructure Protection Plan process will be more mature in FY 2008 and will not require the same level of funding as was needed during development and start-up phases.

The reduction to ACAMS, a program which provides first responders with information on critical assets to include location and types of hazardous material, will not affect any of the current locations where data is being collected, catalogued and assessed. We will, however, defer the expansion of ACAMS to new cities.

The FY 2008 budget request for Infrastructure Protection includes increases for some of the most critical requirements to include the chemical sector, while carefully reducing other missions to support other priorities within the department. The $30.4 million reduction in Infrastructure Protection will not eliminate or significantly disrupt any capabilities.

Question#:	6
Topic:	Office of Emergency Communications
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Joseph I. Lieberman
Committee:	HOMELAND SECURITY (SENATE)
Question:	As part of the FEMA reform package that Congress enacted last fall, we created a new Office of Emergency Communications within the Department of Homeland Security (DHS). We created this new office because we were concerned that functions of the Department related to interoperability were too scattered across the Department to be effective. We wanted to create a strong voice within DHS for implementing a comprehensive strategy for solving the interoperability problems that frustrate the brave efforts of first responders across the country. The President's FY08 budget requests $35.7 million for the Office of Emergency Communications, an amount which is comprised of partial program transfers from the SAFECOM program in Science & Technology, the Wireless Program of the Chief Information Officer, and the Technical Assistance Program in FEMA. Please explain if each of these programs, in whole or in part, was transferred to the Office of Emergency Communications under the mandate of the legislation. I am concerned that the budget request does not account for all the other significant duties that are also assigned to the Office of Emergency Communications -- such as developing a National Emergency Communications Plan and conducting outreach to state and local governments and first responders. How will the Office of Emergency Communications perform these additional duties with only funding from pre-existing duties that were folded into the office?

Answer:
As part of the overall reorganization of Department of Homeland Security (DHS) Components required by the DHS Appropriations Act for Fiscal Year 2007, including the Post-Katrina Emergency Management Reform Act and the 21st Century Emergency Communications Act of 2006 (hereafter collectively referred to the "Act"), and as prescribed by Section 671 of the Act, the Department is in the process of transferring the programs and associated resources of the Interoperable Communications Technical Assistance Program, the Integrated Wireless Network (IWN), and the non-research, development, testing, and evaluation and standards elements of the SAFECOM Program into the Office of Emergency Communications (OEC). The OEC is also entering into a Memorandum of Understanding to manage the Interoperable Communications Technical Assistance Program (ICTAP) through the Office of Grants and Training, as the complexities of existing ICTAP contracts and the logistics of transferring from three different ICTAP appropriations sources compel an MOU solution vice appropriations transfer. These transfers were expected to be fully effective as of March 31, 2007, concurrent with the other structural changes mandated in the Act. With respect to the IWN program, however, because its focus is on Federal radio and data communications to support departmental operations and not emergency communications, DHS believes the Secretary should retain the discretion to assign those functions of the Chief

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Information Officer that an unrelated to the national interoperable and emergency communications missions within the Department as he judges most appropriate.

The OEC will fulfill DHS's responsibility for national (Federal, State, and local) planning and policy formulation (including standards and high level architectural frameworks) for coordination and support to State and local governments regarding communications interoperability. The CIO would be lead DHS representative to OEC-led programs, bear principal responsibility for department-level planning; programming, budgeting and execution of all wireless programs and manage the wireless domain of the DHS Infrastructure Transformation program. The Department looks forward to working with Congress on this issue.

Question#:	7
Topic:	Intelligence information sharing
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Joseph I. Lieberman
Committee:	HOMELAND SECURITY (SENATE)
Question:	I am concerned by reports that the Department of Homeland Security is trying to exclude state and local police from participating in the Interagency Threat Assessment and Coordination Group which would serve as a vehicle for state and locals to gather with federal law officials to determine what intelligence should be sent to state and locals, what that intelligence product should look like, and when it should be sent to them. What steps are being taken by the Department to participate in the group and ensure its success?

Answer:
Since December 2006, DHS has co-led with FBI, an interagency team, which has included State/local representatives, charged to stand up the "interagency threat assessment and coordination group" – also known as the Federal Coordinating Group, or FCG. Through the joint leadership of DHS and FBI, that team has clarified the FCG's responsibilities, has developed a working concept of operations that will be refined as FCG efforts evolve, and has identified the necessary Federal and State/local staffing, as well as the nomination and selection process for the two state/local staff—one from the law enforcement and one from the Homeland Security Advisor communities -- that will be assigned. DHS has assigned a senior-level official, per the President's requirement in Guideline 2, of the Information Sharing Environment Implementation Plan, to manage day-to-day FCG operations and is contributing three of the 13 members of the group. A DHS proposal to establish a state/local advisory council external to the FCG to facilitate broader state/local input and visibility into the group was approved. The FCG has started to move into Liberty Crossing 1 where it will be co-located within the National Counterterrorism Center (NCTC), and staffing is under way, which will position the group to commence operations in the coming weeks.

Question#:	8
Topic:	OPM survey
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Joseph I. Lieberman
Committee:	HOMELAND SECURITY (SENATE)
Question:	The Office of Personnel Management released their biennial 2006 Federal Human Capital Survey in January. The Department of Homeland Security ranked in last place among all agencies that were surveyed overall. For example, 45% of DHS employees disagreed with the statement, "I feel encouraged to come up with new and better ways of doing things," more than any other agency. And 46% of DHS employees disagree that "creativity and innovation are rewarded" in the Department, second worst among agencies surveyed. What steps will the Department take to improve employee morale?

Answer:
Almost immediately after we received the results, I asked Deputy Secretary Jackson to send out a message to all employees communicating our results and letting them know that we were very disappointed with our scores and would be taking immediate steps to try to effect changes which would lead to improved morale.

Our overall action plan to improve morale for the Department follows. But first let me respond to your specific questions relating to innovation, suggestions and creativity. By April 30, we plan to have a Homeland Security Employee Suggestion Program in place. We plan to have an Innovation Council led by Policy Development and Science and Technology in place shortly thereafter. We have also highlighted the importance of managers and supervisors recognizing innovation and suggestions through the awards program in the DHS Management Directive for Awards and Recognition. Finally, we are exploring the appropriate vehicle to use for entertaining suggestions from the general public.

We are developing a two-pronged approach – Department-wide and Component level activities. These activities include:

- Ongoing data analysis for actionable conclusions;
- Focus groups (Department-wide on leadership and communication issues);
- Action plans to address top 2 to 3 areas of weakness; and
- Sharing Component best practices across the Department.

There are three areas where we did not do well:

Performance Management: In 2006 when the survey was administered we had just begun the roll-out of the performance management system (PMS) for all managers and

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supervisors. In addition, we continue to revamp and reissue performance management tools which we believe will contribute to changing the negative employee perception of performance management within the Department. These initiatives include:

- Holding managers accountable for addressing FHCS issues as a corporate requirement; and
- Ensuring all employees in the new performance system are on performance plans

Leadership: From 2004 through 2006, we hired just under two hundred senior executives to fill leadership positions within the Department. Also in this time we established the Chief Learning Officer position within the Office of the Chief Human Capital Officer, and produced several leadership courses now being offered as part of DHS' Leadership Institute. These courses include:

- Delivering new leadership training programs to focus on core skills identified in the survey (leveraging existing Component programs, where possible);
- Rolling-out existing leadership development programs, including the SES Candidate Development Program and the DHS Fellows Program; and
- Conducting 360 degree evaluations for SES/TSES supervisors to assess its use as a basis for improving communications, leadership and results.

Communications: We are improving our communications by having the Office of Public Affairs work in conjunction with the Office of the Chief Human Capital Officer to:

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- Enhance DHS web sites to include more messages from senior leaders topics relevant to the workforce
- Structure a series of all hands meetings in coordination with Components to address key issues
- Prepare an abbreviated DHS 101 module that explains DHS, what it does, who is in it, the Secretary's priorities and how each organization relates to them
- Maintain a robust FHCS website to ensure employees have access to all information on the Department's activities

Through these coordinated efforts, we aim to address the areas for improvement identified by the survey and put in place new accountability structures to help us implement, communicate and measure our effectiveness in doing so.

Question#:	9
Topic:	WHTI
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Joseph I. Lieberman
Committee:	HOMELAND SECURITY (SENATE)
Question:	It appears that in anticipation of the implementation deadline for the Western Hemisphere Travel Initiative (WHTI) at land and sea ports of entry, the Administration has requested $252 million for new technology and personnel. How will these funds address the potential border congestion and trade concerns expressed by northern border states and the Canadian government? The General Accounting Office reported last May that several other issues could stand in the way of WHTI implementation by the original deadline set by Congress of January 2008. Some of the items highlighted by the GAO include: 1) making a final determination about what documents individuals will need when they enter the U.S., 2) developing a comprehensive cost-benefit study of the program, and questions about the overall implementation of the program. Please provide an update on DHS's progress in these areas?

Answer:
DHS intends to implement the law in a way that makes the most sense in terms of both security and facilitation, recognizing the economic costs and benefits associated with this initiative. One of the expected benefits of WHTI is that, as more people obtain a passport or other acceptable secure identity documentation, border crossing will become a faster, more efficient, and more consistent process. DHS is collaborating with the DOS in the development of the Passport Card for U.S. citizens. This document will be available in a card format and will use facilitative RFID technology to facilitate the inspection and examination process. It is also anticipated that all trusted traveler documents; NEXUS, SENTRI and FAST, which are RFID enabled, will be acceptable in both the land and sea environments. DHS will deploy RFID technology at all lanes in the 39 highest volume ports of entry to pre-position the arriving traveler information obtained from secure RFID identity documents to facilitate inspection processing.

A list of acceptable identity documents will be announced in the DHS Sea/Land Notice of Proposed Rulemaking (NPRM), will be issued in early summer. In order to ensure that the public is informed, and that legitimate cross-border trade and travel is not unnecessarily delayed, both DHS and DOS are planning an aggressive outreach program that will be implemented following publication of the DHS Sea/Land NPRM. In addition, we have already conducted a number of listening sessions with stakeholders, including a number of state representatives. We remain open to working with States on possible document alternatives.

DHS is conducting a regulatory impact analysis that meets the requirements of Executive Order 12866 and OMB Circular A-4.

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Question#:	10
Topic:	Deepwater
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Joseph I. Lieberman
Committee:	HOMELAND SECURITY (SENATE)
Question:	The Government Accountability Office and the DHS Office of Inspector General have recently released reports which raise a number of questions and point to a number of critical mistakes made by the Coast Guard in its oversight of its vessel recapitalization program, Deepwater. I understand that this budget request proposes moving the Coast Guard's Deepwater contract management staff into the same budget account as the Coast Guard's other acquisitions and contract management staff, potentially providing the Coast Guard with the flexibility to surge additional personnel into Deepwater oversight positions. Why doesn't this budget request any additional FTE's specifically for Deepwater contract oversight?

Answer:
The President's FY 2008 Budget requests a transfer of personnel funding from the AC&I appropriation to the Operating Expenses (OE) appropriation. The requested transfer will merge the funding associated with salaries, benefits, and support for the military and civilian personnel who administer or directly support AC&I projects with personnel funding in the OE appropriation, which currently funds approximately 97 percent of the Coast Guard's direct funded personnel. This transfer will allow the Coast Guard to surge appropriate personnel to and from specific AC&I projects according to needs such as changes to project funding levels, specific contract oversight functions, and timing of key decision points. This ability to surge personnel applies to all AC&I projects, including Deepwater. While project-specific funding levels may vary from year to year, this funding transfer will maximize flexibility in acquisition personnel management, vice assigning FTE to Deepwater alone. In addition, the CG has initiated aggressive measures to close the current vacancy rate for AC&I positions. To address turnover, the CG is reviewing the grading of high turnover positions and, as appropriate, upgrading them to assist in retention. By the end of FY08, it is anticipated that the AC&I personnel vacancy rate will be substantially lower.

Question#:	11
Topic:	Aviation security
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Joseph I. Lieberman
Committee:	HOMELAND SECURITY (SENATE)
Question:	The 9/11 Commission recommended that TSA assume control of prescreening airlines passengers against the terrorist watchlists, instead of continuing to permit airlines to perform this function. More than five years after September 11, 2001, and two and a half years since the Commission report was issued, airlines still perform this critical function. TSA has been developing CAPPS II and now the Secure Flight program for over four years to remedy this problem, and the President's budget request asks for an additional $38 million, $53 million total, for FY2008 to continue development and testing of the system. This amount will only allow TSA to begin testing its Secure Flight system with one air carrier in FY2008, and prevent the program from becoming fully operation until FY2010. I understand Assistant Secretary Kip Hawley has asked TSA to review the timeline and budget for Secure Flight, to determine how quickly the program could be completed, and for how much. Please provide a more detailed timeline for the implementation of TSA's passenger prescreening system, Secure Flight. Is the Department taking steps to implement Secure Flight before fiscal year 2010? If so, please describe these steps? Will increased funding be necessary?

Response: The Transportation Security Administration (TSA) plans to begin parallel operations with the first groups of domestic aircraft operators in the first quarter of fiscal year (FY) 2009, and plans to take over full responsibility for watch list matching in FY 2010. Secure Flight is one of the Department's top priorities, and TSA is continually investigating ways to accelerate the program schedule to allow for expedited implementation of the system, as appropriate and within established lifecycle cost estimates, and with full compliance with its privacy obligations. TSA is demonstrating steady progress in its program development according to its plan.

Question#:	12
Topic:	Grant program risk assessment
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Joseph I. Lieberman
Committee:	HOMELAND SECURITY (SENATE)
Question:	The General Accountability Office issued a report in which it examined the Department of Homeland Security's process for assessing risk, particularly with respect to the Urban Area Security Initiative (UASI) program which provides grants to cities deemed to be at high risk. Among other things, GAO observed that the methodology adopted by DHS required numerous subjective policy judgments, including what variables to include in the risk assessment and what weight to assign to each of the variables. GAO found, however, that "DHS has a limited understanding of the effects of the judgments made in estimating risk that influenced eligibility and allocation outcomes in fiscal year 2006." GAO recommended that DHS could make better and more informed policy decisions if the Department followed OMB guidelines for treatment of uncertainty and used so-called "sensitivity analysis" to determine the effect of changes in the allocation formula. What is DHS doing to appropriately analyze the effects of its subjective judgments on the homeland security grants allocation formulas?

Answer:
For fiscal year 2007, the fundamental factors within the risk methodology – threat, vulnerability, and consequence – have not changed; however, the weighting of these factors and risk data are better understood and more transparent. The Department of Homeland Security (DHS) made significant improvements to the analysis of inputs used in FY 2007, taking into account expert judgment, enhanced data, and feedback from Federal, State, and local partners, all with the goal to better understand the risks associated with populations and nationally critical infrastructure. The analysis considers the potential risk of terrorism to people, critical infrastructure, and economic security to estimate the relative risk of terrorism faced by a given area.

DHS has employed rigorous quantitative analysis and exercised reasoned judgment, drawing on deep subject-matter expertise to generate sound analytical results. The Department solicited extensive feedback from stakeholders on how the process could be refined and improved.

The principal driver in the FY 2007 risk analysis is the potential loss of life resulting from a terrorist attack in a particular area. The approach used in FY 2007 relies upon a more focused set of data, and thus included fewer variables. The Department's FY 2007 model considers those critical infrastructure assets that are nationally critical. Approximately 2,100 assets were considered as part of the analysis.

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In determining final allocations in FY 2007, DHS will again consider both relative risk as well as the anticipated effectiveness of proposed investments from States and urban areas, in accordance with provisions in the FY 2007 DHS Appropriations Act. The Department has not finalized the approach that will be employed to make those decisions and will consider a range of options to facilitate those determinations. However, the Department can consider the recommendation from GAO to review OMB's *Guidelines and Discount Rates for Benefit-Cost Analysis of Federal Programs* and its provisions for treating uncertainty in making final determinations.

Question#:	13
Topic:	Population density and grant allocations
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Joseph I. Lieberman
Committee:	HOMELAND SECURITY (SENATE)
Question:	One significant change DHS had made in the allocation formula for state homeland security grants this year is to eliminate consideration of a state's population density – even though population density is widely considered to be closely linked to terrorism risk, both because a densely populated area is likely to be a more attractive target to terrorists and because more damage is likely to be done and more lives lost if an attack occurs in a densely populated area. Why was this done? Did DHS conduct any sensitivity analysis to understand the effect of this change before implementing it? Please provide to the Committee any sensitivity analysis or other evaluation DHS has done on the effects of eliminating population density as a factor?

Answer:
For Fiscal Year 2007, the fundamental factors within the risk methodology – threat, vulnerability, and consequence – have not changed; however the weighting of these factors and risk data are better understood and more transparent. The Department of Homeland Security has made significant refinements to the information and other inputs used this year, both in the quantity of risk data employed and how that data is combined to evaluate risk.

Population density in the local vicinity of attack is widely accepted as a risk factor for terrorist attacks. For a region of constant population density, the metric of population multiplied by population density can serve as a proxy for the risk to the overall population; however, most States do not have constant population densities. Generally, urban areas have higher densities, while rural areas have lower densities. Thus, this approach does not translate well for State analysis. In lieu of a population-density metric for a State, simple population is the next best proxy for risk to the population-at-large in any area.

Question#:	14
Topic:	Food safety
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Joseph I. Lieberman
Committee:	HOMELAND SECURITY (SENATE)
Question:	I was disturbed to learn that the GAO High-Risk Report which was released in January included federal oversight of food supply security on its list of national vulnerabilities. According to both the Homeland Security Act and Homeland Security Presidential Directive 9, the Secretary of Homeland Security is charged with coordinating the entire federal government's efforts to protect our agricultural infrastructure including, developing and implementing mitigation strategies against disease and attacks, establishing effective information sharing and analysis of dangers to our food supply, and enhancing intelligence focused on food, water, and agriculture sectors. As I understand it, the Office of Health Affairs will only have $800,000 and 2 positions to coordinate the security activities of at least 6 federal agencies and our nation's trillion dollar food and agriculture industry. If funded at the level requesting by the Administration, how long until DHS is able to fully implement all of its responsibilities of the Presidential Directive 9? Is there a timeline for fully implementing Presidential Directive 9? If so, please provide a copy to the Committee.

Answer:
The Office of Health Affairs (OHA) is the Department of Homeland Security's (DHS's) principal agent for biodefense activities, including those related to Homeland Security Presidential Directive-9 (HSPD-9). The implementation plan for HSPD-9 has 19 distinct action items; DHS is the lead agency for 12 of these items. OHA will assume responsibility for coordinating DHS's action items as of March 31, 2007, and is developing a comprehensive, five-year strategic plan with goals, objectives, milestones, and measures for each. OHA will provide a timeline for the completion of these action items to the Committee by July 1, 2007.

OHA's coordination of DHS activities does not mean that OHA is taking over the actions to complete each item; rather, OHA will be the single DHS point of contact for Federal, State, local, tribal, and territorial governments, private-sector partners, and stakeholders on medical and public health issues, including HSPD-9. OHA will ensure that the existing activities in the Office of Infrastructure Protection, the Office of Science and Technology, the Federal Emergency Management Agency, and Customs and Border Protection are coordinated to meet the mandates of HSPD-9.

To date, DHS has made significant progress in implementing HSPD-9 action items, including the establishment of two sector-specific centers of excellence at universities; development of instrumentation for on-site determination of bioagent contamination in the food supply; enhanced characterization and efficacy of Foot and Mouth Disease vaccines; and work with partners at all levels of government and in the private sector toward improved food safety and agro-defense. Going forward, OHA will continue to work with its partners in DHS, other Federal agencies, State, local, and tribal

Question#:	14
Topic:	Food safety
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Joseph I. Lieberman
Committee:	HOMELAND SECURITY (SENATE)
Question:	I was disturbed to learn that the GAO High-Risk Report which was released in January included federal oversight of food supply security on its list of national vulnerabilities. According to both the Homeland Security Act and Homeland Security Presidential Directive 9, the Secretary of Homeland Security is charged with coordinating the entire federal government's efforts to protect our agricultural infrastructure including, developing and implementing mitigation strategies against disease and attacks, establishing effective information sharing and analysis of dangers to our food supply, and enhancing intelligence focused on food, water, and agriculture sectors. As I understand it, the Office of Health Affairs will only have $800,000 and 2 positions to coordinate the security activities of at least 6 federal agencies and our nation's trillion dollar food and agriculture industry. If funded at the level requesting by the Administration, how long until DHS is able to fully implement all of its responsibilities of the Presidential Directive 9? Is there a timeline for fully implementing Presidential Directive 9? If so, please provide a copy to the Committee.

governments, and the private sector, with the goal of fully implementing the action items associated with HSPD-9.

Question#:	15
Topic:	Acquisition strategy
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Joseph I. Lieberman
Committee:	HOMELAND SECURITY (SENATE)
Question:	In testimony last week David Walker from the Government Accountability Office wrote that "DHS continues to face challenges in creating an effective, integrated acquisition organization." He went on to say that "DHS's progress toward creating a unified acquisition organization has been hampered by policy decisions" and that DHS components are still carrying out acquisition activities "in a disparate manner." Please describe how DHS is addressing the problems of departmental integration highlighted by the Government Accountability Office?

Answer:
Management Directive 0003 provides the overarching guidelines for DHS's integration of its acquisition function. As indicated by GAO's past reports, DHS faces integration challenges where its Component organizations have disparate regulatory requirements. TSA for example does not fall under the Federal Acquisition Regulations (FAR), and the prescription within the FAR for Coast Guard actions differs somewhat from the remainder of FAR covered DHS Components. All the organizations have come from distinct cultures with unique practices developed to meet their historical needs.

DHS is working to integrate these diverse organizations through common policies and procedures under the Homeland Security Acquisition Regulation and the Homeland Security Acquisition Manual. The Heads of the Contracting Activities (HCAs) of each Component meet monthly with the Chief Procurement Officer to discuss acquisition issues and to work common problems. As the Components work together to solve common problems and to support a common mission, integration is taking hold.

The Chief Procurement Officer has also asked Component heads to align HCA goals with the CPO goals and works with the Component heads and HCAs to ensure that all acquisitions are handled according to DHS policies and procedures to meet DHS priorities. The Chief Procurement Officer has direct input into the HCA's performance assessment.

The Chief Procurement Officer is in the process of introducing a series of common metrics to quarterly assess the status of the acquisition activities within DHS. All HCAs will gather common performance metrics in the five areas of the acquisition framework. Most of the metrics have DHS goals as benchmarks, but individual goals are tailored to the Component's mission. These assessments will allow the CPO to have near time understanding of the acquisitions across the Department and begins establishing a common management process that supports DHS's integration of the acquisition function.

Question#:	16
Topic:	Federal Protective Service
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Joseph I. Lieberman
Committee:	HOMELAND SECURITY (SENATE)
Question:	The FY2008 budget proposes a revamping of the Federal Protective Service (FPS) - the agency charged with providing physical security for some 8800 federal buildings and installations around the country. The proposal would reduce the total number of FPS employees by more than 25%, and phases out the existing uniformed security service of FPS. FPS has faced a budget shortfall in both FY06 and FY07, and will likely need to increase the fees is charges agencies that use its services. Why was the decision made to cut 25% of FPS law enforcement officers? Will this proposal have a negative effect on security for employees and the public at federal buildings?

Answer:
In FY 2008, FPS will realign its mission, workforce and resources to strengthen Federal physical security policies, procedures and standards that apply to Federal buildings and enhance oversight and inspection capabilities. FPS will focus more on policy, standards and oversight, using FPS Inspectors, who will provide both law enforcement and physical security services rather than FPS Police Officers. Inspectors can and will, as they currently do, respond to incidents in Federal facilities. FPS thus moves towards a greater involvement with its customers, establishing strong security standards through the Interagency Security Committee (ISC), and taking a leadership role as the Sector lead for government facilities.

The FY 2008 fee structure will allow FPS to provide security services for employees and the public at Federal buildings.

Question#:	17
Topic:	Airline passenger fees
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Joseph I. Lieberman
Committee:	HOMELAND SECURITY (SENATE)
Question:	The Department's FY08 budget request estimates that TSA will collect $2.07 billion in airline passenger fees in FY 2008, a figure that assumes $826 million enplanements during that fiscal year. However, airline industry analysts have recently suggested that $715-$730 million enplanements is a more realistic forecast, given the current baseline and the fact that the U.S. commercial aviation fleet is operating at high capacity today. This could lead to an annual shortfall of up to $300 million at TSA. What is the basis for the Department's estimate of $826 million enplanements? (Please list the sources consulted in developing this estimate.) If these estimates are not met, from what alternate source or sources will TSA draw funding?

Response: The Transportation Security Administration (TSA) fiscal year 2008 forecast of $2.07 billion for the September 11th Security Fee collections is based on the number of chargeable enplanements anticipated during the fiscal year. Chargeable enplanements are the number of enplanements that will be subject to the imposition of the September 11 Security Fee. To develop the most appropriate revenue forecast for a fiscal year, TSA considers historical collections data as well as aviation industry forecasts, including the *Federal Aviation Administration Aerospace Forecasts*. If there are any changes in revenue estimates, TSA will work within the guidance provided by the Department of Homeland Security to make any related budget adjustments.

Question#:	18
Topic:	TRIP
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Joseph I. Lieberman
Committee:	HOMELAND SECURITY (SENATE)
Question:	The Department's budget request provides no information on the Traveler Redress Inquiry Program (TRIP), announced by Secretary Chertoff in January 2007. Which program or division of the Department of Homeland Security has lead responsibility for this program? Has the Department developed (or does it intend to develop) a multi-year expenditure plan for this program? From which Departmental budget account is this program funded in FY 2007, and what is the total estimated expenditure for this program in FY 2007? How many FTE's are deployed in support of this program? How much is being spent for the procurement of goods and services in support of this program in FY 2007?

Response: The Department of Homeland Security (DHS) Traveler Redress Inquiry Program (DHS TRIP) was launched on February 20, 2007. The DHS Screening Coordination Office (SCO) is responsible for coordination of the TRIP program throughout the Department and with other Federal Government entities; the Transportation Security Administration (TSA) has been designated as the executive agent in implementing the effort in its initial stages. Funding for DHS TRIP in fiscal year (FY) 2007 is budgeted at $328,000, and 12 Full-Time Equivalent positions are required to support DHS TRIP for FY 2007. The cost and resource burden is being shared among 8 different agencies within DHS as well as the Department of State. DHS is developing a multi-year budget expenditure plan, which considers future aspects of TRIP, for submission to Congress.

Question#:	19
Topic:	Risk management and analysis division in NPPD
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Joseph I. Lieberman
Committee:	HOMELAND SECURITY (SENATE)
Question:	In January 2007, the Department announced the creation of a new Risk Management & Analysis division within the National Protection and Programs Directorate, intended to be funded at $9.412 million per year with 11 FTE's and 13 detailees. Please explain the strategic rationale for the creation of this division. Does the Department intend to develop a Strategic Plan and/or Expenditure Plan for this division? If so, provide a copy to the Committee?

Answer:
Strategic Rationale:
On January 18, 2007, the Secretary provided notice to Congress of organizational changes as a result of the Post-Katrina Emergency Management Reform Act and changes pursuant to section 872 authority. Included in the changes is the establishment of the Office of Risk Management and Analysis (RMA). RMA will lead the Department of Homeland Security's (DHS's) efforts to establish a common framework to address the overall management and analysis of homeland-security risk. RMA will meet the following objectives:

- Serve as the DHS Executive Agent for national-level risk-management analysis standards and metrics;
- Develop and embed a consistent, standardized approach to risk;
- Develop a coordinated, collaborative approach to risk management that will allow the Department to leverage and integrate risk expertise across Components and external stakeholders;
- Assess DHS-level risk performance to ensure that programs are measurably reducing risk across the country; and
- Communicate the DHS "risk story" in a manner that reinforces the value of the risk-based, all-hazards approach.

FY 2007 Milestones: Stand up RMA with 11 full-time equivalents (FTEs) and 13 detailees from across DHS. In FY 2007, the office will initially have to train personnel to perform their respective functions. The office will establish a DHS Risk Steering Committee to serve as a forum to promote a coherent and integrated approach to DHS risk management by leveraging expertise of all stakeholders, and to provide opportunity for risk-management communication and validation across the Department.

FY 2008 Milestones: Initiate the development of a consistent, standardized Department approach to risk management and analysis – a coordinated and collaborative approach that will allow the Department to leverage and integrate risk expertise across Components and external stakeholders. Assess DHS-level risk performance to ensure that programs are measurably reducing risk across the country.

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Division Strategic Plan:
To execute the RMA mission, the office will establish four divisions: Risk Policy Implementation, Risk Analysis, Risk Management, and Risk Performance.

Risk Policy Implementation:
FY 2007: Create a Department Risk Steering Committee; frame the processes and procedures for development of Department risk architecture
FY 2008: Develop Department risk policy and lay groundwork for the development of a national risk policy; develop training standards for risk analysis; initiate steps to create an interagency Risk Advisory Group

Risk Analysis:
FY 2007: Initiate common risk lexicon; conduct data collection on, and initiate drafting of, standards for data and methodology validation
FY 2008: Establish standards for data and methodology validation; create external peer-review capability; promulgate risk standards and requirements

Risk Management:
FY 2007: Collect data on risk-reduction strategies and management techniques; evaluate risk-communication capabilities
FY 2008: Evaluate and prioritize risk-reduction strategies and programs; develop requirements for risk-communication capabilities; evaluate risk-reduction-measurement techniques

Risk Performance
FY 2007: Evaluate risk-performance-measurement techniques
FY 2008: Design criteria for risk performance/scorecards

Question#:	20
Topic:	Headquarters project
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Joseph I. Lieberman
Committee:	HOMELAND SECURITY (SENATE)
Question:	The Department's budget request includes $120 million for the Consolidated Headquarters Project. Please provide an estimate of the anticipated savings on an annual basis (in current year dollars) from the collocation of Departmental offices at the St. Elizabeth's West Campus (e.g. cost savings due to decreased need for shuttle services).

Answer:
The anticipated equivalent annual savings by co-locating the Departmental offices at the St. Elizabeths West Campus would be $63,953,000 once the environmental assessment is complete. This amount is the 30-year net present value (NPV) of the difference in the cost of continuing to house DHS in leased space and consolidating in Federally-owned space at St. Elizabeths. Until DHS is consolidated, the Agency's many Components will continue to be dispersed throughout more than 50 locations in the National Capital Region (NCR) at a cost of approximately $5.1 billion based on NPV analysis. The St. Elizabeths development's NPV is $4.1 billion ($3 billion program investment), a $1 billion dollar NPV difference with an equivalent annual cost advantage of $63,953,000 (on a NPV basis).

Besides the direct benefits of Federal ownership versus leased as noted above, additional campus efficiencies will be realized by sharing common services/functions such as food service, training and conference space, shipping/receiving, warehousing, etc., which will be appropriate for consideration in the Environmental Impact Statement (EIS). The level of shared services will be a function of the ongoing master plan and environmental impact statement processes that are currently underway.

Question#:	21
Topic:	US VISIT report
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Joseph I. Lieberman
Committee:	HOMELAND SECURITY (SENATE)
Question:	Please provide a copy of the U.S. VISIT report on its strategic planning and cost/schedule estimates as is required by Senate Report 109-273. Please provide a description of how much funding has been obligated to date in order to transition to 10-print enrollment of U.S. VISIT and how much will be needed to complete the transition.

Answer:
US-VISIT has a budget total of $390 million over fiscal years 2007 and 2008 to deliver both IDENT/IFAS interoperability and the addition of 10-print capture capability.

Question#:	22
Topic:	RFID tag into I-94/A form
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Joseph I. Lieberman
Committee:	HOMELAND SECURITY (SENATE)
Question:	Please provide a break down of how much funding has been spent to embed an RFID tag into Form I-94/A and the status of the project. Please also describe the benefits and weaknesses associated with the project. Explain how why the project will now be managed by CBP.

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Please provide a break down of how much funding has been spent to embed an RFID tag into Form I-94/A and the status of the project. Please also describe the benefits and weaknesses associated with the project. Explain how and why the project will now be managed by CBP.

Response:

The majority of funding to RF enable the I-94/A was spent by US VISIT; however, CBP also spent approximately $5 million. Funding spent by CBP was used to purchase the card stock, develop the user interface, and pilot the technology at five border crossing locations, in three ports of entry. Based on the results of the pilot, this project was cancelled.

The expected benefit was to track the exit and reentry to the U.S. of persons to whom these I-94/As were issued. The weaknesses were both human and technology factors. From a human perspective, there was no assurance that all individuals leaving the U.S. were in possession of their I-94/A, or that the I-94/A was in the possession of the person to whom it was issued. The technology weakness was that the system was unable to capture the RFID read as the vehicle was exiting the U.S. at speeds over 10 MPH.

As this project has been cancelled, there will be no management role for CBP.

Question#:	23
Topic:	ICE dentention standards
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Joseph I. Lieberman
Committee:	HOMELAND SECURITY (SENATE)
Question:	The Department of Homeland Security has still not responded to the recommendations on Expedited Removal and Asylum seekers, as developed by the U.S. Commission on International Religious Freedom in its report issued more than 2 years ago. The Commission reported that - over the course of several weeks when it was preparing its "report card" on the Department's progress in implementing those recommendations, the Senior Refugee and Asylum Coordinator did not return phone calls or e-mails from the Commission asking for information. Please provide a firm date for when the Department intends on issuing its response to the Commission?

Answer:
The Department is producing a report to describe to the Commission ICE's ongoing efforts to ensure fair treatment of asylum seekers in expedited removal, including measures taken in response to the Report's recommendations. The Special Advisor for Refugee and Asylum Affairs has met with the Commission's staff on several occasions and is committed to maintaining a cooperative and fruitful relationship with the Commission about the issues identified in the Commission's Report.

Question#:	24
Topic:	Asylum seekers
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Joseph I. Lieberman
Committee:	HOMELAND SECURITY (SENATE)
Question:	Section 605 of the International Religious Freedom Act (IRFA) authorized the U.S. Commission on International Religious Freedom to appoint experts to study the treatment of asylum seekers subject to Expedited Removal. The Commission released such a study in February of 2005, and reported that (1) asylum seekers were being detained improperly and under inappropriate (prison and prison-like) conditions; and (2) numerous procedures developed by DHS to ensure against inappropriate treatment of asylum seekers were frequently ignored by DHS personnel. In February 2006, you implemented a variation on one of the Commission's recommendations and appointed a Senior Refugee and Asylum Policy Advisor. Please explain the Department's position -- and timetable for addressing (1)the Commission's recommendation that standards be developed to detain persons in something other than prison-like conditions, (2) the Commission's recommendation that parole criteria be put in regulations, and (3) the Commission's recommendations that CBP do more to ensure that inspectors are following correct procedures and not returning asylum seekers.

Answer:
DHS is examining the use of detention facilities for asylum seekers and whether there is a need for additional detention standards for non-criminal asylum seekers. The U.S. Immigration and Customs Enforcement (ICE) National Detention Standards, designed to meet the needs of all alien detainees, were carefully crafted with the assistance of nongovernmental organizations to ensure that detention facilities provide humane conditions for all detainees.

In response to the Commission's recommendation, ICE is exploring whether to develop a national policy document to standardize parole criteria. This policy may address such issues as giving examples of acceptable documents to verify an asylum seeker's identification and ensuring that all parole decisions are given in writing using a single internal form. DHS and ICE are also exploring ways to improve the information that an asylum seeker receives about the parole application process.

A number of actions have been taken by DHS, and Customs and Border Protection (CBP), to address the Commission's concern about proper and consistent guidelines for asylum seekers. DHS has also confirmed that the field guidance manuals for CBP officers and Border Patrol agents on the proper identification of applicants who possess a fear of persecution or torture are consistent with DHS guidelines.

To ensure that officers adhere to the guidance and to prevent any future failure to refer such applicants for a credible fear interview, CBP has initiated a number of actions

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including emphasizing I-867 compliance in the training program, conducting "field musters" to remind officers of the proper procedures, centralizing its expedited removal training program, and establishing a Policy Compliance Team to evaluate problems involving compliance with policies and field guidance.

In addition to CBP's robust management and review process, its monitoring activities of Expedited Removal between Ports of Entry by the DHS Office for Civil Rights and Civil Liberties and the visits by the U.N. High Commissioner for Refugees, the U.S. Government Accountability Office and the DHS Office of Inspector General are a means of assessing the treatment of asylum seekers in the expedited removal process.

Question#:	25
Topic:	Asylum standards
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Joseph I. Lieberman
Committee:	HOMELAND SECURITY (SENATE)
Question:	In Senate Committee Report 109-083 which accompanied the FY2006 DHS Appropriations Bill, the Senate Appropriations Committee requested that, by February 18, 2006, the Department report to the Committee "on its response to the specific recommendations of the Commission regarding detention decisions for asylees and the steps it has taken to ensure consistent application of standards for asylum and credible fear within the Department." Has this report been completed? If so, please provide a copy to this Committee. If not, please inform the Committee when you intend to complete the report.

Answer:
The Department is producing a report that will describe to the Commission the DHS efforts to ensure consistent application of standards for asylum and credible fear within the department, including measures taken in response to the Report's recommendations.

Question#:	26
Topic:	CBP standards
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Joseph I. Lieberman
Committee:	HOMELAND SECURITY (SENATE)
Question:	In House Committee Report 109-79 which accompanied the DHS Appropriations Bill (H.R. 2360), the House Appropriations Committee indicated it is "concerned about reports - (such as the February 2005 Report by the U.S. Commission on International Religious Freedom) that quality assurance procedures being applied by Customs and Border Protection (CBP) at its ports of entry are not uniform." In fact, the Commission documented that CBP's failure to follow its own procedures put bona fide asylum seekers at risk of being returned to their persecutors. The Committee stated that "it is aware that CBP currently uses videotape at some inspection sites," and "urge(d) CBP to expand the use of such quality assurance procedures nationwide." Has DHS considered this recommendation urged by the House Appropriations Committee? To what end?

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Has DHS considered this recommendation urged by the House Appropriations Committee? To what end?

Response: The use of surveillance and monitoring equipment to monitor CBP interactions with the public and better address potential security and integrity concerns is a priority at CBP. CBP's Port Surveillance Pilot Project (PSPP) includes a suite of new capabilities designed to allow system operators to both see and hear the interactions of CBP officers with the public. Interior coverage areas will include inspection lanes, holding cells, and other secured areas within the port perimeter. CBP will install and test the PSPP at the Douglas and Mariposa land ports and the Tucson Customs Area Security Center (CASC) during FY 2007. Contingent upon a successful proof of concept, CBP will design, develop and implement this system at additional sites, incorporating lessons learned and best practices generated during the test phase.

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Question#:	27
Topic:	Senior Refugee and Asylum Policy advisor
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Joseph I. Lieberman
Committee:	HOMELAND SECURITY (SENATE)
Question:	In February 2006, DHS appointed a Senior Refugee and Asylum Policy Advisor to address a number of the problems arising from the lack of coordination of asylum policy within DHS, as identified by the Expedited Removal Study issues by the US Commission on International Religious Freedom in February 2005. The Commission identified that this lack of coordination put bona fide asylum seekers at risk of involuntary return and improper detention. Please describe the responsibilities and staffing of the Senior Advisor, and the progress made by the Senior Advisor in improving the coordination of asylum and refugee policy within the Department.

Answer:
The principal areas of responsibility of the Special Advisor for Refugee and Asylum Affairs are: coordination of the work done by different Components within the Department of Homeland Security on refugee and asylum issues; provision of policy advice with respect to the refugee and asylum issues to the Assistant Secretary for Policy and, through him, to the Secretary and Deputy Secretary; and relationship with other government entities and NGOs. The Special Advisor for Refugee and Asylum Affairs, who also serves as the Director of Immigration Policy, has a full-time staff of three employees, including one who is dedicated to refugee and asylum policy issues, and additional detailees, one of whom is either an asylum or a refugee officer.

The Special Advisor for Refugee and Asylum Affairs has coordinated – and continues to coordinate – the Department's policy on the material support issue and the implementation of the decision by the Secretary of Homeland Security to exercise my discretionary authority under the Immigration and Nationality Act to not apply material support to terrorism provisions to individuals seeking asylum or adjustment of status that have provided support to specific groups and to permit consideration of applications for refugee status, asylum or adjustment of status from individuals who have provided material support while under duress. The Special Advisor also coordinated the Department's participation in the United States' report to the Human Rights Committee on its implementation of the International Covenant on Civil and Political Rights and the United States' report to the Committee Against Torture on its implementation of the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment. The Special Advisor served as the lead DHS delegate to the presentation of the United States' report before the Human Rights Committee. The Special Advisor currently coordinates the Department's implementation of the recent decision by the United States to accept a significant number of referrals of Iraqi refugees from UNHCR for resettlement in the United States.

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The Special Advisor is working closely with U.S. Immigration and Customs Enforcement (ICE), U.S. Citizenship and Immigration Services (USCIS) and U.S. Customs and Border Protection (CBP) to ensure fair treatment of asylum seekers in expedited removal, including development of measures resulting from the Commission's findings and recommendations. For example, the Special Advisor worked with ICE, USCIS and CBP in an initiative led by the DHS Office of Civil Rights and Civil Liberties to develop and implement training to promote understanding of the unique characteristics of asylum seekers among a range of DHS professionals who interact with aliens in detention facilities or at or between ports of entry.

The Special Advisor for Refugee and Asylum Affairs works closely with the Department's operational Components charged with responsibility for immigration – ICE, USCIS and CBP – on a range of other matters affecting asylum seekers and refugees.

Question#:	28
Topic:	Port Security Grants
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Carl Levin
Committee:	HOMELAND SECURITY (SENATE)
Question:	In September of 2006, the Department of Homeland Security released a report entitled, "Fiscal Year 2006 Infras $876,399,146 has been awarded for Port Security Grants since fiscal 2002. However, according to the press rel grants have actually been awarded, well below the total provided in the September report. Please explain the di report. a. Fiscal 2002, Round 1, grant awards totaling $92.3 million. [http://www.dot.gov/affairs/MARAD%20Grants.h b. Fiscal 2003, $75 million supplemental grant awards. [http://www.dhs.gov/interweb/assetlibrary/Port_Securit c. Fiscal 2003, Round 2, grant awards totaling $169,055,136. [http://www.dhs.gov/interweb/assetlibrary/Port_S d. Fiscal 2004, Round 3, grant awards totaling $179,025,900. [http://72.14.203.104/search?q=cache:1CgdIcoR wJ:www.tsa.gov/interweb/assetlibrary/Port_Security_Grant_3.pdf+%22port+security+grant+program%22+%22 a.] e. Fiscal 2004, Round 4, grant awards totaling $49,429,867. [tps://www.portsecuritygrants.dottsa.net/TSAdotne f. Fiscal 2005, Round 5, grant awards totaling $141,969,967.61. [http://www.dhs.gov/interweb/assetlibrary/Pre g. Fiscal 2006, Round 6, grant awards totaling $168,052,500. [http://www.dhs.gov/interweb/assetlibrary/FY200

Answer:
The numbers cited are correct, as are the totals. The total of the amounts in the reference press releases is $874,833,371, not $707 million. It is believed that the $707 million referenced in the question does not take into account the $168,052,500 referenced in the Fiscal Year 2006, Round 6 awards (item g, above).

The difference between $876,399,146 (referenced in the Fiscal Year 2006 Infrastructure Protection Program report) and $874,833,371 (the sum of the amounts noted in the cited press releases) is $1,565,775. G&T had previously recognized this difference and has conducted an extensive audit of the awards of the Port Security Grant Program (PSGP) to resolve the difference. It was discovered that in rounds 1, 2 and 3, there were discrepancies in the amounts reported in the press releases and the actual award amounts. G&T has been working with Transportation Security Administration and the Department of Transportation's Maritime Administration program manager (the former program managers of PSGP) to determine the cause of the discrepancies.

Question#:	29
Topic:	RPPO
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Daniel K. Akaka
Committee:	HOMELAND SECURITY (SENATE)

Q. How much is being given to the Radiological Preparedness Program Office (RPPO)?

Answer – All of the increased funding is being provided to the Radiological Emergency Preparedness (REP) Program Office.

Q. How are the RPPO activities being coordinated with other agencies, including the Nuclear Regulatory Commission and the Department of Health and Human Services, to ensure that State and local governments are prepared for such an attack and can accommodate the guidelines issued by DHS and NRC?

Answer – The activities of the REP Program Office are coordinated with other departments and agencies through the Federal Radiological Preparedness Coordinating Committee (FRPCC). The FRPCC was established in 1982 under 44 CFR Part 351 to coordinate all Federal responsibilities for assisting State and local governments in emergency planning and preparedness for peacetime nuclear emergencies and to enhance Federal response planning. The following 20 Federal departments and agencies are members of the FRPCC. The Federal Emergency Management Agency chairs the committee.

Department of Agriculture
Department of Defense
Department of Commerce
Department of Energy
Department of Health and Human Services
Department of Homeland Security
Federal Emergency Management Agency
United States Coast Guard
Department of Housing and Urban Development
Department of Interior
Department of Justice
Department of Labor
Department of State
Department of Transportation
Department of Veterans Affairs
Environmental Protection Agency
Federal Communications Commission
General Services Administration
National Aeronautics and Space Administration

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Committee:	HOMELAND SECURITY (SENATE)

Nuclear Regulatory Commission

Q. What type of funds for State and local radiological preparedness training are being made available in the Office's budget, if any?

Answer – All of these funds are for the REP Program Office. They do not include any funds for State and local radiological preparedness training.

Q. Was the guidance issued by DHS to first responders on how to prepare for a Radiological Dispersion Device attack developed in consultation with the Nuclear Regulatory Commission (NRC)?

Answer – Yes, the interim final guidance was developed in consultation with NRC. DHS also consulted with Department of Energy, Department of Defense, Environmental Protection Agency, Department of Labor (Occupational Safety and Health Administration), and Department of Health and Human Services.

Question#:	30
Topic:	FEMA regional offices
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Daniel K. Akaka
Committee:	HOMELAND SECURITY (SENATE)
Question:	I am concerned that programs currently offered by the Grants and Training office are being cut in FY08, including training, exercises and technical assistance activities, forcing state and local governments to rely on the FEMA Regional offices. However, it is my understanding that the regional offices may not be fully staffed until 2008. The regional offices play a critical role in training for disaster preparedness. What steps will the Department take this fiscal year to ensure that the Regional offices have sufficient capability to implement disaster training and exercises?

Answer

Building strong regions including capabilities to implement disaster training and exercises has been identified as a top priority for the successful transformation of FEMA into the Nation's Preeminent Emergency Management Agency.

A senior FEMA headquarters official has been appointed and is currently leading the effort to build integration of new functions and transformation of the regions.

A Tiger Team for regional issues has been established as part of the transition effort and they are addressing the regional functions and programs, identifying the operational nature of the new regions, and establishing how the regional role will be dovetailed into the overall mission and structure of the "New FEMA". Strengthening the role of Preparedness in the Regions is a high priority. Exercise and training is a critical and important part of this effort.

As full transformation to the "New FEMA" occurs, a strengthened preparedness function will be incorporated at the regional offices to further support more effective partnerships with State and local leaders by providing the full range of incident management support. Included in this effort will be to build Regional Federal Preparedness coordination capability to include:

Field-based Preparedness leadership
Situational awareness through the RRCC
Coordination of regional-based national response planning efforts
Information sharing
Contingency planning coordination
Preparedness review and monitoring

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Exercise coordination and review
Strengthen local relationships
Support Public communications
Support Special Event planning
Coordinate Incident response planning

Regional leadership and staff have been directly involved in the transformation effort at FEMA, including development of regional structures, definition of mission and functions, and development and prioritization of performance measures and metrics for core FEMA competencies. A new and strengthened regional organizational structure will be the result of this effort.

In addition the following actions are also being accomplished during FY 2007:

Ten full time directors with a combined experience of nearly 300 years in emergency management, law enforcement and fire service have been identified to lead all FEMA regional offices and by the end of March 2007 will all be in place for the first time in years.

Strengthening of regional partnerships and operational planning efforts is recognized as a key component block in building capacity for successful emergency management efforts. Included in this effort is to develop and implement 10 Regional Advisory Councils and Emergency Communications Coordination Work Groups by this spring.

The Regional Response Coordination Centers are being significantly upgraded and will be staffed 24/7 to support stronger emergency management capabilities and ensure operational awareness.

FEMA is enhancing regional strike teams to provide the capacity to lean forward and work with States and local bodies on planning during non-disaster times, and to be able to respond within 12 hours to establish initial Joint Field Office's, liaison with affected

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States, and provide situational awareness when an incident occurs. The first strike team should be operational by June 2007.

Regional grant advocates will be assigned to each State to support State and local preparedness and coordination efforts with FEMA.

Much of the regional restructuring and strengthening activities will be completed in FY 07 as the transition to "New FEMA" is implemented, but some activities, such as establishing the full network of regional strike teams, are planned for FY 08.

Question#:	31
Topic:	PACOM
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Daniel K. Akaka
Committee:	HOMELAND SECURITY (SENATE)
Question:	Since 2003, when the Department was established, I have expressed my concern that PACOM, which is responsible for protecting Hawaii, did not possess the same homeland defense expertise and enjoy the same relationship with DHS as NORTHCOM, which protects the rest of the United States. Please describe what measures were taken in 2006 to strengthen DHS-PACOM coordination and whether you have any activities planned as part of your FY08 budget proposal to accomplish this?

Answer:
The partnership between DHS and PACOM is strong. Joint Interagency Task Force West (JIATF-W), a subordinate command of PACOM, is commanded by a Coast Guard Flag Officer and staffed by Coast Guard, CBP, ICE, DOD and other Federal agency personnel. JIATF-W conducts activities to detect, disrupt and dismantle drug-related transnational threats in Asia and the Pacific by providing interagency intelligence fusion, supporting U.S. law enforcement, and developing partner nation capacity in order to protect U.S. security interests at home and abroad.

In addition, Coast Guard maintains a liaison officer to PACOM and to US Command, Pacific Fleet, PACOM's naval component commander. The Coast Guard Pacific Area Commander participates in PACOM component commander conferences and Pacific Area and Pacific Fleet staffs meet regularly in scheduling conferences.

Further, several DHS agencies participate in Pacific Command's Joint Interagency Coordination Group (JIACG), which provides regular, timely, and collaborative day-to-day information sharing and coordination across the interagency community, State and local governments, tribal authorities, foreign governments, intergovernmental organizations, and the private sector.

In 2006, Coast Guard ships operating in the PACOM AOR completed important multi-lateral/international exercises and training with maritime forces from China, Japan, Canada, India, South Korea, Singapore, Thailand, Indonesia, Malaysia, Brunei, and the Philippines, improving the ability of all participants to conduct maritime security operations, supporting PACOM's overarching regional security initiatives, and enhancing the safety of the Hawaiian islands.

The Top Officials 4 (TOPOFF 4) Full-Scale Exercise, a congressionally mandated national exercise for combating terrorism and a cornerstone of the Federal interagency

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National Exercise Program, is scheduled to involve a Guam-based scenario in October of 2007. This will be an excellent opportunity to observe DHS-PACOM collaboration during a high-level exercise.

In 2008, the Coast Guard will support PACOM's multi-national RIMPAC naval exercises program conducted in the Hawaiian operational area.

Question#:	32
Topic:	EMPG grants
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Daniel K. Akaka
Committee:	HOMELAND SECURITY (SENATE)
Question:	The Emergency Management Performance Grant program (EMPG) is the only source of federal funding to states and localities to assist with planning for natural disasters. Hurricane Katrina exposed the critical need for all-hazards preparation. Capacity is built through EMPG and the program must remain flexible and specific for emergency management. In the wake of Katrina, many states are using EMPG funds to create and update plans for receiving and distributing commodities after a disaster, debris removal and evacuation. Despite the demonstrated need for these all-hazards planning activities, the FY08 proposed budget straightlines EMPG at least year's amount at $200 million. Last year, EMPG was cut by $15 million. How do you explain such modest increases in the one program that helps maintain a consistent emergency management capability in every state and that continually emphasizes an all-hazards approach to emergency management?

Answer:
Although the increase is not significant from the Fiscal Year 2007 enacted level, the straight-lined amount of $200 million requested for the Emergency Management Performance Grant (EMPG) program will allow the Department to continue to award thousands of grants at the State and local levels to support emergency-management initiatives. The Administration believes that within this context, and in consideration of limited resources, $200 million is sufficient for the EMPG program and represents an increase of nearly 18 percent above the Administration's FY 2007 EMPG budget proposal. The Administration also believes that the amount requested is sufficient for the EMPG to complement the more comprehensive Homeland Security Grant Program, which is available for myriad planning needs, including acts of terrorism and catastrophic events.

Question#:	33
Topic:	State preparedness grant program
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Daniel K. Akaka
Committee:	HOMELAND SECURITY (SENATE)
Question:	Despite the ongoing shortfall in funding at the state and local government levels, your budget request reduces state and local grants and training programs by $1.2 billion, or 35 percent less than Congress enacted in FY07. The State Preparedness Grant Program is decreased by $683 million, and the $250 million for the State Homeland Security Grant Program (SHSGP) represents a reduction of $275 million from FY07 level, or a reduction of nearly half, from $510 million in FY07. Why are these cuts being made?

Answer:
The Fiscal Year 2008 budget request recognizes the substantial level of funds already awarded over the past five years, which has culminated in more than $5.5 billion of unexpended funding currently in the pipeline for State and local preparedness projects. Further, nearly $4 billion in additional grants, including $1 billion for interoperable communications grants from the Department of Commerce to be administered in partnership with DHS, will be delivered to State and local partners in FY 2007. DHS believes that the FY 2008 requested funding will continue to allow the Department to help States and localities continue to build upon the increased homeland-security capacities that will continue to be achieved with the assistance of more than $22 billion in prior-year (FY 2002-2007) DHS funds. Further, DHS will continue to improve its program effectiveness through improved targeting of States and urban areas at greatest risk, and, ultimately, greater focus on priorities in the National Preparedness Goal.

Question#:	34
Topic:	radio interoperability
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Mary L. Landrieu
Committee:	HOMELAND SECURITY (SENATE)
Question:	Secretary Chertoff, during Hurricanes Katrina and Rita, when emergency responders from around the country deployed to South Louisiana, neither Local, State, nor Federal responders could communicate with each other to coordinate command and control activities. You have proposed in your FY 2008 budget a $1 billion joint effort between the Federal Emergency Management Agency and the Department of Commerce. Please explain how long you think it will be before the nation's responders at the Local, State, and Federal level, including the military, will be able to communicate with each other during a disaster? And is this an additional $1 billion, or is this money being reallocated from another critical program? For example, in FY 2007, State Preparedness Grants programs were funded at $1.1 billion; this year the program is funded at $465,000, with $1 billion being moved to radio interoperability. How do you believe State and Local Governments will make up for the shortfall in Preparedness Grants?

Answer:
According to the 2006 SAFECOM National Interoperability Baseline Survey, approximately two-thirds of State and local law enforcement and emergency response agencies surveyed use interoperability to some degree. Both the Baseline Survey and the Department of Homeland Security (DHS) Tactical Interoperable Communications Plan scorecards demonstrated that agencies tend to be more developed in technology than they are in standard operating procedures and regional governance. As a result, DHS will continue to address these critical governance aspects of the interoperability problem and provide additional funds to support interoperability investments. New equipment for jurisdictions alone will not solve the problem of communications interoperability; spectrum, standards, and other elements are essential when looking at interoperability solutions. DHS believes that solving interoperability is a continuous process as old technology is replaced and personnel continue to be trained and exercised on the new equipment to improve their communications capabilities.

The Fiscal Year 2008 budget acknowledges that the $1 billion Public Safety Interoperable Communications (PSIC) grant program, to be co-administered by DHS and the Department of Commerce, will be awarded no later than September 30, 2007, as provided in the Call Home Act of 2006; however, the implementation projects funded by program grants will commence in FY 2008. Nearly $3 billion in prior-year grants (FY-2003-2006) have been allocated to interoperable communications projects and much of this funding has yet to be expended. In addition to the $1 billion PSIC program, nearly $3 billion in additional DHS preparedness grants will be delivered to State and local partners in FY 2007. Historically, 28 percent of State Preparedness Grants have been spent on interoperability projects. DHS believes that the FY 2008 request, when

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combined with funds to become available in FY 2007 and the unexpended balances from prior years, will deliver ample support for communications preparedness projects in FY 2008.

Question#:	35
Topic:	National Exercise Program
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Mary L. Landrieu
Committee:	HOMELAND SECURITY (SENATE)
Question:	Secretary Chertoff, the Federal Emergency Management Agency has the responsibility for managing the nation's incident command system. Your budget proposal only adjusted the National Exercise Program for inflation. Our nation continues to be threatened by natural disasters and terrorism. It would seem that we need to increase opportunities for the nation's responders and command and control elements to exercise and train together. How does decreasing the State and Local Training program and only adjusting the National Exercise program for inflation accomplish this? How many exercises are planned for this year?

Answer:
Funding for exercise activities in general and specifically for the National Exercise Program (NEP) specifically continues to be a priority for the Department of Homeland Security (DHS). Resourcing for State, local, and tribal exercise activities are allowable expenses through a variety of homeland-security and health-grant programs. Such decisions reflect the priorities of the respective jurisdiction. At the Federal level, the codified NEP establishes – for the first time – a requirement for Federal departments and agencies to assess their respective exercise activities and to account for the resource impacts with their internal programming processes. With regard to DHS requirements and capabilities, the Federal Emergency Management Agency (FEMA) transition team is working to identify future funding requirements that leverage existing training and exercise programs and resources, and then assess what shortfalls exist. Following that effort, any resources that are identified as a priority but do not have a supporting programmatic basis will be brought forward through the established budget-submission process. This will include a detailed requirement to establish and maintain the required National Exercise Simulation Center.

With the advent of DHS's reorganization, the Exercise and Evaluation Division is actively engaging with FEMA leadership to galvanize a regional approach to the NEP. The NEP will rely heavily on FEMA regional directors and State homeland security advisors to ensure that both forward-deployed Federal assets and State/local/tribal assets are using the NEP and the Homeland Security Exercise and Evaluation Program. This strategy shift will afford greater opportunity to increase interaction between Federal and State exercise activities, but not without a concurrent investment of additional resources in support of the increased regional presence (at State exercises).

To meet the mandated multi-year exercise planning system, an interactive system has been developed, along with procedures for adjudicating exercise activities. All exercises can be entered in the National Exercise Scheduling System (NEXS); those exercises

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determined to include Federal participation are posted to the Five-Year Schedule, which is organized and agreed upon by members of the Homeland Security Council.

Each Federally organized and conducted homeland security-related exercise can be input into the NEXS, while Tier-1 to Tier-3 exercises are included in the NEP Five-Year Schedule.

According to the Five Year Schedule, the following exercises are planned for FY 2007:
Tier 1 – National Level Exercise (NLE) –

- NLE 1-07: Positive Response/Vigilant Shield 12/07 (Nuclear weapons accident)
- NLE 2-07: Positive Response/Ardent Sentry/Northern Edge 5/07
- NLE 1-08: TOPOFF 4 Full Scale Exercise / Positive Response / Able Warrior / Global Lightning 10/07
- Principals Level Exercise (PLE) Tabletop 2/07 (Improvised Explosive Device)
- PLE Tabletop 4/07 (Nuclear-prep for the NLE 2-07)
- PLE Tabletop 7/07 (Biological-focus on Pandemic Influenza)
- PLE Tabletop 9/07 (Radiological-prep for the NLE 1-08)

Tier 2

- Golden Guardian 06 11/07
- Positive Force (Department of Defense) 3/07
- PINNACLE 5/07
- Pandemic Influenza Exercise 11/07
- Hurricane Preparedness Exercises 3-6/07
- Vigilant Shield (Department of Defense) 2008 12/07
- TOPOFF 4 Large Scale Game 12/07

Tier 3 – Other Federal Level Exercises

- Joint Logistics Over-the-Shore (Department of Defense) 2/07
- Able Warrior (Department of Defense) 3/07
- Unified Support (Department of Defense) 3/07

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- Spills Of National Significance 6/07
- Able Warrior (Department of Defense) 6/07
- DHS Infrastructure Protection Functional Exercise 3-6/07

Tier 4 – Non-Federal Exercises

- There are currently 94 Tier 4 exercises planned for 2007, ranging from an Incident Management Team exercise on January 9 (in North Carolina) to a Radiological Emergency Preparedness exercise on December 3 (in South Carolina).

Senior Official Exercises (SOEs)/ National Special Security Events

- Non-Governmental Organization SOE 4/07

To accommodate participation levels required to meet the tiered approach, DHS is developing a National Exercise Simulation Center (NESC). Capabilities-based planning requires an integrated approach that pools resources, maximizes efficiency, and provides sustained exercise and training support. The NESC will provide a central resource facility and interface to support DHS's exercise programs, activities, training, and initiatives. It will address current exercise and training deficiencies by:

- Coordinating management of training for exercise and evaluation programs, activities, and initiatives through expanded exercise participation;
- Enhancing exercise reality by using real-world command, control, and communication networks;
- Simulating non-participating Federal, State, local, non-governmental organizations, and private-sector entities; and
- Streamlining preparedness objectives and issue resolution through information management and exercise scheduling.

Question#:	36
Topic:	UASI funding
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Mary L. Landrieu
Committee:	HOMELAND SECURITY (SENATE)
Question:	Secretary Chertoff, Louisiana's Capital City, the City of Baton Rouge is home to one of the world's largest refineries and rests on the banks of the Mississippi River, which is home to shipping and a major chemical complex. It has received funding under the Homeland Security and Urban Area Initiative Grants in the past. The City of Baton Rouge was recently made ineligible for funding. Please explain how the funding criteria has changed? How many other communities around the nation fit into this category? How many communities will not receive funding this year? And which communities will receive funding because they are now eligible under the new criteria?

Answer:
For Fiscal Year 2007, the fundamental factors within the risk methodology – threat, vulnerability, and consequence – have not changed; however, the weighting of these factors and risk data are better understood and more transparent. The risk model considers the potential risk of terrorism to people, critical infrastructure, and economic security in a given area. In evaluating risk, the Department of Homeland Security (DHS) considers the populations in an area that could be at risk, the concentration of people in that area, and specific characteristics of their location that might contribute to risk, such as Intelligence Community assessments of threat, proximity to nationally critical infrastructure, and the economic impact of an attack.

In considering threat, DHS uses the Intelligence Community's best assessment of areas of the country and potential targets most likely to be attacked. For vulnerability and consequence, DHS considers the expected impact and consequences of successful attacks occurring in specific areas and to people, the economy, and nationally critical infrastructure and national security facilities.

In arriving at its conclusions, DHS has employed rigorous quantitative analysis and exercised common sense judgment, drawing on deep subject matter-expertise to generate sound analytical results. The principal driver in the risk analysis is the potential loss of life resulting from a terrorist attack in a particular area. Additionally, DHS considered approximately 2,100 nationally critical infrastructure assets that were vetted by States, Sector-Specific Agencies, and the private sector, and which of these assets are collectively considered to be the most critical from a national standpoint. The Gross Metropolitan Product (GMP) of an area or, in the case of a State, its percentage of Gross Domestic Product is also considered in the consequence analysis, along with the presence of military bases, defense industrial base facilities, and international border crossings. Taken together, these factors provide a meaningful estimation of the impact that the country could face if a particular area were attacked by terrorists.

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The Department has made refinements to the inputs used this year, taking into account expert judgment, enhanced data, and feedback from Federal, State, and local partners, all with the goal of better understanding risk associated with populations and nationally critical infrastructure. To that end, we have been able to rely upon the expertise of the Department's chief intelligence officer to review the threat component and apply expert judgment in the evaluation of those issues. We have focused asset data in the risk analysis on the infrastructure that is most critical from a national standpoint to ensure that our evaluation of national strategic risk truly centers on the assets whose destruction would be catastrophic to the entire country. As a result of this year's analysis, four urban areas—Baton Rouge, Louisville, Omaha, and Toledo— are not eligible to participate in the program in FY 2007, while four new urban areas— Providence, Tucson, El Paso, and Norfolk—will be able to participate.

Baton Rouge was not one the top 46 eligible urban areas in the FY 2007 Urban Areas Security Initiative (UASI) grant program. Without significant changes in risk data, Baton Rouge is not eligible to participate in the program. For example, the area has no military installations, no defense industrial base facilities, and a lower-than-average GMP, meaning that the national security and economic indices for this area are low relative to the other candidates. DHS used the 2005 census population estimate because it is unbiased and fair for all applicants, which is important to maintaining transparency into the risk methodology. This year, population calculations were improved to take into account transient, commuter, military-dependent, and tourist populations. From FY 2004 through FY 2006, Baton Rouge has received approximately $16 million in UASI funds. In addition, the State of Louisiana has received more than $350 million dollars from FY 2002 to present.

Question#:	37
Topic:	MMRS program
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Mary L. Landrieu
Committee:	HOMELAND SECURITY (SENATE)
Question:	Secretary Chertoff, Fire Chiefs, Emergency Managers, and City Officials from around the country came to capitol hill several weeks ago to ask that Congress continue to fund the Metropolitan and Medical Response System (MMRS), and they spoke of the value of the program. And as I understand, the Federal Emergency Management Agency funded the program directly to municipalities and County governments with a contract between the Federal Government and the local governments. In FY 2007, the program received $33 million in funding. It looks as though you plan to consolidate the program with other grant programs. Many local elected officials are concerned the program will lose its emphasis. Please explain the consolidation and how you think it better serves the local communities that support the program, as it was administered last year?

Answer:
The Metropolitan Medical Response System (MMRS) program transferred to the Office of Grants and Training (G&T) from the Federal Emergency Management Agency in Fiscal Year 2005. Beginning that year, the program was added to the portfolio of programs that are part of the Homeland Security Grant Program (HSGP). This consolidation directly supported the Department of Homeland Security's effort to streamline grant application procedures and strengthen ties among preparedness grant programs. Both Congress and the Administration recognize the vital contribution that the MMRS program has provided to local jurisdictions toward enhanced medical-response planning, operations, and an integrated medical-incident-management system. Consolidation of MMRS into other components of the HSGP would help sustain the critical activities that the program has achieved thus far in establishing local response systems, directly integrating MMRS program focus areas (e.g., chemical, biological, radiological, nuclear and explosive mass triage and initial medical treatment; quarantine preparedness; patient transportation; pharmaceutical cache management; National Incident Management System/National Response Plan integration into response plans) into overarching homeland-security-assistance-program guidance. Consistent with prior Administration budget requests, the Administration continues to believe that functions under MMRS should be prioritized by State and local governments.

Question#:	38
Topic:	SAFER grant program
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Mary L. Landrieu
Committee:	HOMELAND SECURITY (SENATE)
Question:	Secretary Chertoff, communities large and small throughout the country have relied on the SAFER Grant program to assist in meeting manning requirements for Fire Insurance Ratings, and many communities rely on the SAFER Grant program for basic first responder fire protection. Your budget eliminates the program completely. How do we expect communities to continue to meet the rigorous standards and provide basic fire protection for their citizens with the threats that exist in our country today?

Answer:
Since September 11, 2001, the Administration has provided nearly $22 billion in support to train, exercise, and equip State and local public-safety personnel, including firefighters, to ensure they are prepared to respond to a terrorist attack or other major incident. The President's Fiscal Year 2008 budget for DHS requests an additional $2.2 billion to assist State and local agencies and another $1 billion will be awarded in late FY 2007 by the Department of Commerce to enhance interoperable communications. Federal support has been directed to better focus scarce resources on enhancing target capabilities and to avoid supplanting basic public-safety investments at the State and local level. The Administration did not request funding for the Staffing for Adequate Fire and Emergency Response (SAFER) grant program based on the belief that a federally funded hiring program for firefighters risks replacing State and local funding for general-purpose public-safety staffing with Federal resources. The Administration believes that the funding of personnel costs detracts from the more critical Federal goal of enhancing local preparedness capabilities. At the same time, however, the $300 million requested to support the Fiscal Year 2008 Assistance to Firefighters Grant (AFG) Program continues a commitment to the fire service. In addition, a substantial portion of State and Urban Area Homeland Security grants are allocated to projects which support State and local fire service capabilities.

The amount requested for AFG will allow the Department to continue to award thousands of grants to local fire departments. Since its establishment, the AFG has provided more than $3 billion in grants to local fire departments. The Administration believes that within this context, and within the framework of awards that $300 million would provide, the requested amount for the AFG is sufficient.

($$$ in millions)
FY05

[redacted]

Question#:	39
Topic:	Flood Insurance Risk Maps
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Mary L. Landrieu
Committee:	HOMELAND SECURITY (SENATE)
Question:	Secretary Chertoff, communities in Louisiana have participated in the Flood Plain Modernization program for the last several years. After Hurricanes Katrina and Rita, 15 communities received Advisory Base Flood Elevation recovery maps, and 12 of 15 communities adopted the Advisory Base Flood Elevations. The communities adopted them based on the hope that new maps would soon be forth coming. The Flood Plain Map Modernization program assisted communities in Louisiana from being impacted more severely; your budget cuts the program by more than $ 4,000,000. Does your budget reduction impact FEMA's ability to create new Flood Insurance Risk Maps that will replace the Advisory Maps? Do you plan to increase funding for FEMA's FIRM program to assist in getting new maps out to the most impacted areas in Louisiana?

Answer

The Flood Map Modernization program is an approximately $ 1 billion effort over five years. The base level of funding was originally $200 million annually. To date, approximately $800 million has been provided for this program. While there is a $ 4.2 million reduction in the requested level of funding in the final year of the program, the number of maps produced is in line with projections for the initiative. The FY 2008 budget proposal also directs that any excess flood insurance fee collections be allocated to the floodplain management program area which includes flood hazard mapping, which is projected to make up for the reduction in directly appropriated funding and a potential increase in total funds available for flood hazard mapping.

Question#:	40
Topic:	Individual Recovery Assistance Programs
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Mary L. Landrieu
Committee:	HOMELAND SECURITY (SENATE)
Question:	Secretary Chertoff, on page 13 of your testimony, you state the following, "With a goal of 90 percent satisfaction with Individual Recovery Assistance Programs, during FY 2006 we achieved a customer satisfaction rating of 91 percent in response to the question, 'Overall, how would you rate the information and support you received from FEMA since the disaster occurred?'" Which disaster are you referring to? And please share with me the criteria used to gather the information? What methodology did your department use to gather the results?

Answer

Beginning with Hurricane Wilma in Florida in October 2005 and ending with severe storms and flooding in New Mexico in September 2006, there were 25 major disaster declarations that required Individual Assistance in FY 2006. FEMA's customer satisfaction rating of 91 percent for FY 2006 is the average survey response from applicants from each of these disasters.

FEMA's major call center activities include registration intake, helpline and casework. FEMA conducts telephone surveys of 368 applicants per activity for every major disaster that includes Individual Assistance as part of the recovery package. There are 368 surveys conducted on Registration Intake activity approximately one week after the applicant has registered. Another 368 surveys are conducted on helpline activity approximately one week after the applicant has contacted our helpline number to check status on their case, change information on their registration, or to ask any number of questions regarding their registrations or our programs.

Finally, we conduct 368 surveys after the applicants have had time to receive their initial eligibility determination, as well as payment, if they are qualified. We use this number per function because it provides 90% statistical validity with +/- error rate of 5 percent. This percentage of accuracy is in accordance with industry standards. All surveys are conducted over an 8-week period in order to measure customer satisfaction throughout the application period. The final report is published after all surveys have been completed.

Question#:	41
Topic:	WHTI implementation
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Ted Stevens
Committee:	HOMELAND SECURITY (SENATE)
Question:	Secretary Chertoff, as you know, my state, along with most Northern and Southern border states, are very concerned about the smooth implementation of the Western Hemisphere Travel Initiative along land and sea crossings. If not implemented correctly, this could cause significant problems for U.S. travelers and businesses, and could have a negative impact on our cross border relationships. Given your goal of implementing this program by January 2008, is $252M in fiscal year 2008 enough to ensure that our borders are well equipped and everything runs smoothly?

Answer:
Yes. The $252 million requested will support deployment of RFID infrastructure at 334 inbound lanes, covering approximately 68 percent of land border arrivals. This funding will also support 205 CBP Officers for vetting, enrollment, and processing of the projected 250,000 new enrollees into the combined trusted traveler programs. The NEXUS card is a WHTI authorized travel document in the air environment and it is anticipated that NEXUS, SENTRI and FAST documents will be acceptable in both the land and sea environments. This investment will create a more effective process for validating identify and citizenship at the time of border crossing.

Question#:	42
Topic:	Enhanced driver licenses
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Ted Stevens
Committee:	HOMELAND SECURITY (SENATE)
Question:	I recently met with members of the Canadian Parliament to discuss their concerns with the Western Hemisphere Travel Initiative. They mentioned a pilot program between the state of Washington and British Columbia, Canada to use enhanced driver's licenses as an accepted form of identification rather than requiring a passport or the proposed PASScard. It is my understanding that they have not received any funding from the Department for this. My state is currently evaluating legislation to similarly enhance our driver's licenses to meet the needs of enhanced border security. Such an option would be more easily accessible to many U.S. citizens in rural areas and more cost effective. Is the Department considering an enhanced driver's license option as a way to meet the requirements of the Western Hemisphere Travel Initiative? If not, do you lack the authority to consider this option?

Answer:
Yes, the Department is considering the possibility that an enhanced driver's license option may meet the requirements of the Western Hemisphere Travel Initiative. DHS, in consultation with DOS, will enter into a pilot project with the State of Washington to develop, test, issue, and evaluate an enhanced State-issued driver's license with facilitative technology. This enhanced driver's license may be used by volunteer U.S. citizens as an alternative document for crossing the land border. The enhanced driver's license would denote both identity and citizenship, and would be issued by the State according to the standards and requirements set forth for the purposes of this pilot project. DHS remains open to engaging with other States concerning their proposals.

Question#:	43
Topic:	OIG staffing
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Norm Coleman
Committee:	HOMELAND SECURITY (SENATE)

Q - Mr. Secretary, do you agree with Mr. Skinner that the Inspector General's office does not have the capacity to provide the oversight that's needed to ensure we are getting what we're paying for?

A - Since FY05 the OIG has received over $30 million in supplemental and transfer funding to support its expanding oversight responsibilities due to the disasters in the Gulf Coast. The FY08 request maintains the expanded oversight by requesting permanent funding to support the Disaster Assistance Oversight office while continuing the audit and investigations activities. The FY08 request also includes the establishment of an additional investigations sub-office in Bellingham, WA to support the anticipated increases in activity along the northern border with the upcoming 2010 Olympics in Vancouver, Canada.

Q - Mr. Secretary, the Office of the Inspector General received $99.1 million is FY08 Budget, an increase of about $426,000 over FY07 Revised Enacted Levels. Given the Inspector General's concerns, is the funding increase enough to provide him with the resources he needs to provide effective oversight?

A - In FY 08, DHS requests an $11M program increase for OIG to maintain an adequate and effective level of support for the Disaster Assistance Oversight office beyond the few years afforded to the OIG through emergency and supplemental funding. Through this effort, the OIG will be able to back-fill the vacancies created in the Office of Audits when the Disaster Assistance Oversight office was created last year, thereby ensuring that the OIG can continue to conduct needed audits, inspections, and investigations of DHS activities. The increase also provides for the hiring of two additional investigators and the establishment of an additional investigations sub-office in Bellingham, Washington.

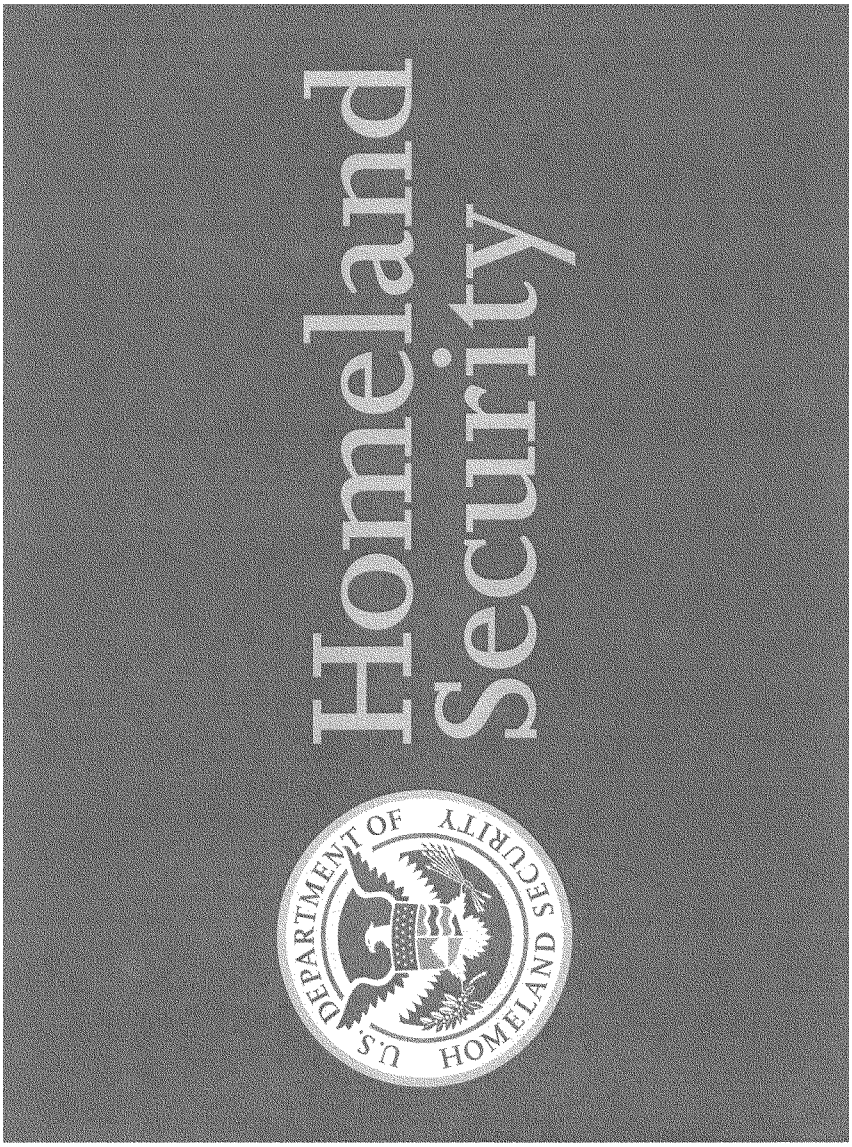
Q - Mr. Skinner testified that there were approximately 550 people on his staff and that includes the resources dedicated to the Gulf Coast. How many additional staff can be hired with the funding increase for FY08?

A - The funding increase for FY 08 proposes a permanent funding source for the staff funded through a transfer from the Disaster Relief Fund, as well as two additional investigators to open a sub office in Bellingham, Washington. In addition, a large portion of the staff for the Disaster Assistance Oversight office comprises contractors who provide surge support for the OIG, and thus is not reflected in the FTE count for the OIG.

Question#:	43
Topic:	OIG staffing
Hearing:	The Homeland Security Department's Budget Submission for FY 2008
Primary:	The Honorable Norm Coleman
Committee:	HOMELAND SECURITY (SENATE)

Q - Mr. Skinner noted that in recent years, more of the Homeland Security budget has gone to outside contractors. I believe he testified that in FY05 it was about 25 percent and it rose to 40 percent in FY06. Do you anticipate this percentage to be higher for FY07 and FY08? If so, will this increase the burden on the Inspector General's office and require them to hire additional staff?

A - It is uncertain whether the percentage of the Homeland Security budget that will go to outside contractors will increase or decrease. It is also unclear if the increase or decrease of outside contractors will increase or decrease the workload of the OIG.

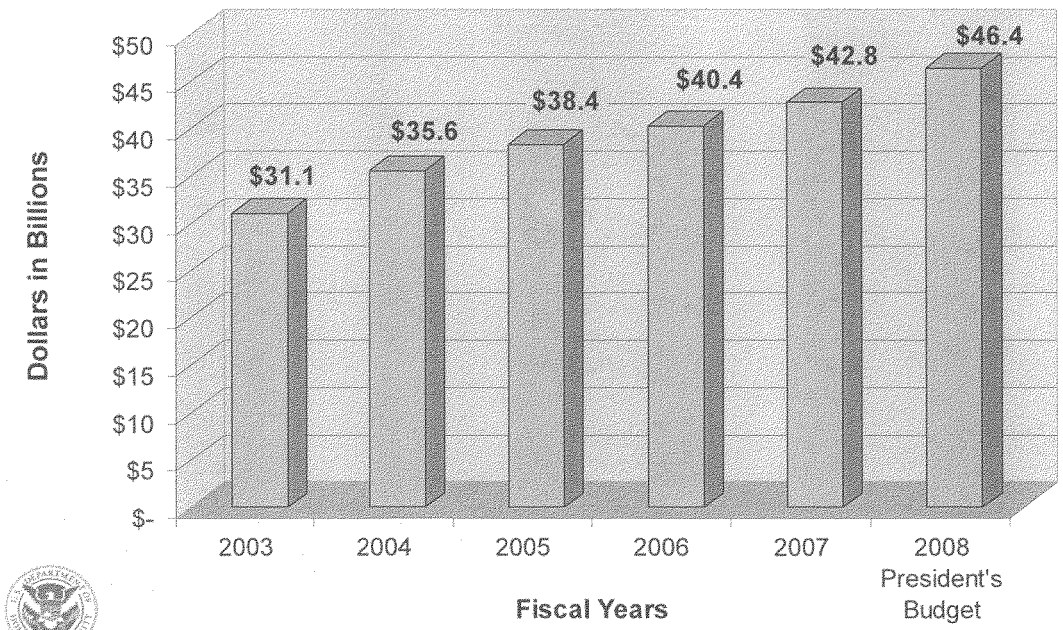

U.S. DEPARTMENT OF HOMELAND SECURITY
Homeland
Security

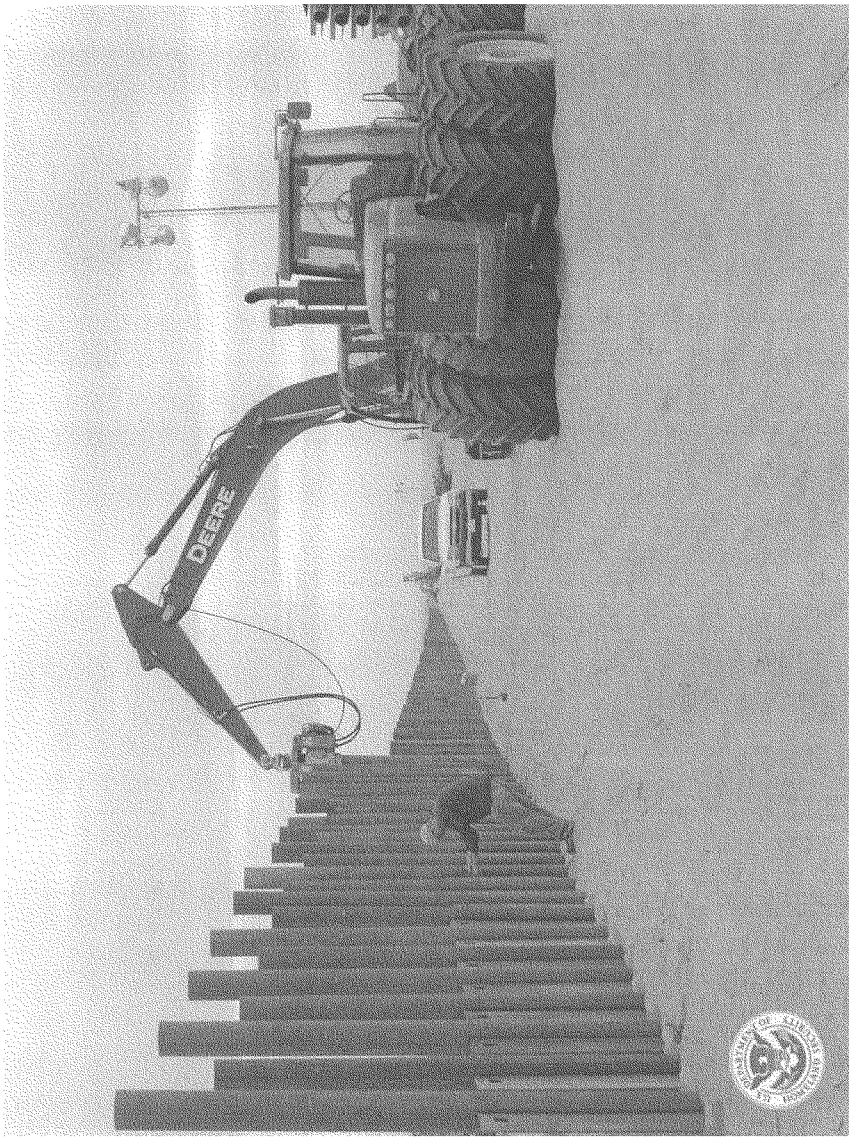
Department of Homeland Security
Goals & Priorities

- Continuing to Protect our Nation from Dangerous People
- Continuing to Protect our Nation from Dangerous Goods
- Protecting Critical Infrastructure
- Building a Nimble, Effective Emergency Response System and a Culture of Preparedness
- Strengthening and Unifying DHS Operations and Management

Department of Homeland Security Total Budget Authority

49% Growth in Total Budget Authority from FY 2003 to FY 2008

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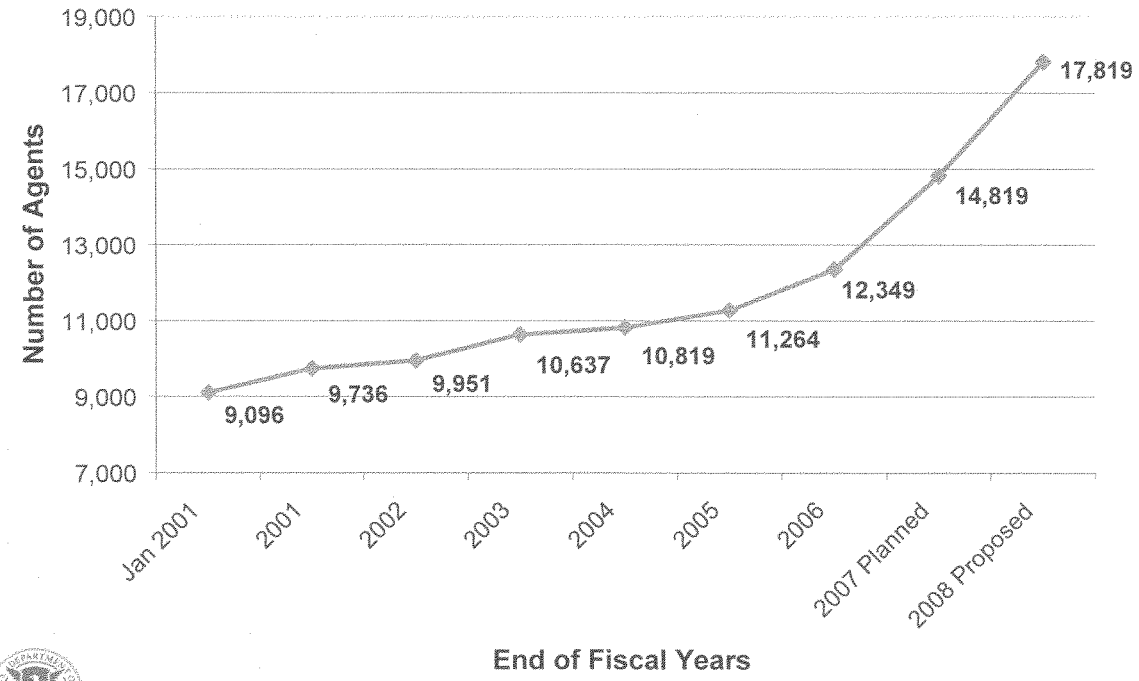
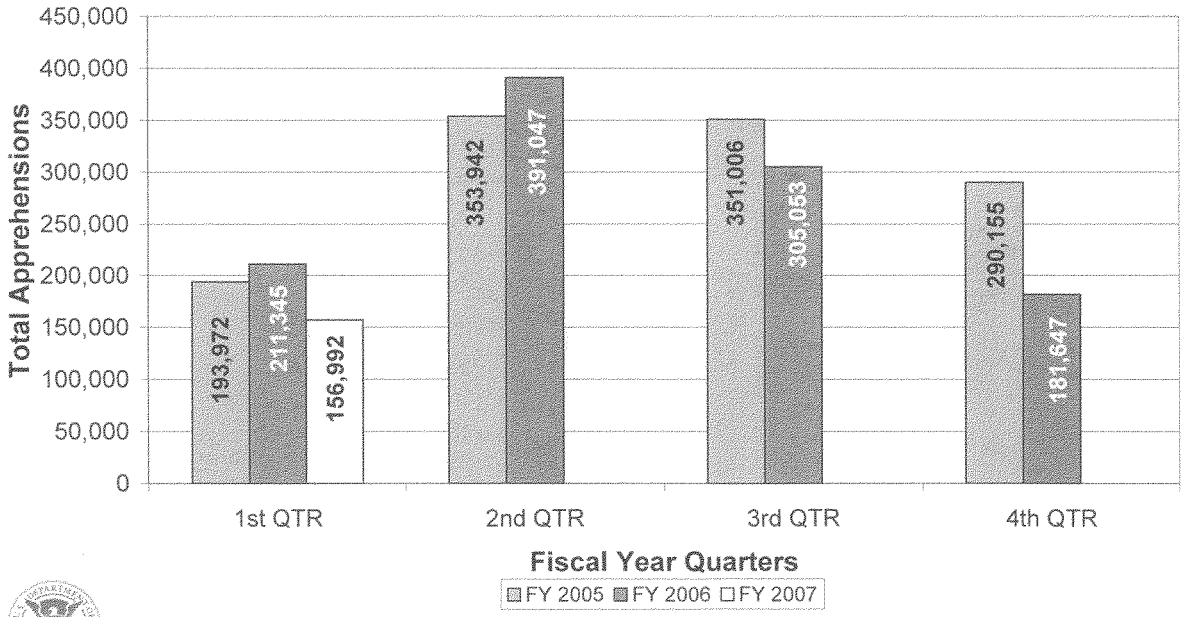
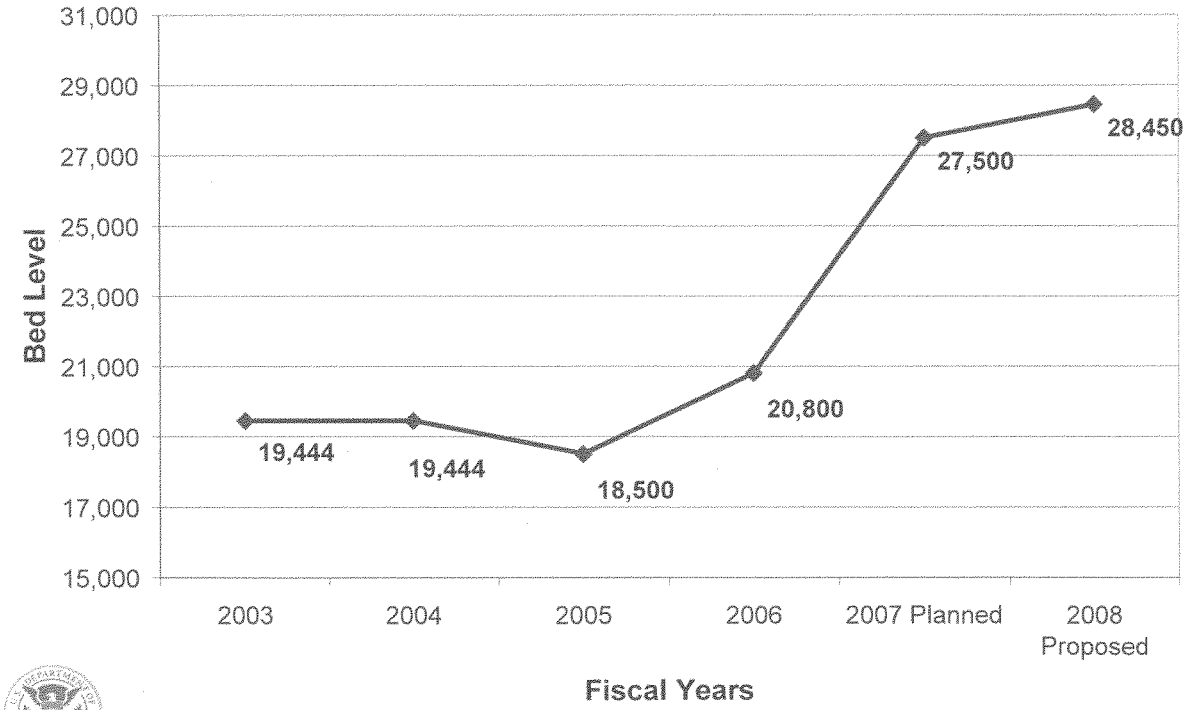
Border Security: Doubling the Number of Border Patrol Agents by the End of CY 2008



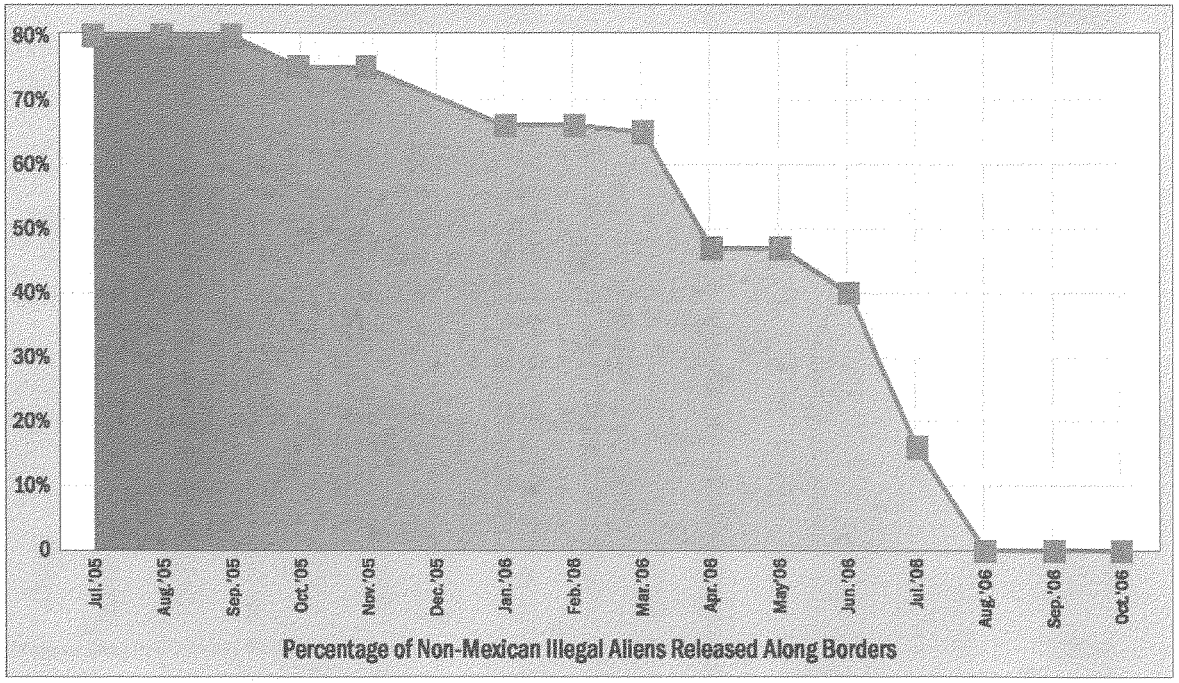
Border Security Deterrence Effect: Apprehensions Down by 35 Percent



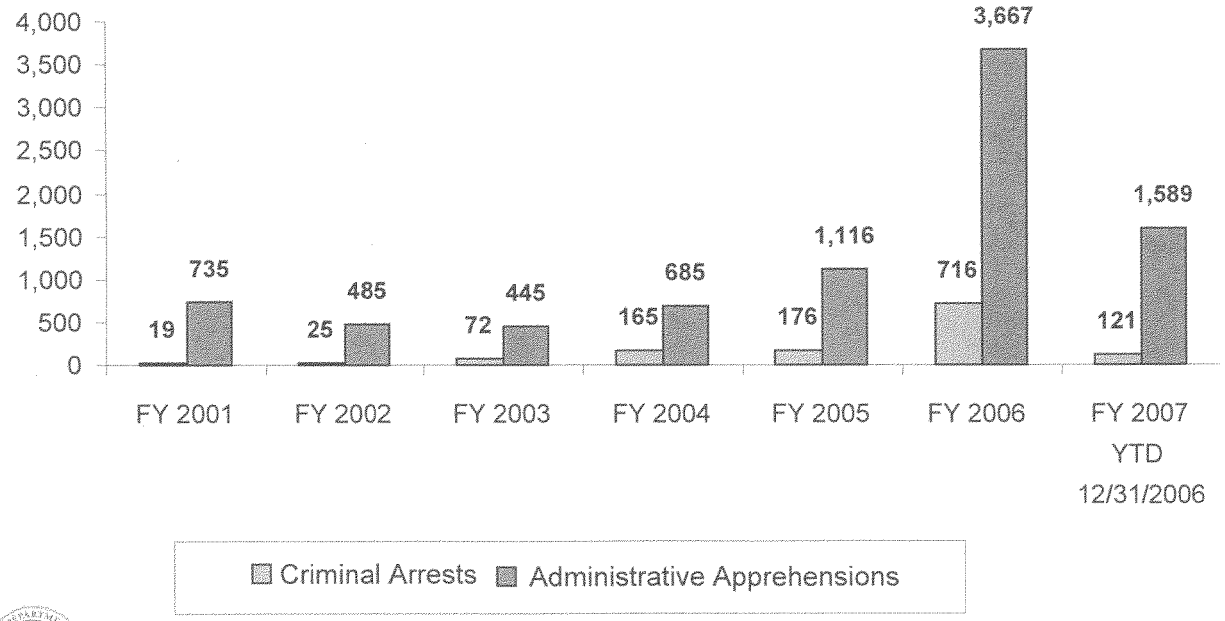
ICE: Detention Beds Increased by 46 Percent



SBI Ends Catch and Release



ICE: Worksite Enforcement Sets Record in FY 2006



Homeland Security

Budget-in-Brief

Fiscal Year 2008

"...One of the strongest weapons in our arsenal is the power of freedom...We are fighting to maintain the way of life enjoyed by free nations... Throughout our history, America has seen liberty challenged, and every time, we have seen liberty triumph with sacrifice and determination.

Our nation has endured trials, and we face a difficult road ahead. Winning this war will require the determined efforts of a unified country...We will defeat our enemies. We will protect our people. And we will lead the 21st century into a shining age of human liberty."

—President George W. Bush
On the War on Terrorism
September 11, 2006

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DEPARTMENT OF HOMELAND SECURITY

Our Vision

Preserving our freedoms, protecting America...we secure our homeland.

Our Mission

The Department of Homeland Security will lead the unified national effort to secure America. We will prevent and deter terrorist attacks and protect against and respond to threats and hazards to the nation. We will ensure safe and secure borders, welcome lawful immigrants and visitors, and promote the free-flow of commerce.

Our Key Accomplishments

Five years after September 11, 2001, the Department of Homeland Security (DHS) is more dedicated than ever to our vision and accomplishing our mission. September 11, 2001, will forever be etched in our souls as we remember the lives lost, the terror felt, the sacrifices made, and the courage shown. As a result of the deliberate and malicious acts of our enemies that occurred on that day, the Department was formed and charged with the significant responsibility of securing America. As we approach the Department's fourth anniversary on March 1, 2007, and assess our accomplishments of 2006, we recognize that the Department has endured challenges, yet bravely stood in the face of our Nation's enemies, diligently building systems to secure our homeland with urgency, flexibility, and resolve. Our key accomplishments are centered on the five goals detailed below.

PROTECT OUR NATION FROM DANGEROUS PEOPLE

- ***6,000 National Guard Deployed to Border:*** In support of the President's initiative to secure the border, 6,000 National Guard personnel were deployed to the Southwest border as part of *Operation Jumpstart*. In addition to the National Guard deployment, Border Patrol Agent staffing increased by nearly 10 percent, from 11,265 to 12,349.

- ***"Catch and Return" Replaces "Catch-and-Release" Along the Borders:*** As part of the Secure Border Initiative, the Department ended the practice of "catch and release" along the southern and northern border. In the past, we apprehended illegal aliens from countries other than Mexico and then released them on their own recognizance. Often these illegal aliens failed to return for their hearing. Ending this practice and replacing it with "catch and return" is a breakthrough in deterring illegal immigration on the southern border. This accomplishment is one that many considered impossible in 2005 when only approximately 34 percent of apprehended non-Mexican aliens were detained.

- ***Increased Border Security At and Between the Nation's Ports of Entry:*** By deterring illegal migration, security has been strengthened. DHS can more effectively target resources to control our borders with fewer alien crossings. U.S. Customs and Border Patrol (CBP) agents reduced the number of apprehensions at the borders by more than eight percent in FY 2006. As a result of targeted coordinated enforcement efforts, CBP Border Patrol reduced non-Mexican illegal alien apprehensions by 35 percent.

- ***CBP Increases Capability to Secure the Northern Border***: CBP Air and Marine opened its third of five Air Branches planned for the Northern Border of the United States. The Great Falls Air Branch, Montana joins the Bellingham, Washington, and Plattsburgh, New York, Air Branches in supporting Homeland Security efforts along the northern tier.

- ***Ports of Entry Inspections Form First Line of Defense at Land Borders***: CBP officers inspected 422 million travelers, more than 132 million cars, trucks, buses, trains, vessels and aircraft. CBP Officers inspected 1.19 million private vehicles, 11.48 million trucks and more than 1 million aircraft.

- ***ICE Sets New Records for Worksite Enforcement and Compliance Enforcement:*** More than 4,300 arrests were made in ICE worksite enforcement cases, more than seven times the arrests in 2002, the last full year of operations for U.S. Immigration and Naturalization Service. ICE completed 5,956 compliance enforcement investigations resulting in the administrative arrest of 1,710 overstay and status violators, a 75 percent increase over the number of administrative arrests in FY 2005.

- ***U.S. Immigration and Customs Enforcement (ICE) Sets New Record for Alien Removals:*** ICE removed a record 189,670 illegal aliens from the country in fiscal year 2006, a 12 percent increase over the number of removals during the prior fiscal year. ICE also increased its detention bed space by 6,700 during fiscal year 2006. Combined with fiscal year 2007 enhancements, ICE is now funded for a total of 27,500 beds.

- ***The U.S. Visitor Immigrant Status and Information Technology (US-VISIT) Biometric Program Keeps Terrorists and Other Criminals Out of Our Country:*** US-VISIT's biometric program increased watch list hits by 185 percent at consular offices. Keeping terrorists and other criminals out of our country helps protect the American people, while facilitating visits from those who are legitimate and appropriate. In FY 2006, there were 2,558 watch list hits at consular offices, up from 897 hits in FY 2005. The use of biometrics has allowed DHS to deny entry to more than 1,100 known criminals and visa violators.

- ***TSA Responds to Liquid Explosive Threat:*** Although over 600 million people fly each year, the Transportation Security Administration (TSA) was able to perform necessary passenger screening operations preventing and protecting against adverse actions while attaining a new high in customer satisfaction. Customer satisfaction reached 81 percent, a new high for screening operations at the nation's security checkpoints. In addition, in response to the foiled terror plot in England, TSA trained its 43,000 security officers to address the threat of liquid explosives. After two days, security wait times returned to normal levels. Six weeks later, after conducting extensive explosive testing with our federal partners, TSA again proved its flexibility by modifying its ban on liquids by allowing limited quantities onboard aircraft. Again, efficiency was not affected and in fact, wait times during the Thanksgiving holiday in 2006 were slightly lower than in 2005.

- ***U.S. Coast Guard Migrant Interdiction Efforts Contributed to Border Security:*** The Coast Guard evaluates its migrant interdiction effectiveness by counting the number of undocumented migrants from four primary source countries (Cuba, Haiti, the Dominican

Republic, and the Peoples Republic of China) against the combined estimated yearly migration threat from these countries. There were 5,552 successful migrant arrivals out of an estimated threat of 51,134 migrants in FY 2006, yielding a deterrence and interdiction rate of 89 percent.

PROTECT OUR NATION FROM DANGEROUS GOODS

- ***Increased the Number of Containers Inspected Prior to Entering the United States:*** Almost seven million cargo containers arrive and are offloaded at U.S. seaports each year. CBP increased the percent of shipping containers processed through its Container Security Initiative prior to entering U.S. ports from 48 percent in FY 2004 to 82 percent in FY 2006. This significantly decreases the risk of terrorist materials entering our country while providing processes to facilitate the flow of safe and legitimate trade and travel from more foreign ports.

- ***DHS Deploys Over 880 Radiation Portal Monitors at Land and Sea Ports:*** DHS deployed 283 new radiation portal monitors throughout the Nation's ports of entry, bringing the number of radiation portal monitors to 884 at the Nation's land and sea ports of entry.

- ***The Domestic Nuclear Detection Office (DNDO) Awards over $1 Billion for Next Generation Nuclear Detection Devices:*** DNDO announced the award of Advanced Spectroscopic Portal (ASP) program contracts totaling $1.15 billion to enhance the detection of radiological and nuclear materials at the Nation's ports of entry. ASP models were deployed to the Nevada Test Site, where they will be tested using nuclear threat material. Portals have also been delivered to the New York Container Terminal for data collection.

- ***Protecting Air Cargo:*** Recently published air cargo security rules help prevent the use of air cargo as a means of attacking aircraft. The rules mark the first substantial changes to air cargo regulations since 1999, and represent a joint government-industry vision of an enhanced security baseline. These new measures will be enforced by an expanded force of air cargo inspectors, who will be stationed at the 102 airports where 95 percent of domestic air cargo originates.

- ***U.S. Coast Guard Sets Record for Drug Seizures and Arrests:*** This year, counter-drug boardings from U.S. and Royal Navy vessels resulted in all-time records for seizures and arrests. The 93,209 pounds of drugs that were seized was more than the combined amount seized in the last two years.

PROTECT CRITICAL INFRASTRUCTURE

- ***Buffer Zone Protection Plans Help Protect Communities from Potential Terrorist Attacks Against Chemical Facilities:*** In 2006, 58 percent of identified critical infrastructure has implemented Buffer Zone Protection (BZP) Plans, up significantly from our FY 2005 percentage of 18 percent. The Department worked in collaboration with State, local, and tribal entities by providing training workshops, seminars, technical assistance and a common template to standardize the BZP plan development process.

- ***DHS Completes National Infrastructure Protection Plan (NIPP):*** The NIPP is a comprehensive risk management framework that clearly defines critical infrastructure protection roles and responsibilities for all levels of government, private industry, nongovernmental agencies and tribal partners.

- ***TSA Conducts Rail Security Explosives Detection Pilot Programs:*** Rail Security Explosives Detection Pilot Programs were conducted in Baltimore, MD and Jersey City, NJ to test and evaluate security equipment and operating procedures as part of DHS's broader efforts to protect citizens and critical infrastructure from possible terrorist attacks.

- ***U.S. Coast Guard Implements National Capital Region Air Defense Mission:*** The U.S. Coast Guard officially assumed responsibility for air intercept operations in the Nation's capital from CBP. The Coast Guard will support the North American Aerospace Defense Command's mission with its rotary wing air intercept capability. Coast Guard HH-65C helicopters and crews will be responsible for intercepting unauthorized aircraft which fly into an air defense identification zone that surrounds Washington, D.C.

- ***The Secret Service Continued its 100 Percent Protection Rate of Our Nation's Leaders:*** To safeguard our Nation's leaders, the Department operates the Domestic Protectees program 24 hours a day, 365 days a year to protect the President, Vice President, and their families, former Presidents and their spouses, and other individuals designated by statute or Presidential directive. All protectees arrived and departed safely 100 percent of the time at more than 6,275 travel stops during FY 2006.

BUILD A NIMBLE, EFFECTIVE EMERGENCY RESPONSE SYSTEM AND A CULTURE OF PREPAREDNESS

- ***Federal, State, Local and Tribal Governments are Better Able to Protect Against Acts of Terrorism, Natural Disasters, or Other Emergencies:*** The percent of federal, state, local, and tribal governments that are compliant with the National Incident Management System (NIMS), for FY 2006 was 100 percent, up from 82 percent. NIMS establishes standardized processes, protocols, and procedures that all responders - federal, state, tribal, and local - will use to coordinate and conduct response actions. With responders using the same standardized procedures, they will all share a common focus in national preparedness and readiness in responding to and recovering from an incident should one occur.

- ***The Federal Emergency Management Agency (FEMA) Average Response Time to Arrive at a Disaster Scene Has Improved:*** With a goal of 48 hours for Federal Response teams to arrive on scene at a disaster site, during FY 2006 our average response time was 25 hours. Improving the timeliness of specialized Federal Response teams has saved lives, reduced property loss, enabled greater continuity of services, and enhanced logistical capability in the wake of disasters.

- ***Customer Satisfaction with FEMA's Recovery Assistance Has Improved:*** To ensure that individuals and families that have been affected by disasters have access to the full range of response and recovery programs in a timely manner, the Department seeks to increase the annual customer satisfaction level among recipients, while reducing the program delivery cost and increasing the timeliness of service delivery. With a goal of 90 percent satisfaction with Individual Recovery Assistance programs, during FY 2006 we achieved a customer satisfaction rating of 91 percent in response to the question "Overall, how would you rate the information and support you received from FEMA since the disaster occurred?"

- ***FEMA Expands Capability to Assist Disaster Victims:*** FEMA increased registration capability to 200,000 victims a day through its toll-free registration number, online registration process, registering individuals in shelters and using mobile units; increased home inspection capacity to 20,000 a day; activated a contract to assist in identity verification in future disasters; and tightened processes to speed up delivery of needed aid while simultaneously reducing waste, fraud, and abuse.

- ***FEMA Strengthens Logistics Management Capabilities:*** FEMA implemented the Total Asset Visibility (TAV) program to provide enhanced visibility, awareness, and accountability over disaster relief supplies and resources. It assists in both resource flow and supply chain management.

- ***FEMA Improves Communications and Situational Awareness:*** To improve upon existing systems, DHS has initiated technological advances and elevated the standard by using satellite imagery, upgrading radios, and employing frequency management. The new National Response Coordination Center at FEMA and Mobile Registration Intake Centers are now operational.

- ***DHS Awards $2.6 Billion for Preparedness:*** Included in this total, approximately $1.9 billion in Homeland Security Grant funds has been awarded to State and local governments for equipment, training, exercises, and various other measures designed to increase the level of security in communities across the Nation. Over $300 million in grants was awarded to strengthen the Nation's ability to prevent, protect against, respond to, and recover from terrorist attacks, major disasters, and other emergencies that could impact this country's critical infrastructure. Almost $300 million was also distributed in fire grants to fire departments and EMS organizations to enhance their response capabilities and to more effectively protect the health and safety of the public and emergency response personnel with respect to fire and all other hazards.

- ***DHS Reviews 131 State and Local Emergency Plans:*** By reviewing State and local disaster plans, collocating decision-makers, and pre-designating Federal leadership, DHS is improving coordination across all levels of government. Through the Nationwide Plan Review, DHS completed visits to 131 sites (50 states, 6 territories, and 75 major urban areas) and reviewed the disaster and evacuation plans for each. These reviews will allow DHS, states, and urban areas to identify deficiencies and improve catastrophic planning.

STRENGTHEN AND UNIFY DHS OPERATIONS AND MANAGEMENT

- ***Chief Human Capital Office Moves Forward with Performance Management Goals:*** DHS deployed its performance management program and its automated system to approximately 10,000 employees in multiple components and trained 350 senior executives and more than 11,000 managers and supervisors in performance leadership.

- ***The Office of Security Completes HSPD-12 Goals:*** The Office of Security met all 12 requirements of the Homeland Security Presidential Directive (HSPD) by deploying an HSPD-12 compliant credentialing system and associated policy and procedures. This new credential meets all federal requirements for interoperability and security.

- ***The Chief Procurement Office Exceeds Small Business Goals***: DHS awarded approximately 34 percent of DHS prime contracts to small businesses, exceeding the goal by 4 percent.

- ***Chief Information Office Stands up New Data Center***: Data Center Services completed the Stennis Space Center Data Center Construction Phase I, 24,000 square feet, on time and the first application has been transferred to this data center.

FISCAL YEAR 2008 BUDGET OVERVIEW

	FY 2006 Revised Enacted [1]	FY 2007 Revised Enacted [2]	FY 2008 Pres. Budget	FY 2008 +/- FY 2007
	$000	$000	$000	$000
Net Discretionary:	$ 30,845,620	$ 32,392,530	$ 34,341,481	$ 1,948,951
Discretionary Fees:	2,659,854	2,976,369	3,451,801	475,432
Less rescission of prior year carryover: [3]	*(148,603)*	*(313,005)*	*(48,787)*	*264,218*
Gross Discretionary	**33,356,871**	**35,055,894**	**37,744,495**	**2,688,601**
Mandatory, Fee, Trust Funds: [4]	7,063,136	7,748,515	8,655,207	906,692
Total Budget Authority:	$ 40,420,007	$ 42,804,409	$ 46,399,702	$ 3,595,293
Supplemental: [5]	$ 8,179,035	$ 1,829,000	-	$ (1,829,000)
Less rescission of prior year supplemental: [6]	*$ (23,409,300)*	-	-	-
Public Safety Interoperable Communications Grants: [7]			$ 1,000,000	$ 1,000,000

1/ FY 2006 revised enacted reflects a one percent across the board rescission (-$307.124 million), and USCG Operating Expenses rescission (-$260.533 million) pursuant to P.L. 109-148, and a rescission for Screening Coordination and Operations (-$3.960 million) pursuant to P.L. 109-234; a transfer from DOD to USCG ($100 million) pursuant to P.L. 109-148 and ($75 million) pursuant to P.L. 109-234; and technical adjustments to reflect USCG Health Care Fund ($260.533 million) and for revised fee estimates in TSA Transportation Threat Assessment and Credentialing fees (-$131 million) and Aviation Security offset, FEMA National Flood Insurance Fund offset (-$62 million) and CBP Small Airport estimates ($.814 million).

2/ FY 2007 revised enacted reflects a transfer from DOD to USCG ($90 million) pursuant to P.L. 109-289 and the transfer of FEMA Public Health ($33.885 million) to the Department of Health and Human Services pursuant to P.L. 109-295; and technical adjustments for revised fee estimates in TSA Transportation Threat Assessment and Credentialing fees (-$45.101 million) and Aviation Security offset, CBP Small Airport estimates ($.950 million) and FEMA Radiological Emergency Preparedness Program (-$6 million) to reflect net of collections based on the FY 2008 request.

3/ Reflects scorekeeping adjustment for rescission of prior year unobligated balances: FY 2006 enacted rescission of prior year unobligated balances from USCG (-$100.103 million), TSA (-$5.5 million), S&T (-$20 million), Counterterrorism Fund (-$8 million), and Working Capital Fund (-$15 million); FY 2007 enacted rescission of prior year unobligated balances from USCG (-$102.793 million), TSA (-$66.712 million), S&T (-$125 million), USSS (-$2.5 million), Counterterrorism Fund (-$16 million); FY 2008 President's Budget proposes rescission of prior year unobligated balance from USCG (-$48.787 million).

4/ Mandatory, Fee, Trust Funds: FY 2006 revised enacted includes fee estimates for FEMA NFIF mandatory fund ($2.104 billion), USSS Retirement Fund ($200 million), USCG Trust Funds ($269.365 million), CBP Customs Unclaimed Goods ($5.897 million), and revised fee estimates for CBP ($70.528 million), ICE (-$17.552 million), TSA (-$8 million); FY 2007 revised enacted includes fee estimates for FEMA NFIF mandatory fund ($2.631 billion), USSS Retirement Fund ($200 million), USCG Trust Funds ($244.202 million), CBP Customs Unclaimed Goods ($5.897 million), and revised fee estimates for CBP ($36.347 million).

5/ In order to obtain comparable figures, Total Budget Authority excludes: FY 2006 supplemental funding pursuant to P.L. 109-148 for Hurricane Katrina ($285.1 million: $206.5 million - USCG, $3.6 million - USSS, $17.2 million - FEMA, $10.3 million - PREP, $13 million - ICE, $34.5 million - CBP) and for Avian Flu ($47.283 million - provided to Office of the Secretary and Executive Management for distribution throughout the Department), supplemental funding pursuant to P.L. 109-234 for the Global War on Terror and Hurricane Recovery ($7.847 billion: $2 million - OIG, $822.7 million - CBP, $327 million - ICE, $307.392 million - USCG, $20 million - USSS, $15 million - PREP, $6.324 billion - FEMA, $25 million - FLETC, $3.960 - OSEM); and FY 2007 emergency funding pursuant to P.L. 109-295 for the Global War on Terror (1.829 billion: $22 million - FLETC, $175.8 million - USCG, $30 million - ICE, $1.601 billion - CBP).

6/ Reflects scorekeeping adjustment pursuant to P.L. 109-148 for rescission (-$23.409 billion) of prior year unobligated balances from P.L. 109-62 Hurricane Katrina supplemental for FEMA Disaster Relief.

7/ In coordination with DHS's State Preparedness Grant Programs, FEMA will be co-administering the $1 billion Public Safety Interoperable Communications (PSIC) grant program in partnership with the Department of Commerce pursuant to P.L. 109-171 and P.L. 109-459. The funding for this program was appropriated per The Deficit Reduction Act of 2005 from anticipated spectrum auction receipts, and therefore is not included as requested DHS budget authority. However, PSIC will support interoperable communications grants to State and local public safety agencies, and adjusted totals are provided to illustrate the level of grant funding that will become available for State and local preparedness projects.

FY 2008 Budget Request

As the Department reflects on the fifth anniversary of the tragic events that occurred on September 11, 2001, we remain committed to our duty of securing our homeland, directing our resources toward the greatest risks, and being flexible to changing threats. The FY 2008 budget request for the Department of Homeland Security represents an eight percent increase over FY 2007, with a total request of $46.4 billion in funding. The Department's FY 2008 gross discretionary budget is $37.7 billion, an increase of eight percent. Gross Discretionary funding does not include funding such as Coast Guard's retirement pay accounts and fees paid for immigration benefits. The Department's FY 2008 net discretionary budget is $34.3 billion, which does not include fee collections such as funding for the Federal Protective Service (ICE), aviation security passenger and carrier fees (TSA), credentialing fees (such as TWIC - TSA), and premium collections (National Flood Insurance Fund, FEMA). It should also be noted that the FY 2008 President's Budget request reflects the Notice of Implementation of the Post–Katrina Emergency Reform Act of 2006 (P.L. 109-295) and of Additional Changes Pursuant to Section 872 of the Homeland Security Act of 2002, provided to Congress on January 18, 2007.

The Department continues to be disciplined in its use of resources, and has structured its budget request to target the Secretary's five highest priorities.

PROTECT OUR NATION FROM DANGEROUS PEOPLE

Continuing to protect America from enemies that seek to destroy our freedom is critical to the Department's mission. Strengthening border security, screening, vetting, and identity verification operations; developing fraud resistant IDs and biometric tools; creating an interoperable architecture for the Transportation Worker Identification Credential program, Western Hemisphere Travel Initiative, and Real ID requirements; and achieving full database interoperability between DHS, the FBI, and the Department of State are fundamental to the Department continuing to protect our Nation from dangerous people. Requested funding for the following initiatives will support this significant goal:

- Total funding of $1 billion is requested for the **SBInet** program to support the deployment of an integrated infrastructure and technology solutions for effective control of the border to include fencing and virtual barriers to prevent illegal entry into the United States.

- Total funding of $778 million will provide for **3,000 additional Border Patrol agents** as well as the facilities to house the agents, the support personnel, and equipment necessary to gain operational control of our borders. This will bring the total number of Border Patrol agents to 17,819 at the end of FY 2008.

- Increased funding of $252 million is requested for implementation of the **Western Hemisphere Travel Initiative** (WHTI) at land ports of entry. The requested resources will advance the WHTI goal of ensuring that all people arriving at U.S. ports of entry have a valid and appropriate means of identification, and can be processed in an efficient manner.

- An increase of $146.2 million for the Unique Identity initiative will establish the foundational capabilities to improve identity establishment and verification with the transition to **10-Print and IDENT/IAFIS Interoperability**. The funding will provide the capability to biometrically screen foreign visitors requesting entry to the United States through the collection of 10-print (slap) capture at enrollment. US-VISIT, along with the Departments of State and Justice, will be able to capture ten fingerprints rather than the current two, as well as continue efforts to develop interoperability between DHS' Automated Biometric Identification System and Justice's Integrated Automated Fingerprint Identification System.

- An increase of $224.2 million in funding will support the Transportation Security Administration's screening operations. This includes funding for **Transportation Security Officers (TSO), Document Checkers, Career Progression Program**, and procurement and installation of checkpoint support and explosives detection systems. TSA has evolved its TSO workforce to be highly responsive and effective in addressing the variety of potential threats, such as those presented in August 2006 by liquids, aerosols, and gels. In FY 2007 and FY 2008, TSA plans to add an important layer of defense for aviation security by assuming responsibility of document checking.

- An increase of $38 million in funding will support development and initial operating capability for the **Secure Flight** system. This includes funding for hardware procurement, operations ramp-up and training, and network interface engineering between the Secure Flight and the CBP Advanced Passenger Information System (APIS) network. TSA anticipates the publication of the Secure Flight final rule in the second quarter of FY 2008. Secure Flight will strengthen watch list screening and vet all domestic air travelers.

- An increase of $28.7 million for the ICE **Criminal Apprehension Program** (CAP) will ensure the safety of the American public through the addition of 22 CAP teams. These teams will continue the mission of identifying and removing incarcerated criminal aliens so they are not released back into the general population.

- An increase of $16.5 million in funding will support the **Transportation Worker Identification Credential** (TWIC) which will establish an integrated, credential-based, identity verification program through the use of biometric technology. In order to gain unescorted access to the secure areas within the Nation's transportation system, transportation workers who need access to these areas will go through identity verification, a satisfactory background check, and be issued a biometrically verifiable identity card to be used with local access systems. The TWIC final rule has very recently been issued, and initial enrollment for this program is scheduled to begin in March 2007.

- A total of $788.1 million is requested for the Coast Guard's **Integrated Deepwater System.** This funding will: complete the acquisition of four National Security Cutters; fund engineering and design costs for the Replacement Patrol Boat; and purchase four additional Maritime Patrol Aircraft. These long-awaited upgrades to its fleet will

strengthen the Coast Guard's ability to safeguard our seaports from terrorists seeking to enter the country or transport dangerous weapons or materials.

- A funding request of $30 million, along with a carryover of $43 million from 2007, will total $73 million for the U.S. Citizenship and Immigration Service (USCIS) **Employment Eligibility Verification** (EEV) Program. Through this voluntary, web-based program, U.S. employers are able to quickly verify the employment eligibility of their employees, helping them avoid the hiring of unauthorized workers and upholding our immigration laws.

- Total funding of $263 million requested for the **Federal Law Enforcement Training Center** (FLETC) will provide the most current basic and advanced training for our Nation's law enforcement officers. FLETC will provide training for over 53,000 students in FY 2008 including an estimated 4,350 Border Patrol agents, 620 ICE investigators and 530 ICE detention personnel in support of the Secure Border Initiative.

PROTECT OUR NATION FROM DANGEROUS GOODS

As we continue to protect against dangerous people, it is equally important to protect the Nation against dangerous goods. We are working aggressively to improve maritime cargo security, including enhancing domestic and overseas container scanning. In addition, the Department is dedicating funding to improve technology and reduce costs to the BioWatch program, a key element in its' comprehensive strategy for countering terrorism. The following initiatives are fundamental to the Department achieving our goal of protecting the Nation from dangerous goods.

- Total funding of $178 million is requested for the **procurement and deployment of radiation portal monitors**, including next-generation Advanced Spectroscopic Portal (ASP) systems. The requested resources will assist the Department in achieving its goal of screening 98 percent of all containers entering the United States by the end of FY 2008.

- An increase of $15 million is requested for the **Secure Freight Initiative** that is designed to maximize radiological and nuclear screening of U.S. bound containers from foreign ports. Secure Freight includes a next generation risk assessment screening program and an overseas detection network, while merging existing and new information regarding containers transiting through the supply chain to assist customs and screening officials in making security and trade decisions.

- An increase of $47.4 million is requested for **DNDO's "The Acceleration of Next-Generation Research and Development"** program which will increase funding across multiple DNDO Research, Development, and Operations program areas. The largest increases will be for the Systems Development (including multiple variants of Advanced Spectroscopic Portal systems) and Transformational Research and Development program areas.

PROTECT CRITICAL INFRASTRUCTURE

Central to the Department's mission is supporting effective critical infrastructure security investments at the Federal, State, and local levels. The President's Budget requests funding for initiatives that continue to support strengthening national chemical plant security, protecting high risk transportation systems, and cultivating mutually beneficial partnerships with industry owners and operators. These key funding requests are critical elements to guarding the Nation's infrastructure:

- An increase of $30 million is requested to implement DNDO's **"Securing the Cities"** initiative. Building off of analytical work done in FY 2006 and FY 2007 in support of the New York region, DHS will begin implementing strategies developed through the course of this analysis. Activities included in the development of regional strategies include analyses of critical road networks, mass transit, maritime, and rail vulnerabilities. Beginning in FY 2008, DNDO will engage state and local partners in additional urban areas to tailor strategies and lessons learned from the New York region to meet requirements specific to these regions.

- An increase of $21.9 million is proposed for the newly formed **Science and Technology Office of Innovation** to provide increases to programs developing game-changing and leap-ahead technologies to address some of the highest priority needs of the Department. The technologies being developed will be used to create a resilient electric grid to protect critical infrastructure sites, detect tunnels along the border, defeat improvised explosive devices, and utilize high-altitude platforms and/or ground-based systems for detection and engagement of MANPADS in order to offer alternative solutions to installing systems on aircraft.

- An increase of $15 million is requested to establish a **Chemical Site Security** office to regulate security of chemical plants. The funding will be used to establish the Chemical Security Compliance Division which will include a national program office to manage training of inspector staff, help-desk personnel, and other administrative staff. The division will also include an inspector/field staff of subject matter experts in chemical engineering, process safety, as well as an adjudication office. Funds will also be spent on assisting chemical facilities with vulnerability assessments.

- TSA requests an increase of $3.5 million to expand its **National Explosive Detection Canine Team** program by approximately 45 teams to support the Nation's largest passenger transportation systems in both mass transit and ferry systems.

- An increase of $35.6 million for the **Presidential Campaign** will enable the U.S. Secret Service to provide the appropriate level of resources to adequately protect the candidates and nominees during the 2008 Presidential Campaign while sustaining other protective programs.

BUILD A NIMBLE EFFECTIVE EMERGENCY RESPONSE SYSTEM AND CULTURE OF PREPAREDNESS

Maintaining a high state of readiness is crucial to the Department's ability to deter and respond to acts of terror or other disasters. The following funding requests will strengthen the Department's ability to build an effective emergency response system and culture of preparedness.

- An increase of $100 million is requested for FEMA's **Vision Initiatives** that will enable the agency to intensify and speed the development of core competencies that are central to achieving its disaster readiness, response and recovery mission. A combination of staffing increases, new technologies, and targeted investment in equipment and supplies, will increase FEMA's mission capacity in the areas of Incident Management, Operational Planning, Continuity Programs, Public Disaster Communications, Hazard Mitigation, Disaster Logistics, and Service to Disaster Victims.

- A total of $3.2 billion will be available for **state and local preparedness expenditures as well as assistance to firefighters** in FY 2008. In addition to the $2.2 billion requested by DHS to fund its grant, training and exercise programs, DHS will also be co-administering the $1.0 billion Public Safety Interoperable Communications (PSIC) grant program in partnership with the Department of Commerce.

- A realignment of $132.7 million in base resources is requested to establish a **Deployable Operations Group** and strengthen the Coast Guard's overall response capability. The alignment of Coast Guard's deployable, specialized forces under a single command will improve and strengthen Coast Guard's ability to perform day-to-day operations *and* respond to maritime disasters and threats to the Nation.

- A total of $48 million is requested to further professionalize **FEMA's disaster workforce** by converting Cadre of On-Call Response Employee (CORE) positions with 4-year terms into permanent full-time employees. This transition will stabilize the disaster workforce, allowing for the development and retention of employees with needed program expertise and increased staffing flexibility to ensure critical functions are maintained during disaster response surge operations.

- An increase of $12 million for the **Nationwide Automatic Identification System** will continue funding for this vital project that significantly enhances the Coast Guard's ability to identify, track and exchange information with vessels in the maritime domain, especially those vessels that may threaten our Nation.

STRENGTHEN AND UNIFY DHS OPERATIONS AND MANAGEMENT

DHS is continuing to strengthen departmental operations to improve mission success. A variety of critical investments will help us accomplish this goal.

- An increase of $139 million in premium processing fees will transform and improve **USCIS business processes** and outdated information technology systems. This investment will support automation of USCIS operations and improve processing times,

increased security and fraud detection, improved customer service, and the replacement of paper-based processes and antiquated technology. Additionally, $124 million in anticipated application fee revenue will be committed to upgrade and maintain the USCIS information technology environment.

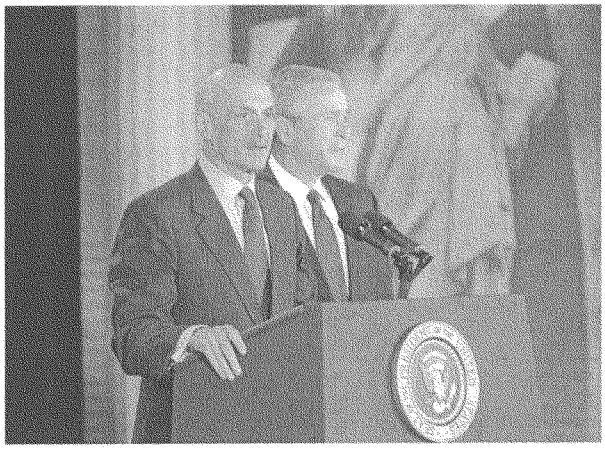
- An increase of $120 million is requested for the **DHS Consolidated Headquarters Project** for the relocation of the USCG Headquarters and other DHS components on the St. Elizabeth's West Campus and throughout the National Capital Region.

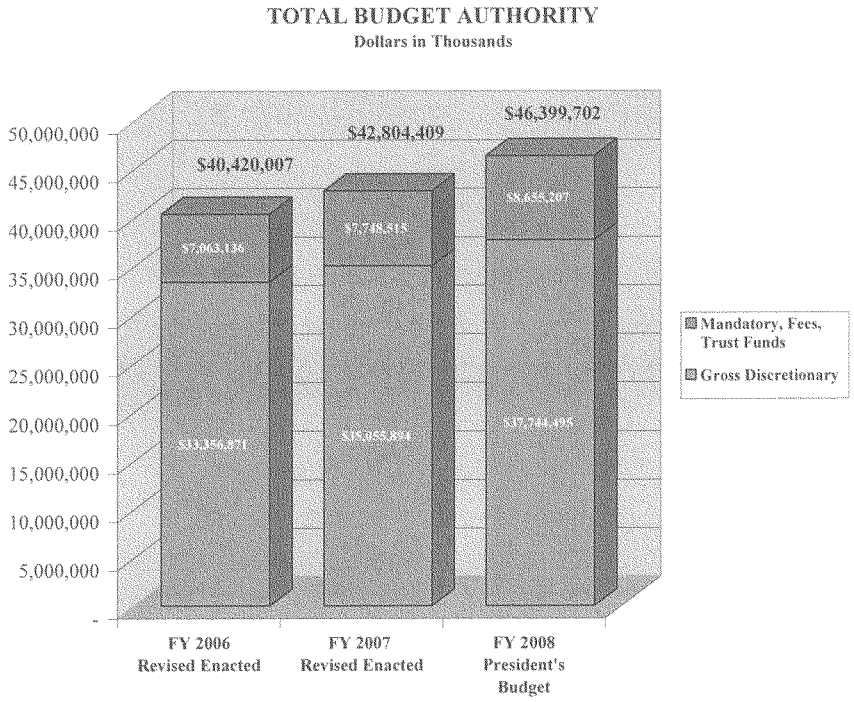
- A total of $99.1 million will continue to support the **Inspector General** activities to serve as an independent and objective inspection, audit, and investigative body to promote economy, efficiency, and effectiveness in DHS programs and operations.

- A total of $17 million in new funding within ICE and CBP will help improve the **internal oversight** of personnel. This is especially critical as the workforces of these organizations are continuing to expand. Timely attention to allegations of misconduct is critical to DHS success.

- An increase of $9.6 million for the **Office of the Chief Procurement Officer** is requested to improve acquisition operations. The Department is committed to establishing the staffing requirements necessary to properly award and administer Department-wide acquisition programs to ensure effective delivery of services and proper procurement and contracting procedures in compliance with all Federal Laws and Regulations Governing Procurements.

- An increase of $5 million is requested for the **Policy Office** to strengthen the Department's Committee on Foreign Owned Investments in the U.S, further Real ID initiative, and expand the duties of the International Affairs Office.

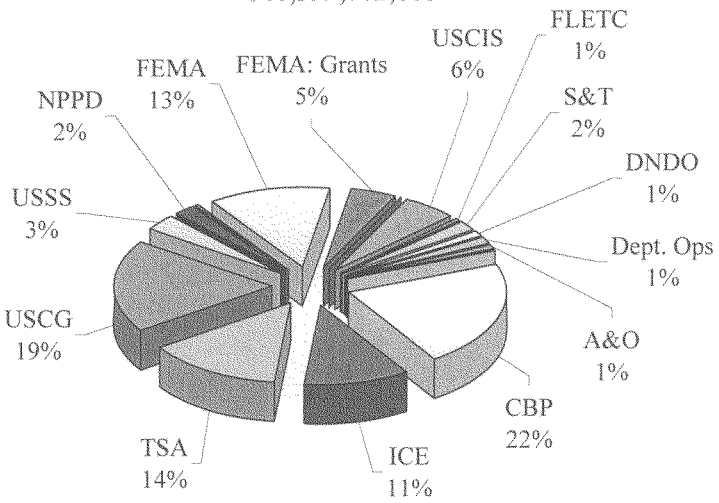




FY 2008 Gross Discretionary funding increases by $2.7 billion, or 8 percent, over FY 2007.

There is an increase of $906.7 million, or 12 percent, in estimated budget authority for Mandatory, Fees, and Trust Funds over FY 2007.

FY 2008
Percent of Total Budget Authority by Organization
$46,399,702,000



Notes:

1. The following offices are less than one percent of the total budget authority and are not labeled in the chart above: Office of the Inspector General, Office of Health Affairs.

2. Departmental Operations is comprised of the Office of the Secretary & Executive Management, the Office of the Federal Coordinator for Gulf Coast Rebuilding, the Office of the Undersecretary for Management, the Office of the Chief Financial Officer, and the Office of the Chief Information Officer.

TOTAL BUDGET AUTHORITY BY ORGANIZATION

Gross Discretionary & Mandatory, Fees, Trust Funds

February 5, 2007

	FY 2006 Revised Enacted [1]	FY 2007 Revised Enacted [2]	FY 2008 President's Budget [3]	FY 2008 +/- FY 2007 Enacted	FY 2008 +/- FY 2007 Enacted
	$000	$000	$000	$000	%
Departmental Operations [4/5]	$ 559,230	$ 626,123	$ 683,189	$ 57,066	9%
Analysis and Operations	252,940	299,663	314,681	15,018	5%
Office of the Inspector General	82,187	98,685	99,111	426	0%
U.S. Customs & Border Protection	7,113,495	7,743,581	10,174,114	2,430,533	31%
U.S. Immigration & Customs Enforcement	3,866,443	4,696,641	5,014,500	317,859	7%
Transportation Security Administration	6,167,014	6,329,291	6,401,178	71,887	1%
U.S. Coast Guard	8,268,797	8,553,352	8,775,088	221,736	3%
U.S. Secret Service	1,399,889	1,479,158	1,608,996	129,838	9%
National Protection and Programs Directorate [5]	-	-	1,046,567	1,046,567	-
Office of Health Affairs [5]	-	-	117,933	117,933	-
Counter-Terrorism Fund	1,980	-	-	-	-
Federal Emergency Management Agency [5]	4,834,744	5,223,503	5,824,204	600,701	11%
FEMA: Office of Grant Programs [5]	-	-	2,196,000	2,196,000	-
FEMA: Office of Grant Programs with PSIC Grants [9]			*[3,196,000]*	*[3,196,000]*	-
U.S. Citizenship & Immigration Services	1,887,850	1,985,990	2,568,872	582,882	29%
Federal Law Enforcement Training Center	279,534	253,279	263,056	9,777	4%
S&T Directorate	1,487,075	973,109	799,100	(174,009)	-18%
Domestic Nuclear Detection Office	-	480,968	561,900	80,932	17%
Legacy DHS Organizations					
Preparedness Directorate [5]	678,395	618,577	-	(618,577)	-100%
Preparedness: Office of Grants & Training [5]	3,352,437	3,393,000	-	(3,393,000)	-100%
US-VISIT [5]	336,600	362,494	-	(362,494)	-100%
TOTAL:	$ 40,568,610	$ 43,117,414	$ 46,448,489	$ 3,331,075	8%
Less Rescission of Prior Year Carryover Funds: [6]	(148,603)	(313,005)	(48,787)	264,218	-84%
ADJUSTED TOTAL BUDGET AUTHORITY:	$ 40,420,007	$ 42,804,409	$ 46,399,702	$ 3,595,293	8%
SUPPLEMENTAL: [7/8]	$ 8,179,035	$ 1,829,000	$ -	$ (1,829,000)	$ -

1/ FY 2006 revised enacted reflects a one percent across the board rescission (-$307.124 million), and USCG Operating Expenses rescission (-$260.533 million) pursuant to P.L. 109-148, and a rescission for Screening Coordination and Operations (-$3.960 million) pursuant to P.L. 109-234; a transfer from DOD to USCG ($100 million) pursuant to P.L. 109-148 and ($75 million) pursuant to P.L. 109-234; and technical adjustments to reflect USCG Health Care Fund ($260.533 million), FEMA NFIF mandatory fund ($2.104 billion), USSS Retirement Fund ($200 million), USCG Trust Funds ($269.365 million), CBP Customs Unclaimed Goods ($5.897 million), and revised fee estimates for CBP ($70.528 million), ICE (-$17.552 million), TSA Alien Flight School (-$8 million), TSA Transportation Threat Assessment and Credentialing fees (-$131 million) and Aviation Security offset, FEMA National Flood Insurance Fund offset (-$62 million) and CBP Small Airport estimates ($.814 million).

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3/ FY 2008 President's Budget reflects the following proposed transfers: USM receives resources from FLETC ($1.290 million), OHA receives resources from S&T ($85.1 million) and NPPD ($9.218 million), and DHS transfers out of the Department resources from ICE (-$2 million) to Department of Justice, and from USCG (-$2.650 million) to Department of Transportation.

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

Overview

5/ FY 2008 President's Budget reflects transfers to occur in FY 2007 pursuant to Title VI of P.L. 109-295 and the DHS Section 872 proposed reorganization: FEMA receives resources from legacy Preparedness ($3,440.172 million), OSEM receives resources from legacy Preparedness ($1.5 million), new Office of Health Affairs receives resources from legacy Preparedness ($4.980 million), new National Protection and Programs Directorate (NPPD) receives resources from legacy Preparedness ($570.925 million), CIO ($18.7 million), S&T ($5 million), and US-VISIT transfers into NPPD ($362.494 million).

6/ Reflects scorekeeping adjustment for rescission of prior year unobligated balances: FY 2006 enacted rescission of prior year unobligated balances from USCG (-$100.103 million), TSA (-$5.5 million), S&T (-$20 million), Counterterrorism Fund (-$8 million), and Working Capital Fund (-$15 million); FY 2007 enacted rescission of prior year unobligated balances from USCG (-$102.793 million), TSA (-$66.712 million), S&T (-$125 million), USSS (-$2.5 million), Counterterrorism Fund (-$16 million); FY 2008 President's Budget proposes rescission of prior year unobligated balance from USCG (-$48.787 million).

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8/ The above chart does not reflect scorekeeping adjustment pursuant to P.L. 109-148 for rescission (-$23.409 billion) of prior year unobligated balances from P.L. 109-62 Hurricane Katrina supplemental for FEMA Disaster Relief.

9/ In coordination with DHS's State Preparedness Grant Programs, FEMA will be co-administering the $1 billion Public Safety Interoperable Communications (PSIC) grant program in partnership with the Department of Commerce pursuant to P.L. 109-171 and P.L. 109-459. The funding for this program was appropriated per The Deficit Reduction Act of 2005 from anticipated spectrum auction receipts, and therefore is not included as requested DHS budget authority. However, PSIC will support interoperable communications grants to State and local public safety agencies, and adjusted totals are provided to illustrate the level of grant funding that will become available for State and local preparedness projects.

GROSS DISCRETIONARY BUDGET AUTHORITY BY ORGANIZATION

Adjusted Presentation for Prior Year Rescissions, Supplemental Funding and DOD Transfers

February 5, 2007

	FY 2006 Revised Enacted [1]	FY 2007 Revised Enacted [2]	FY 2008 President's Budget [3]	FY 2008 +/- FY 2007 Enacted	FY 2008 +/- FY 2007 Enacted
	$000	$000	$000	$000	%
Departmental Operations [4/5]	$ 559,230	$ 626,123	$ 683,189	$ 57,066	9%
Analysis and Operations	252,940	299,663	314,681	15,018	5%
Office of the Inspector General	82,187	98,685	99,111	426	0%
U.S. Customs & Border Protection	5,900,158	6,442,336	8,790,349	2,348,013	36%
U.S. Immigration & Customs Enforcement	3,630,443	4,444,292	4,781,000	336,708	8%
Transportation Security Administration	5,909,514	6,010,579	6,399,178	388,599	6%
U.S. Coast Guard	6,710,249	7,053,034	7,272,231	219,197	3%
U.S. Secret Service	1,199,889	1,276,658	1,398,996	122,338	10%
National Protection and Programs Directorate [5]	-	-	1,046,567	1,046,567	-
Office of Health Affairs [5]	-	-	117,933	117,933	-
Counter-Terrorism Fund	1,980	-	-	-	-
Federal Emergency Management Agency [5]	2,730,390	2,592,107	2,991,204	399,097	15%
FEMA: Office of Grant Programs [5]	-	-	2,196,000	2,196,000	-
FEMA: Office of Grant Programs with PSIC Grants [10]			*[3,196,000]*	*[3,196,000]*	-
U.S. Citizenship & Immigration Services	113,850	181,990	30,000	(151,990)	-84%
Federal Law Enforcement Training Center	279,534	253,279	263,056	9,777	4%
S&T Directorate	1,467,075	848,109	799,100	(49,009)	-6%
Domestic Nuclear Detection Office	-	480,968	561,900	80,932	17%
Legacy DHS Organizations					
Preparedness Directorate [5]	678,395	618,577	-	(618,577)	-100%
Preparedness: Office of Grants & Training [5]	3,352,437	3,393,000	-	(3,393,000)	-100%
US-VISIT [5]	336,600	362,494	-	(362,494)	-100%
GROSS DISCRETIONARY TOTAL:	$ 33,204,871	$ 34,981,894	$ 37,744,495	$ 2,762,601	8%
Less Rescission of Prior Year Carryover Funds: [6]	(23,000)	(16,000)	-	16,000	-100%
ADJUSTED TOTAL BUDGET AUTHORITY:	$ 33,181,871	$ 34,965,894	$ 37,744,495	$ 2,778,601	8%
OTHER SOURCES: DoD Transfer: [7]	$ 175,000	$ 90,000	-	-	-
SUPPLEMENTAL: [8/9]	$ 8,179,035	$ 1,829,000	-	-	-

1/ FY 2006 revised enacted reflects a one percent across the board rescission (-$307.124 million), and USCG Operating Expenses rescission (-$260.533 million) pursuant to P.L. 109-148, and a rescission for Screening Coordination and Operations (-$3.960 million) pursuant to P.L. 109-234; technical adjustments to reflect USCG Health Care Fund ($260.533 million), and revised fee estimates for TSA Transportation Threat Assessment and Credentialing fees (-$131 million) and Aviation Security offset, FEMA National Flood Insurance Fund offset (-$62 million) and CBP Small Airport estimates ($.814 million); and scorekeeping adjustments for rescissions of prior year unobligated balances from USCG (-$100.103 million), TSA (-$5.5 million), S&T (-$20 million).

2/ FY 2007 revised enacted reflects the transfer of FEMA Public Health ($33.885 million) to the Department of Health and Human Services, and the transfer from FEMA Disaster Relief ($13.5 million) to Office of the Inspector General pursuant to P.L. 109-295; and technical adjustments for revised fee estimates in TSA Transportation Threat Assessment and Credentialing fees (-$45.101 million) and Aviation Security offset, CBP Small Airport estimates ($.950 million) and FEMA Radiological Emergency Preparedness Program (-$6 million) to reflect net of collections based on the FY 2008 request.; and scorekeeping adjustment for rescission of prior year unobligated balances from USCG (-$102.793 million), TSA (-$66.712 million), S&T (-$125 million), USSS (-$2.5 million).

3/ FY 2008 President's Budget scorekeeping adjustment for rescission of prior year unobligated balances from USCG (-$48.787 million), and reflects the following proposed transfers: USM receives resources from FLETC ($1.290 million), OHA receives resources from S&T ($85.1 million) and NPPD ($9.218 million), and DHS transfers out of the Department resources from ICE (-$2 million) to Department of Justice, and from USCG (-$2.650 million) to Department of Transportation.

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

Overview

5/ FY 2008 President's Budget reflects transfers to occur in FY 2007 pursuant to Title VI of P.L. 109-295 and the DHS Section 872 proposed reorganization: FEMA receives resources from legacy Preparedness ($3,440.172 million), OSEM receives resources from legacy Preparedness ($1.5 million), new Office of Health Affairs receives resources from legacy Preparedness ($4.980 million), new National Protection and Programs Directorate (NPPD) receives resources from legacy Preparedness ($570.925 million), CIO ($18.7 million), S&T ($5 million), and US-VISIT transfers into NPPD ($362.494 million).

6/ Reflects scorekeeping adjustment for rescission of prior year unobligated balances: FY 2006 enacted rescission of prior year unobligated balances from Counterterrorism Fund (-$8 million), and Working Capital Fund (-$15 million); FY 2007 enacted rescission of prior year unobligated balances from Counterterrorism Fund (-$16 million).

7/ In order to obtain comparable figures, Gross Discretionary Budget Authority presented above excludes: FY 2006 transfer from DOD to USCG ($100 million) pursuant to P.L. 109-148 and ($75 million) pursuant to P.L. 109-234, FY 2007 transfer from DOD to USCG ($90 million) pursuant to P.L. 109-289.

8/ In order to obtain comparable figures, Adjusted Total Budget Authority excludes: FY 2006 supplemental funding pursuant to P.L. 109-148 for Hurricane Katrina ($285.1 million: $206.5 million - USCG, $3.6 million - USSS, $17.2 million - FEMA, $10.3 million - PREP, $13 million - ICE, $34.5 million - CBP) and for Avian Flu ($47.283 million - provided to Office of the Secretary and Executive Management for distribution throughout the Department), supplemental funding pursuant to P.L. 109-234 for the Global War on Terror and Hurricane Recovery ($7.847 billion: $2 million - OIG, $822.7 million - CBP, $327 million - ICE, $307.392 million - USCG, $20 million - USSS, $15 million - PREP, $6.324 billion - FEMA, $25 million - FLETC, $3.960 - OSEM); and FY 2007 emergency funding pursuant to P.L. 109-295 for the Global War on Terror (1.829 billion: $22 million - FLETC, $175.8 million - USCG, $30 million - ICE, $1.601 billion - CBP).

9/ The above chart does not reflect scorekeeping adjustment pursuant to P.L. 109-148 for rescission (-$23.409 billion) of prior year unobligated balances from P.L. 109-62 Hurricane Katrina supplemental for FEMA Disaster Relief.

10/ In coordination with DHS's State Preparedness Grant Programs, FEMA will be co-administering the $1 billion Public Safety Interoperable Communications (PSIC) grant program in partnership with the Department of Commerce pursuant to P.L. 109-171 and P.L. 109-459. The funding for this program was appropriated per The Deficit Reduction Act of 2005 from anticipated spectrum auction receipts, and therefore is not included as requested DHS budget authority. However, PSIC will support interoperable communications grants to State and local public safety agencies, and adjusted totals are provided to illustrate the level of grant funding that will become available for State and local preparedness projects.

SUMMARY INFORMATION BY DHS ORGANIZATION

U.S. CUSTOMS AND BORDER PROTECTION

Description:

U.S. Customs and Border Protection (CBP) is the single agency responsible for protecting the sovereign borders of the United States at and between official ports of entry. CBP is the frontline in protecting the American public against terrorists and instruments of terror. CBP also protects economic security by regulating and facilitating the lawful movement of goods and persons across U.S. borders. CBP performs these missions with vigilance, integrity and professionalism.

At a Glance

Senior Leadership:
W. Ralph Basham, Commissioner

Established: 2003

Major Divisions: Port Security and Trade Compliance Operations at Ports of Entry; Border Security Operations Between Ports of Entry; CBP Air and Marine; Automation Modernization.

Budget Request:	***$10,174,113,000***
Gross Discretionary:	*$8,790,349,000*
Mandatory, Fees & Trust Funds	*$1,383,764,000*
Employees (FTE):	*48,551*

Responsibilities:

CBP is responsible for ensuring that all persons and cargo enter the United States legally and safely through official ports of entry. CBP officers prevent cross-border smuggling of contraband such as controlled substances, weapons of mass destruction, and illegal or diseased plants and animals. CBP ensures that travelers and immigrants present appropriate documentation. CBP works to prevent the illegal export of U.S. currency or other monetary instruments, stolen goods such as vehicles, and strategically sensitive technologies.

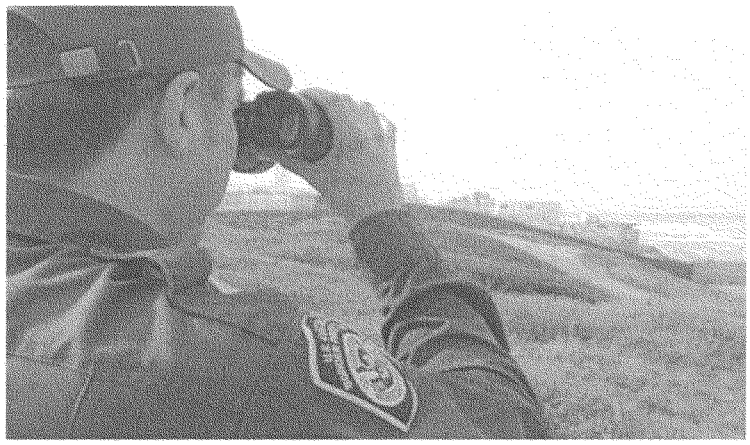
CBP is an essential guardian of America's borders. CBP's Border Patrol works to prevent the illegal entry into the United States of persons and contraband between ports of entry. The Border Patrol is responsible for controlling almost 7,500 miles of land borders between ports of entry. CBP's Office of Air and Marine patrols our Nation's borders to interdict illegal drugs and terrorists before entry into the United States and provides surveillance and operational support to special national security events. CBP also works with the U.S. Coast Guard to secure 95,000 miles of maritime border.

CBP officials work at foreign and domestic ports of entry to ensure the safe and efficient flow of commerce into the United States. CBP officials are deployed overseas at major international seaports as a part of the Container Security Initiative (CSI) that pre-screens shipping containers to detect and interdict terrorists' weapons and other illicit material before arrival on U.S. shores. This and other programs that partner with foreign nations and private industry expands our nation's zone of security. CBP's entry specialists and trade compliance personnel also enforce U.S. trade and tariff laws, and regulations in order to ensure a fair and competitive trade environment pursuant to existing international agreements and treaties.

Service to the Public:

CBP annually has direct contact with over 500 million persons crossing the borders through ports of entry, and with tens of thousands of shippers, drivers, pilots, and importers associated with more than 31.1 million trade entries processed. CBP treats all these individuals with respect and without bias.

CBP protects the American public from acts of terrorism by constant vigilance at and between ports of entry. CBP protects American businesses and workers by ensuring that travelers and goods move safely and efficiently across our borders, that immigrants and visitors are properly documented, and that customs, immigration and trade laws, regulations, and agreements are enforced.



2006 Accomplishments:

- On September 21, 2006, The Department announced the award of the SBI*net* contract. The landmark SBI*net* program will provide DHS, and its agents and officers, with the best possible solution to detect, identify, classify, respond to and resolve illegal entry attempts at our land borders with Mexico and Canada.

- CBP hired over 1,000 new Border Patrol agents to increase the number of on-duty agents to over 12,300 by the end of FY 2006.

- The Border Patrol apprehended nearly 1.1 million illegal aliens. CBP Officers processed over 422.9 million individuals at the ports and found 209 thousand aliens to be inadmissible. CBP Air and Marine was directly involved in the apprehension of approximately 205 thousand undocumented aliens and 925 criminal arrests.

- CBP seized approximately 1.4 million pounds of narcotics between the ports of entry and over 600 thousand pounds of narcotics at the ports of entry.

- CBP Air and Marine air wings flew over 90,000 mission hours in support of national border security operations. CBP Air and Marine seized approximately 200 thousand pounds of narcotics, 4 aircraft, 26 marine vessels, 140 vehicles, and over $105 million in currency.

- CBP deployed 13 large-scale Non-Intrusive Inspection (NII) systems and 283 radiation portal monitors. As of December 2006, CBP has the capability to screen 100 percent of all arriving mail and express courier parcels, 92 percent of commercial trucks, 82 percent of Privately Owned Vehicles (POV) arriving from Canada, 92 percent of POVs arriving from Mexico, and 77.5 percent of all arriving sea-borne containerized cargo.

- CBP opened 10 additional Container Security Initiative (CSI) ports bringing the total number of operational CSI ports to 50 and conducted 13 capacity assessments for potential CSI ports in 8 countries. CSI now provides coverage for nearly 82 percent of U.S. bound maritime containers and has increased by 77 percent the level of examinations conducted at CSI locations from 40,107 in FY 2005 to 70,902 in FY 2006.

- The Customs-Trade Partnership Against Terrorism (C-TPAT) program completed 2,052 supply chain security validations involving 2,415 site visits in 58 foreign countries and reviewed the security measures and procedures of these supply chains for effectiveness, efficiency and accuracy. C-TPAT also processed 139 suspensions/removals due to specific incidents or inadequate security measures.

- CBP continued to support reconstruction efforts in Iraq through the deployment of multi-disciplinary Border Support Teams. CBP personnel provided curriculum development and instructor training and assisted in the development of national policies and modern border control laws and regulations for the Iraqi Ministry of Interior.

- The Office of Internal Affairs created an Operational Field Testing Program to test CBP operations for preventing, securing, targeting, deterring, and detecting suspicious shipments that potentially contain terrorist weapons, including weapons of mass destruction. The objective is to evaluate the effectiveness of CBP's multilayered strategy to prevent terrorists and terrorist weapons from entering the United States.

BUDGET REQUEST

Dollars in Thousands

	FY 2006 Revised Enacted[1]		FY 2007 Enacted		FY 2008 Pres. Budget		FY 2008 +/- FY 2007	
	FTE	$000	FTE	$000	FTE	$000	FTE	$000
Headquarters Management and Administration	3,553	$1,313,233	3,647	$1,248,389	3,676	$1,277,407	29	$29,018
Border Security Inspections and Trade Facilitation at POE's	16,017	$1,605,117	16,084	$1,860,491	16,547	$2,057,354	463	$196,863
Border Security and Control Between POE's	13,515	$2,115,268	14,924	$2,277,510	18,371	$3,037,232	3,447	$759,722
Air and Marine Operations – Salaries	1,265	$186,672	1,281	$175,796	1,438	$207,740	157	$31,944
Air and Marine Interdiction, Operations, Maintenance and Procurement	--	$496,029	--	$602,187	--	$477,287	--	($124,900)
Automation Modernization	62	$451,440	62	$451,440	63	$476,609	1	$25,169
Construction	--	$582,500	--	$232,978	--	$249,663	--	$16,685
Border Security Fencing, Infrastructure, and Technology	--	--	80	$1,187,565	120	$1,000,000	40	($187,565)
Subtotal	**34,412**	**$6,750,259**	**36,078**	**$8,036,356**	**40,215**	**$8,783,292**	**4,137**	**$746,936**
Small Airports	51	$7,099	51	$7,180	51	$7,057	--	($123)
Gross Discretionary	**34,463**	**$6,757,358**	**36,129**	**$8,043,536**	**40,266**	**$8,790,349**	**4,137**	**$746,813**
Customs Unclaimed Goods	--	$5,897	--	$5,897	--	$5,897	--	$0
Mandatory fees	8,285	$1,207,440	8285	$1,295,348	8,285	$1,377,867	--	$82,519
Total	**42,748**	**$7,970,695**	**44,414**	**$9,344,782**	**48,551**	**$10,174,113**	**4,137**	**$829,331**

[1] FY 2006 Revised enacted includes funding provided by the Emergency Supplemental (P.L. 109-234) and DOD Appropriations Act (P.L. 109-148)

FY 2008 Initiatives:

In support of the Secure Border Initiative goal to achieve effective control over the Nation's borders, as well as to implement a substantial deterrent to illegal crossings, significant funding is requested to support an integrated border solution which relies on expanded agent staffing, border infrastructure, and technology. Funding is requested as follows:

- **Border Patrol Staffing Initiative..... $647.8M (1,920 FTE)**
  Resources are requested to hire, train, and equip: 3,000 new Border Patrol agents ($481.1M) bringing the total number of BPAs to 17,819; 151 pilots, air crew, and specialists to support the increase in operations at primary and/or satellite air sites; and provide 688 operational/mission support personnel. Funding also supports the training and relocation of Border Patrol agents and CBP Air Interdiction agents; and the transport of aliens from Border Patrol stations to Immigration and Customs Enforcement (ICE) custody or transport aliens from Border Patrol custody to the border area for voluntary return.

- **SBI*net*..... $1,000.0M (7 FTE)**
  SBI*net* is the component of SBI charged with developing and installing the technology and tactical infrastructure solution for effective control of the border. The initial focus of SBI*net* will be on Southwest land border investments and between the ports of entry where there are serious vulnerabilities to border security.

- **Border Patrol Facilities ..... $100.0M (0 FTE)**
  Resources are requested for the construction of new facilities or the expansion of existing facilities to accommodate the additional Border Patrol staffing increases. Border Patrol stations, Sector Headquarters, checkpoints, and remote forward operating bases are strategically located near areas of highest illegal activity to allow agents and special teams to respond quickly and maintain maximum time on patrol. Current facilities are at or close to capacity and, without further investment, CBP will not be able to adequately sustain Border Patrol personnel and operations.

- **Air and Marine Facilities ..... $30.0M (0 FTE)**
  Resources are requested for the expansion of CBP Air and Marine facility infrastructure. Administrative facilities, as well as hangars along the Southwest Border, require improvements, additions or replacements to adequately protect the aviation fleet. This request is based on the integrated CBP Air and Marine strategic/modernization plan and the infrastructure requirements and the time frame needed for new construction.

- **Air and Marine Fleet Upgrades..... $4.6M (0 FTE)**
  Resources are needed to upgrade CBP Air and Marine's fleet avionics for aircraft that are not being replaced in the near future to bring them up to current standards. Sensors and mission systems lose their effectiveness and become more expensive to support as they advance in age. New avionics and sensor systems retrofitted in existing aircraft are necessary to continue effective border security aviation support.

- **Western Hemisphere Travel Initiative (WHTI)..... $252.5M (103 FTE)**
  Resources would support WHTI implementation at 225 inbound lanes at ports of entry, which covers 68 percent of land border arrivals, an additional 205 CBP officers, and equipment and contract services. This investment will create a more effective process for validating identity and citizenship at the time of border crossing and will avoid the intensive and intrusive inspection process that would result from meeting WHTI requirements without this technology. The investment also will improve operational effectiveness at the land border ports by providing improved passenger information to the CBP primary inspection officer.

- **TECS Modernization..... $25.0M (1 FTE)**
  Resources are requested to enhance CBP's mission capabilities by developing and deploying a modernized replacement for the Treasury Enforcement Communication System (TECS). FY 2008 will be the first year of a multi-year plan to modernize this system. TECS plays an essential role in the screening of travelers entering the U.S. and in supporting the screening requirements of other federal agencies. The updated system will reduce chances of missing someone on a watch list due to issues associated with transcription from other alphabets; improve information sharing with other agencies, foreign governments and DHS components resulting in fewer incorrect admission decisions; and increase availability of TECS for primary and secondary operations at the border as well as watch list services for all DHS components.

- **Secure Freight Initiative..... $15.0M (9 FTE)**
  Resources are requested to hire nine CBP Officers and eight support positions, and to acquire/deploy equipment and technology in support of the Secure Freight Initiative (SFI). This initiative builds on the operational pillars of the DHS Container Security Initiative (CSI) and the Department of Energy Megaports initiative to maximize radiological and nuclear screening of U.S. bound containers in foreign ports of departure. It includes a next generation risk assessment screening program and an overseas detection network while merging existing and new information regarding containers transiting through the supply chain in order to create a detailed report.

- **Radiation Portal Monitor Staffing ..... $6.0M (28 FTE)**
  Resources are requested to hire 55 CBP officers to deploy, and perform the subsequent operation of, radiation portal monitors funded in FY 2007 through the Domestic Nuclear Detection Office's Weapons of Mass Destruction detection systems procurement program. The additional Officers will ensure that a cadre of highly trained personnel is readily available to ascertain whether an alarming container poses a national security risk or whether the alarming shipment is benign and should be released.

- **Conduct and Integrity Oversight ..... $10.0M (29 FTE)**
  Resources are requested to hire 50 GS-1801 Investigators and 8 support positions to address internal affairs staffing needs. The positions are needed to further strengthen a permanent, full-time cadre of investigators that is responsible for investigating all serious non-criminal misconduct allegations and lesser administrative violations involving CBP employees, as well as criminal allegations not related to corruption. In addition to addressing reports of alleged misconduct in a timely manner, the investigators will also

partner with the DHS Office of Inspector General, ICE Office of Professional Responsibility and other federal, state, and local law enforcement authorities to proactively develop sources of information and look into new investigative leads.

- **Air and Marine Maintenance Contract ..... $36.7M (0 FTE)**
  Resources are requested to maintain an operational readiness rate of 80 percent or greater for the 267 aircraft fleet. This increase will ensure that aircraft will be available to meet mission needs. Funding will support Air and Marine's ability to maintain required flight hours along the border, the continuation of the P-3 Consolidated Inspection Program, and incorporate new maintenance practices to control costs and safely improve availability.

U.S. IMMIGRATION AND CUSTOMS ENFORCEMENT

Description:

As the largest investigative arm of the Department of Homeland Security (DHS), U.S. Immigration and Customs Enforcement (ICE) aggressively uses powerful immigration and customs authorities to protect the American people from the illegal introduction of goods and the entry of terrorists and other criminals seeking to cross our Nation's borders.

At a Glance

Senior Leadership:
Julie L. Myers, Assistant Secretary

Established: 2003

Major Divisions: Investigations; Detention and Removal; Federal Protective Service; Intelligence; Principal Legal Advisor.

Budget Request:	***$5,014,500,000***
Gross Discretionary	*$4,781,000,000*
Mandatory, Fees & Trust Funds	*$233,500,000*
Employees (FTE):	*17,463*

Responsibilities:

The primary mission of ICE is to protect America and uphold public safety by targeting the people, money, and materials that support terrorist and criminal activities.

- **Investigations** is responsible for investigating a range of domestic and international activities arising from the movement of people and goods that violate immigration and customs laws and threaten national security such as visa security, illegal arms exports, financial and smuggling violations, immigration and customs fraud, human trafficking, identity and benefit fraud, child pornography and sex tourism.

- **Detention and Removal** is responsible for ensuring that every alien who has been ordered removed departs the United States through fair enforcement of the Nation's immigration laws and coordination with foreign governments to ensure countries will accept removable aliens.

- **Federal Protective Service** is responsible for ensuring a safe environment in which federal agencies can conduct business by reducing threats posed against approximately 9,000 Federal Government facilities nationwide.

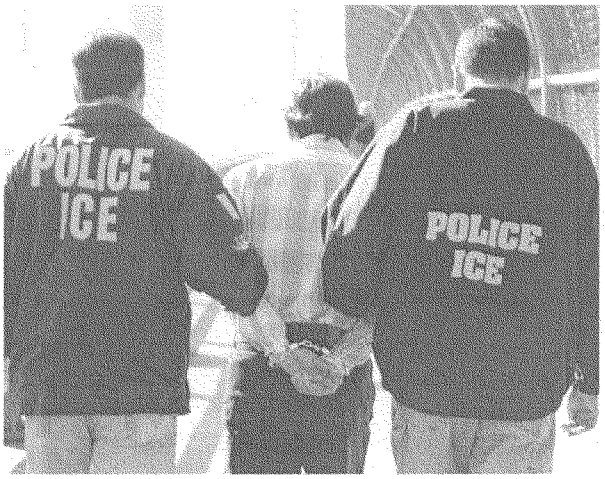
- **Intelligence** is responsible for the collection, analysis, and dissemination of strategic and tactical intelligence data in support of ICE and DHS.

- **Principal Legal Advisor** is the legal representative for the U.S. Government at immigration court hearings, and provides the legal advice, training, and services required to support the ICE mission while defending the immigration laws of the United States.

Service to the Public:

ICE works to protect and serve the United States and its people by deterring, interdicting, and investigating threats arising from the movement of people and goods into and out of the United States, as well as securing Federal Government facilities across the Nation. During FY 2006, ICE set new records for enforcement activity in immigration and strategic technology, effectively ended the long-standing practice of "catch and release," launched major new initiatives, developed a framework for eliminating ICE's long-standing financial challenges, and improved the management of the agency.

These successes attest to the strength of ICE as a world-class law enforcement agency and demonstrate the commitment of ICE's employees to their work on behalf of the American people every day.



FY 2006 Accomplishments:

- Set New Records for Worksite Enforcement: Total arrests made in ICE worksite enforcement cases during FY 2006 reached a level that was more than seven times greater than in 2002, the last full year of operations for U.S. Immigration and Naturalization Service.

- Ended "Catch-and-Release" Along the Borders: The practice of "catch and release" for non-Mexican aliens existed for years and was one of the greatest impediments to border control. In 2006, ICE improved the detention and removal process and increased detention capacity to end this practice along the border, an accomplishment considered

impossible in 2005 when only 34 percent of non-Mexican aliens apprehended along the border were being detained.

- Set New Record for Alien Removals: ICE removed more than 186,600 illegal aliens from the country in FY 2006, a record for the agency and a 10 percent increase over the number of removals during the prior fiscal year.

- Nearly Tripled the Number of Fugitive Operations Teams: During FY 2006, ICE nearly tripled the number of fugitive operations teams nationwide from 18 to 52. These additional teams maximized the efficiency of ICE immigration enforcement efforts to locate, apprehend and remove primarily criminal aliens.

- Created a National Center to Coordinate Deportation of Aliens upon Release from Prison: ICE created a national center that reviews aliens at all 119 federal detention facilities (as opposed to only 30 federal facilities in 2005), to ensure that criminal aliens are deported rather than released into society upon the completion of their sentences. This Center issued 5,728 charging documents, placed 1,765 detainers, and located 93 fugitives since June 2006.

- Increased Enforcement of Visa Violators: ICE completed 5,956 compliance enforcement investigations resulting in the administrative arrest of 1,710 overstay and status violators, a 75% increase over the number of administrative arrests in FY 2005.

- Increased Arms and Strategic Technology Investigations: ICE set a record in 2006 for arms and strategic technology investigations by providing additional training in this area, and doubling the number of personnel assigned to these investigations. Indictments in these cases increased by 81 percent over the prior year, while arrests rose 36 percent and convictions rose 13 percent.

- Dismantled one of the World's Most Powerful Drug Cartels: ICE concluded a 15-year probe into Colombia's Cali drug cartel, once responsible for 80 percent of the world's cocaine supply, with the cartel leaders being sentenced to 30-year prison terms and agreeing to a $2 billion forfeiture. Roughly 141 cartel members have been arrested, indicted, or convicted in this case.

- Increased Use of Financial Authorities in Immigration Investigations: ICE continued to apply its financial investigative authorities to human smuggling cases and other immigration-related cases. As a result, the amount of assets seized in these cases has risen from almost nothing before ICE was created, to some $20 million in FY 2004 , and to nearly $42 million in FY 2006.

- Targeted Transnational Gangs: Through Operation Community Shield, ICE arrested some 2,290 gang members nationwide in FY 2006 and a total of 3,700 since February 2005.

- Strengthened Intelligence Information Sharing to Promote National Security: ICE created the National Security Integration Center in April 2006, partnering investigators and analysts to improve intelligence reporting on terrorism and homeland security.

- Launched Trade Units: ICE established Trade Transparency Units (TTUs) in Brazil and Argentina, and began establishment of a TTU in Paraguay. In FY 2006, TTUs initiated 21 trade-based money laundering investigations and generated 36 investigative referrals.

- Developed Nationwide Document-Fraud Effort: ICE established Document and Benefit Fraud Task Forces with the Department of Justice in 11 major metropolitan areas. Since their establishment, these task forces have conducted 235 investigations, resulting in 189 arrests and 118 indictments for fraud-related crimes.

- Created Border Enforcement Security Task Forces (BEST): ICE led a DHS-wide effort to identify, disrupt, and dismantle criminal organizations posing significant threats to border security in coordination with other law enforcement entities. Since August 2005, BEST Task Force agents have made almost 90 criminal arrests and seized over 750 pounds of marijuana, 400 pounds of cocaine, 141 weapons, 10 live grenades, and approximately $6.8 million in U.S. currency.

- Provided Information to State and Local Law Enforcement: ICE responded to 661,448 electronic queries from federal, state, local, tribal, and international police agencies at the Law Enforcement Support Center (LESC), placing 14,803 immigration detainers as a result of those queries.

- Increased Information Available in NCIC: ICE received 159,954 contacts from law enforcement officers on the LESC's dedicated law enforcement lines, and entered 71,953 new records of deported felons, absconders, and criminal fugitives wanted by ICE in the National Crime Information Center (NCIC) database. Overall, the LESC increased the number of NCIC validations by more than 150,000 over FY 2005.

- Leveraged Alternatives to Detention: ICE processed 8,300 non-detained aliens through the Alternatives to Detention program, including 1,989 Intensive Supervision Appearance Program participants and approximately 6,300 Electronic Monitoring Program participants.

- Established a National Juvenile Coordination Unit: ICE created this unit to oversee the detention of alien juveniles and families taken into custody and opened the new 500 bed T. Don Hutto Residential Center as a family detention facility.

- Initiated Significant Financial Investigations: ICE initiated more than 3,970 financial investigations that resulted in the seizure of roughly $137 million in currency and monetary instruments, the arrest of 1,262 individuals, 936 indictments, and 940 convictions, through the Cornerstone Initiative.

- Improved the Security of Federal Buildings: The Federal Protective Service made more than 6,300 arrests and citations and prevented 870,769 prohibited items from entering federally-owned and leased facilities.

- Provided Useful Intelligence: The Human Intelligence Program, which develops and exploits intelligence through coordination with Detention and Removal, Investigations, and Intelligence programs, processed approximately 7,000 human intelligence cases, an increase of 100% over the previous fiscal year.

- Created the Appellate Protection Law Division: ICE improved the sound handling of protection law issues and cases, including emergency stay requests, adverse decision reports, and appeals of Immigration Judges.

BUDGET REQUEST

Dollars in Thousands

	FY 2006 Revised Enacted		FY 2007 Enacted		FY 2008 Pres. Budget		FY 2008 +/- FY 2007	
	FTE	$000	FTE	$000	FTE	$000	FTE	$000
Salaries & Expenses [1, 2]	14,422	$3,417,414	15,083	$3,887,000	16,023	$4,162,000	940	$275,000
Federal Protective Service	1,438	$487,000	1,295	$516,011	950	$613,000	(345)	$96,989
Automation Modernization [2]	0	$39,749	7	$15,000	7	0	0	($15,000)
Construction [2]	9	$26,281	9	$56,281	9	$6,000	0	($50,281)
Gross Discretionary	**15,869**	**$3,970,443**	**16,394**	**$4,474,292**	**16,989**	**$4,781,000**	**595**	**$306,708**
Fee Accounts	446	$236,000	460	$252,349	474	$233,500	14	($18,849)
Total	**16,315**	**$4,206,444**	**16,854**	**$4,726,641**	**17,463**	**$5,014,500**	**609**	**$287,859**

[1] FY 2006 Salaries and Expenses includes funding received through the Hurricane Katrina ($13 million) and Secure Border Initiative ($327 million) Supplemental Appropriations.

[2] FY 2006 reflects a 1% rescission of $31.085 million from Salaries and Expenses, $0.265 million from Construction and $0.402 million from Automation.

FY 2008 Initiatives:

The request includes funding that supports the Administration's Secure Border Initiative (SBI), controlling the border and executing a comprehensive interior enforcement strategy. SBI, a performance-driven, Department-wide effort, is making dramatic improvements in border security and interior enforcement. SBI covers every facet of how the Department manages, adjudicates, and removes persons caught crossing the border illegally, and how the Department addresses illegal aliens already in the country.

The FY 2007 SBI-related funding ICE received expanded detention capacity, fugitive operations, and worksite enforcement. The FY 2008 request builds on these efforts by adding resources for the Criminal Alien Program, improving coordination with state and local law enforcement, and undertaking other interior enforcement initiatives. The Budget supports a total of 28,450 detention beds.

The following highlights the key requests for ICE:

- **Detention Bed Space ..... $31.0M (28 FTE)**
  Funding will provide 600 additional detention beds, contract services, and support personnel for the Detention Management Operation program. An additional 350 new beds are requested as part of the State and Local Law Enforcement Support enhancement.

- **Criminal Alien Program (CAP) ..... $28.7M (110 FTE)**
  Through CAP, ICE identifies and removes criminal aliens encountered in federal, state, and local detention facilities. The increase provides for the deployment of 22 additional 10-person CAP teams. An estimated 600 interviews, resulting in 300 apprehensions, will be made by each CAP officer.

- **State and Local Law Enforcement Support ..... $26.4M (27 FTE)**
  Section 287(g) of the Immigration and Nationality Act authorizes the Secretary of Homeland Security to delegate authority to enforce federal immigration laws to State and local law enforcement. Participation is voluntary and delegation is granted only after extensive training from ICE. This funding will allow training of 250 State and local law enforcement officers, 350 detention beds and associated staffing, the installation of T-1 data transmission lines, computers with IDENT/ENFORCE capabilities, and connectivity to ICE databases for the participating state and local agencies.

- **Information Technology Investments ..... $15.7M (2 FTE)**
  This program increase will fund: Detention and Removal Operations Information Technology modernization ($11.5 million, 4 positions, 2 FTE); mobile IDENT/ENFORCE devices ($2.2 million); and an Immigration Enforcement Systems upgrade ($2 million).

- **Removal Management Operations ..... $10.8M (0 FTE)**
  The request funds Centralized Ticketing Operations and additional air transportation support, including the use of the Justice Prisoner and Alien Transportation System (JPATS) and leasing of aircraft for alien removals.

- **Border Enforcement Security Task Forces (BEST) ..... $10.7M (32 FTE)**
  BEST Task Forces identify and prioritize emerging and existing threats to border security. The Task Forces will coordinate a unified response that leverages federal, state, local, tribal, and foreign law enforcement and intelligence entities to disrupt and dismantle cross-border criminal organizations to improve border security. The request includes funding for the existing BEST Task Force in Laredo, Texas, and to establish six additional task forces (56 agents and 7 support personnel).

- **Improved Integrity Oversight ..... $7.0M (19 FTE)**
  The request funds 32 Special Agents, 3 Supervisory Special Agents, and 2 mission support staff within the Office of Professional Responsibility to conduct criminal and serious misconduct investigations involving the activities of ICE and CBP employees deployed domestically and overseas. Timely attention to allegations of misconduct is critical to workforce integrity.

- **Gang Enforcement ..... $5.0M (18 FTE)**
  Criminal aliens pose a significant threat to public safety. ICE will use the additional resources to enhance its anti-gang initiative and increase the number of transnational gang members that are identified, arrested, and removed from the United States. The request provides resources for 35 positions for assignment to field offices in critical high-threat gang areas.

- **ICE Mutual Agreement between Government & Employers (IMAGE) ..... $5.0 M (15 FTE)**
  Through IMAGE, ICE will work with private employers to improve worksite enforcement. IMAGE will result in the reduced hiring of unauthorized workers as companies develop strong business practices. The request funds 10 special agents, 10 forensic auditors, and 9 investigative assistants.

- **Bulk Cash Smuggling Center (BCSC) ..... $2.1M (6 FTE)**
  The requested funding will support the hiring of 11 new personnel, equipment, and training for ICE investigators, state and local law enforcement officers, and Assistant U.S. Attorneys to support the BCSC.

- **Trade Transparency Unit (TTU) ..... $1.8M (4 FTE)**
  These resources will expand the capacity and capabilities of the TTU program to build partnerships with foreign governments and undertake coordinated investigations with foreign law enforcement counterparts to combat trade-based money laundering.

TRANSPORTATION SECURITY ADMINISTRATION

Description:

The Aviation and Transportation Security Act established the Transportation Security Administration (TSA) to protect the transportation system and ensure the freedom of movement for people and commerce. TSA is an agency of over 50,000 personnel, with over $6 billion in budget authority, substantial regulatory and law enforcement authority, and nationwide presence.

At a Glance

Senior Leadership:
Edmund (Kip) Hawley, Assistant Secretary

Established: November 19, 2001

Major Divisions: Security Operations, Transportation Sector Network Management, Law Enforcement/Federal Air Marshal Service, Operational Process and Technology/Information Technology, Intelligence and Analysis, Threat Assessment and Credentialing, and Transportation Security Support

Budget Request:	***$6,401,178,000***
Gross Discretionary	*$6,399,178,000*
Mandatory, Fees & Trust Funds	*$ 2,000,000*
Employees (FTE):	*50,173*

Responsibilities:

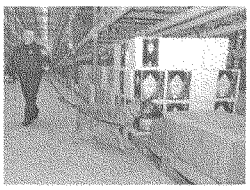
The Nation's transportation systems are inherently "open" environments. Aviation, rail, mass transit, highway, pipeline, and port systems are designed to move people and commerce quickly to their destinations. Given this environment, effective security strategies must be established, while maintaining quick and easy access for passengers and cargo.

TSA's security focus is on identifying, prioritizing, and mitigating risks to minimize the impact of potential incidents. Sharing of information among agencies and stakeholders – including intelligence information – is a cornerstone of the risk management model.

Recognizing that differences exist between transportation modes, TSA remains committed to ensuring passenger and cargo security and instilling citizen confidence in the security of the U.S. transportation system. TSA's specific responsibilities include: ensuring thorough and efficient screening of all aviation passengers and baggage through an appropriate mix of federalized and privatized screeners and technology; promoting confidence through the deployment of Federal Air Marshals to detect, deter, and defeat hostile acts targeting air carriers, airports, passengers, and crews; managing the security risk to the surface transportation systems in partnership with federal, local, and private stakeholders; developing and implementing more efficient, reliable, integrated, and cost effective terrorist related screening programs; and improving organizational effectiveness by expanding capabilities of the workforce to leverage limited resources.

TSA is also tasked with managing the security risk to the U.S. surface transportation systems while ensuring freedom of movement of people and commerce. These systems include approximately 775 million passengers traveling on buses each year, and over 9 billion passenger trips on mass transit per year; over 140,000 miles of railroad (of which 120,000 miles are

privately owned); 3.8 million miles of roads (46,717 miles of Interstate highway and 114,700 miles of National Highway System roads), 582 bridges over 20 feet of span, 54 tunnels over 500 meters in length, and nearly 2.2 million miles of pipeline; and nearly 800,000 shipments of hazardous materials transported every day (95% by truck).



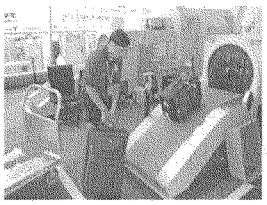
Canine Team searching cargo for explosives.

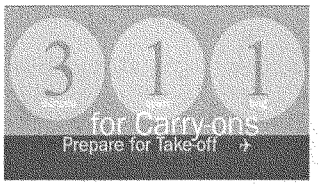
Service to the Public:

TSA's operations span all modes of transportation to provide proactive security measures and respond quickly and effectively to any terrorist threat. TSA is committed to the highest level of transportation security for the United States. Public confidence in the safety and security of the Nation's transportation systems ensures the continued success and growth of the transportation industry. The Nation's economy depends upon implementation of effective, yet efficient transportation security measures. The United States and its citizens remain targets for terrorist and other criminals. Protecting our transportation systems is a national security priority and TSA's goals reflect this responsibility. Federal, state, and local governments, and private industry continue to work together to achieve our common goal: safe and secure transportation worldwide.

TSA priorities include enhancements in aviation security which emphasize explosives detection training and technology, modifications to the prohibited items list, and changes to TSA security screening protocols. TSA has evolved its Transportation Security Officer (TSO) workforce to be highly responsive and effective in addressing the variety of potential threats, such as those presented in August 2006 by liquids, aerosols, and gels. TSA's assumption of the document checking responsibility in FY 2008 will add an important layer of defense for aviation security. TSA is committed to continue to retain and leverage its workforce to strengthen its ability to secure the aviation sector. Continued execution of the TSO Career Progression Program will improve TSA's ability to retain more experienced and better trained TSOs.

TSA is also engaging the public to enhance security awareness in the transportation system and increase mission performance. The public adds its own significant layer of security by its vigilance in looking for and reporting suspicious behavior. The likelihood that a passenger will take action if an event occurs on an aircraft has increased significantly. TSA recently implemented the 3-1-1 (3 ounces, 1 quart, 1 bag) program which engages millions of air travelers to assist TSA in the screening process by coming to the airport prepared. The 3-1-1 program has made a significant impact without increasing wait times while enabling the public to have a more secure travel experience.





Many facets of screening activities (left to right)
Checked baggage screening; 3-1-1 program; Checkpoint screening

2006 Accomplishments:

- Continued to provide critical security for the Nation's air travelers through effective use of both screening personnel and technology. In FY 2006, TSA screened 708,400,522 people; intercepted 13,709,211 prohibited items at security checkpoints, and screened 535,020,271 individual pieces of checked luggage.

- Provided an effective and affordable additional layer of security through introduction of the Bomb Appraisal Program to prevent the introduction of explosives and improvised explosive devices (IEDs). TSA Bomb Appraisal Officers (BAOs) have extensive operational experience in the field as members of military Explosive Ordinance Disposal units and accredited law enforcement/public safety bomb squads. There are currently 30 BAOs at 23 airports. By FY 2007, TSA expects to have 120 BAOs at 105 Category X, I, and primary hub airports. By FY 2008, TSA expects to have 295 BAOs nationwide at Category X, I, and hub airports.

- Invested approximately $534 million in the purchase and deployment of explosive detection technology which included Next Generation technology and Letters of Intent (LOI) Reimbursement.

- Responded to Liquid Explosive Threat in London by training its 43,000 security officers to address the threat of liquid explosives in a matter of hours. No flights were cancelled and after two days security wait times returned to normal levels. Six weeks later, after conducting extensive explosive testing with our federal partners, TSA proved its flexibility by modifying its ban on liquids by allowing limited quantities onboard aircraft. Again, efficiency was not affected and in fact wait times during the Thanksgiving holiday were slightly lower than in 2005.

- Countered emergent threats by providing TSOs at all airports with training programs in IEDs and Liquid Explosives. Since November 2005, over 46,542 TSOs have received intensive technical classroom training and approximately 36,886 TSOs have received online improvement training to reinforce explosives detection capabilities. The practical exercises introduce materials such as gels, shampoos, toothpaste tubes, and shaving cream to address recent threats.

- Implemented a new Career Progression Program that adds significant additional security within current budget constraints while enabling widespread career growth and professional development opportunities for high-performing TSOs. Key retention and recruitment initiatives, launched in FY06, included Pay for Performance/PASS, the E Band career progression, injury reduction programs, and a part-time health benefit pilot.

- Provided the Federal Security Directors greater input and flexibility by moving from a highly centralized hiring model to one that places responsibility for planning, recruitment, and candidate selection at the local level.

- Upgraded the design and development of the Secure Flight program to weave security and privacy considerations and specialists into all aspects of the program to improve performance and accuracy.

- Strengthened Air Cargo Security by issuing two fall 2006 security directives requiring inspection of 100 percent of high risk cargo, as well as packages tendered to airlines at the ticket counters. TSA also expanded the use of explosives detection canine teams to screen cargo and added 100 air cargo inspectors.

- Conducted more than 700,000 name-based background checks on port workers. In partnership with the U.S. Coast Guard, TSA issued a proposed rule and will soon issue a final rule that clears the path to begin enrollment for the Transportation Worker Identification Credential (TWIC) program in early 2007.

- Worked to establish consistency and interoperability standards for the private sector in order to implement a trusted passenger program (Registered Traveler) that uses available technologies to expedite the security screening of passengers.

- Continued to conduct a fingerprint-based background records check on all U.S. drivers seeking to obtain, renew, or transfer a hazardous material endorsement on a commercial driver's license and reported the results of the check to the driver and the state.

- Conducted Rail Security Explosives Detection Pilot Programs in Baltimore and Jersey City to test and evaluate security equipment and operating procedures as part of DHS' broader efforts to protect citizens and critical infrastructure from possible terrorist attacks.

- Maintained 100 rail inspectors in 18 field offices throughout the United States to provide coverage of the key rail and mass transit facilities in their regions.

- Engaged in outreach and enforcement activities in rail systems throughout the United States by implementing and conducting initial Freight Safety Action Item inspections with full implementation and over 200 inspections planned for 2007.

- Enhanced transportation security by deploying more than 450 canine teams in a partnership program with state and local law enforcement with participation by 75 airports and 12 mass transit systems.

- Aggressively reduced workers compensation costs through strategies of prevention, education, case management, and nurse intervention.

BUDGET REQUEST

Dollars in Thousands

	FY 2006 Revised Enacted[1]		FY 2007 Enacted		FY 2008 Pres. Budget		FY 2008 +/- FY 2007	
	FTE	$000	FTE	$000	FTE	$000	FTE	$000
Aviation Security	48,540	$4,571,487	47,259	$4,731,814	48,237	$4,953,159	978	$221,345
Surface Transportation Security	297	$35,640	288	$37,200	288	$41,413	--	$4,213
Transportation Threat Assessment and Credentialing	111	$120,671	166	$68,700	166	$158,091	--	$89,391
Transportation Security Support	1,415	$505,378	1,476	$525,283	1,476	$ 524,515	--	($768)
Federal Air Marshals	--	$681,838	--	$714,294	--	$722,000	--	$7,706
Gross Discretionary	**50,363**	**$5,915,014**	**49,189**	**$6,077,291**	**50,167**	**$ 6,399,178**	**978**	**$321,887**
Fee Accounts (Mandatory)	--	$252,000	6	$252,000	6	$2,000	--	($250,000)
Gross Budgetary Resources	**50,363**	**$6,167,014**	**49,195**	**$6,329,291**	**50,173**	**$6,401,178**	**978**	**$71,887**
Less Prior Year Resources	--	($5,500)	--	($66,712)	--	--	--	$66,712
Total	**50,363**	**$6,161,514**	**49,195**	**$6,262,579**	**50,173**	**$ 6,401,178**	**978**	**$138,599**

[1] FY 2006 Appropriation included $5.5M rescission from prior year Aviation Security funds, 1% rescission across appropriations, and FY 2006 Transfers/Reprogrammings.

[2] FY 2007 Appropriation included $66.712M rescission from prior year Aviation Security and Transportation Security Support funds.

FY 2008 Initiatives:

The Transportation Security Administration's overall budget request of $6.4 billion reflects a total increase of $138.6 million and 978 FTE. Of this amount, $101.1 million is in direct support of transportation security initiatives outlined below, while the remainder of the funds support base adjustments to maintain current operating levels.

The new initiatives include funding to perform Travel Document Checker duties at federal airports, to expand the National Explosive Detection Canine Team Program in both the mass transit and ferry systems, and continue development efforts for the Secure Flight system.

Transportation Security Initiatives

- **Travel Document Checkers (TDC)..... $60.0M (1,329 FTE)**
  TSA requests $60.0 million for the pay, compensation, and benefits for an additional 1,329 Transportation Security Officers to perform TDC duties at federal airports. The evolving nature of the threat to aviation security requires an agile response by TSA in meeting its screening mission responsibilities. Under previous procedures (prior to August 10, 2006), airport contract employees conducted all document checking for passengers approaching the screening checkpoint. TSA has determined that aviation security must be strengthened to close vulnerabilities and better meet security responsibilities through document checking procedures more rigorous than those being done by private industry. TSA's assumption of the document checking responsibility will add an important layer of defense for aviation security. Specifically, it will give TSA the capability to:
  - Close a current vulnerability by adding an additional layer of security that deters and detects individuals who attempt to board an aircraft with fraudulent documents. TSOs will physically inspect the documents using enhanced means which could include document scanners, black lights and magnifying equipment. TSOs will also be using Sensitive Security Information regarding specific threats, terrorists on watch lists, and individuals of concern that TSA or other U.S. Government entities are seeking that TSA cannot legally give to document checking contract personnel.
  - Interact with passengers to identify anomalies that would warrant additional screening and interviewing, while augmenting other security programs such as Screening of Passengers by Observation Techniques.
  - Improve deterrence at airports as uniformed TSOs push their span of control beyond the traditional checkpoint site.
  - Provide better control of checkpoint line queuing and selectee screening. Placing TSA personnel in the TDC position improves customer service by allowing TSA to provide one face to the customer through all phases of checkpoint operation.

- **National Explosive Detection Canine Team Program..... $3.5M (0 FTE)**
  TSA requests $3.5 million to expand the National Explosive Detection Canine Team Program by approximately 45 teams to support the Nation's largest passenger transportation systems in both the mass transit and ferry systems by enhancing the capability to deter, detect, and prevent explosives from being introduced as a weapon. There are more than 400 teams currently assigned to the Nation's airports and 10 of the Nation's largest mass transit rail systems. These teams currently support maritime-oriented security requests and National Security Special Events on a collateral duty basis. This initiative would provide highly effective, rapidly deployable canine team resources to the Nation's largest passenger transportation systems on a full-time basis in order to preempt terrorist attacks such as the three recent incidents on the Philippine Super Ferry system, and the attacks on other mass transit passenger systems in Moscow, Madrid, and London.

- **Secure Flight Program ..... $37.6M (0 FTE)**
  TSA requests an increase of $37.6 million to continue development efforts for the Secure Flight system. This request will fund hardware procurement, operations ramp-up and training, and network interface engineering between Secure Flight and the U.S. Customs and Border Protection Advance Passenger Information System network before implementation of the program to aircraft operator groups.

FEDERAL LAW ENFORCEMENT TRAINING CENTER

Description:

The Federal Law Enforcement Training Center (FLETC) serves a leadership role as the federal government's principal provider of world-class, interagency training of federal law enforcement personnel. FLETC's collaborative approach with its client groups uses research, training, and education in a shared mission of protecting our democratic institutions, ensuring public safety, and preserving law and order.

At a Glance

Senior Leadership:
Connie L. Patrick, Director

Established: 1970

Major Divisions: Basic Training; Advanced Training; Agency-Specific Training; State and Local Training; International Training

Budget Request: ***$263,056,000***

Employees (FTE): *1,049*

FLETC's services to its three major client groups underscore its homeland security support mission in promoting intergovernmental cooperation in law enforcement preparedness. FLETC: 1) serves 82 federal agencies having enforcement responsibilities; 2) provides training and technical assistance to state and local law enforcement entities; and 3) plans, develops, and presents formal training courses and practical exercise applications related to international law enforcement training, in the interest of combating global crime and protecting U.S. interests abroad.

Responsibilities:

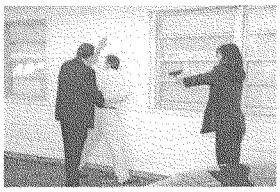
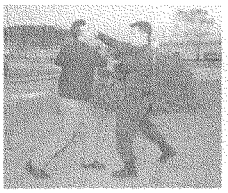
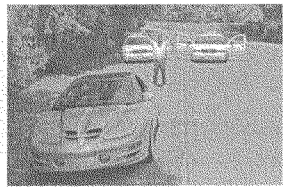
FLETC's operation is based on the long held premise that taxpayers are far better served through a consolidated approach to law enforcement training. Economies of scale produced by joint training result in high cost avoidance relative to the costs associated with numerous training sites that federal agencies might otherwise tend to establish.

A consolidated approach provides the opportunity to deliver higher quality training through state-of-the-art facilities, a permanent core faculty of training instructors, consistency of training content and quality, and delivery of the most contemporary of law enforcement philosophies. The commingling of students from different agencies and levels of government promotes networking and fosters the inter-agency cooperation that is critical to the success of DHS.

FLETC offers numerous basic law enforcement training programs of varying lengths consistent with the duties and responsibilities of the personnel to be trained. A large number of the Center's partner organizations have transferred portions or all of their law enforcement training operations to one of FLETC's residential sites. These training offices and academies coordinate the training activities of their personnel and conduct advanced and agency-specific training programs.

FLETC also conducts and supports numerous advanced and specialized training programs for its partner organizations. Further, many non-partner organizations attend both basic and advanced programs on a space-available basis, which helps to maintain the economics of operations for consolidated training. FLETC offers selected specialized training programs for state, local and international law enforcement personnel. These programs are designed to meet critical training needs that are not generally available, either locally or regionally, and to enhance networking and cooperation domestically and globally.

FLETC currently operates four training sites throughout the U.S. for multiple agency use. The FLETC headquarters and training site, Glynco, GA, has classrooms, dining and residence halls, and state-of-the-art facilities for firearms, physical techniques, driver, marine and computer based training activities. Two field locations that provide both basic and advanced training are located in Artesia, NM, and Charleston, SC. The fourth training site, Cheltenham, MD, provides in-service and re-qualification training for officers and agents in the Washington, DC area. In cooperation with the Department of State, FLETC operates two International Law Enforcement Academies (ILEA) in Gaborone, Botswana and San Salvador, El Salvador, offering training in law enforcement techniques and procedures. Additionally, FLETC provides training and technical assistance at locations worldwide in collaboration with and support of the US Embassies located within country.

2006 Accomplishments:

- Effectively trained 51,249 law enforcement agents in FY 2006, including 1,124 Border Patrol agents. This represents an increase of 7.8% or 3,689 agents above FY 2005 levels.
- Continued infrastructure modifications along with start up of two dormitories and aquatic center at Artesia, New Mexico, and an Interview Complex at Glynco, Georgia in support of the Secure Border Initiative.
- FLETC received Federal Law Enforcement Training Academy Accreditation for all four training sites. FLETC also received program accreditation for the Law Enforcement Instructor Training Program.

BUDGET REQUEST

Dollars in Thousands

	FY 2006 Revised Enacted[1]		FY 2007 Enacted[2]		FY 2008 Pres. Budget		FY 2008 +/- FY 2007	
	FTE	$000	FTE	$000	FTE	$000	FTE	$000
Law Enforcement Training	992	$303,178	1,040	$273,989	1,049	$263,056	9	($10,933)
Accreditation	9	$1,356	7	$1,290	0	$0	(7)	($1,290)
Total	**1,001**	**$304,534**	**1,047**	**$275,279**	**1,049**	**$263,056**	**2**	**($12,223)**

[1] The original appropriation for FLETC in FY 2006 was $282,358,000. FLETC received a supplemental of $25,000,000 and FLETC's portion of the FY 2006 1% across the board rescission was $2,824,000.

[2] The FY 2007 total includes $22,000,000 in one time emergency funding in FY2007.

FY 2008 Initiatives:

- **Federal Law Enforcement Training Center Fund..... $219.8M (1,049 FTE)**
  The request establishes a new revolving fund to replace the Salaries and Expenses appropriation for the operation of the FLETC. These resources would provide the initial capitalization of the Fund, and would be appropriated as no-year resources. A reimbursable cost module will be developed and utilized by FLETC customers beginning in FY 2009, eliminating the need for an annual FLETC appropriation.

- **Border Patrol/ICE Training ..... $4.3M (7 FTE)**
  FLETC will provide training for 4,350 Border Patrol agents, 620 ICE investigators and 530 ICE detention personnel in support of the Secure Border Initiative.

- **Training Technology Modernization Plan (TTMP) ..... $2.8M (0 FTE)**
  TTMP will provide technology to support training for an estimated 400 training programs for approximately 53,000 students annually at the four FLETC facilities. It will also support FLETC in providing export training and distance learning for State, local, tribal, international and Federal law enforcement personnel.

- **Practical Application/Counter Terrorism Operations Training Facility ..... $0.2M (2 FTE)**
  The initiative provides for training instructors and maintenance for the completed portions of the PA/CTOTF. Four new instructors will develop, coordinate, facilitate, and train in the Intermodal and International training sites.

- **International Law Enforcement Academy (ILEA) San Salvador..... $0.2M (0 FTE)**
  The initiative funds the costs associated with the operation and management of ILEA San Salvador. The objective of ILEA San Salvador is building and strengthening partnerships among the region's law enforcement community.

- **Accreditation (Transfer) .....-$1.3M (-7 FTE)**
  The operation support for the Office of Federal Law Enforcement Training Accreditation (FLETA) is proposed to transfer to DHS, Chief Human Capital Officer. This transfer would eliminate any possible conflict between FLETC and FLETA with regards to FLETC's program accreditation, and provide autonomy to FLETA within the law enforcement training community.

UNITED STATES COAST GUARD

Description:

The U.S. Coast Guard (USCG) is one of the five United States armed services and an agency within DHS.

Responsibilities:

The U. S. Coast Guard is the principal federal agency charged with maritime **safety, security and stewardship**. As such, the Coast Guard protects vital interests of the United States – the personal safety and security of our population, our natural and economic resources, and the territorial integrity of our maritime borders – from internal and external threats, natural and man made. The Coast Guard protects these interests in U.S. ports and inland waterways, along the coasts, on international waters or in any other maritime region where U.S. interests may be at risk.

Service to the Public:

The Coast Guard generates public value through its roles and missions that ensure maritime **safety, security and stewardship**. These roles and missions are *enduring* - long standing responsibilities, accrued to the Coast Guard over two centuries of service because they are inherently governmental, serve the collective good, and can be accomplished most effectively by a single federal maritime force.

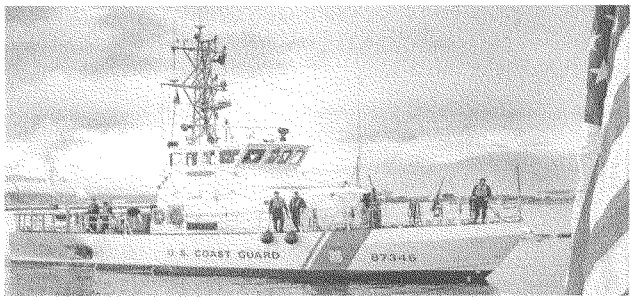
At a Glance

Senior Leadership:
Admiral Thad W. Allen, Commandant

Established: 1790 (as the Revenue Marine; named USCG in 1915)

Major Missions: Search and Rescue; Marine Safety; Aids to Navigation; Ice Operation; Marine Environmental Protection; Living Marine Resources; Drug Interdiction; Migrant Interdiction; Other Law Enforcement; Ports, Waterway and Coastal Security; and Defense Readiness

Budget Request:	***$8,726,302,000***
Gross Discretionary	*$7,272,232,000*
Mandatory, Fees & Trust Funds	*$1,454,070,000*
Civilian Employees:	*6,726*
Military Service Members:	*41,398*
Additional Personnel:	
Military Selected Reserve:	*8,100*
Auxiliary:	*31,900*



BUDGET REQUEST [1,2,3,4,5,6]

Dollars in Thousands

	FY 2006 Revised Enacted		FY 2007 Enacted		FY 2008 Pres. Budget		FY 2008 +/- FY 2007	
	FTE	$000	FTE	$000	FTE	$000	FTE	$000
Search & Rescue	4,652	$914,119	4,720	$918,018	4,723	$916,309	3	$(1,709)
Marine Safety	4,012	$804,584	3,982	$700,089	3,996	$753,914	14	$53,825
Aids to Navigation	7,526	$1,198,860	7,621	$1,140,184	7,644	$1,229,921	23	$89,737
Ice Operations	906	$116,588	1,111	$148,023	1,118	$157,638	7	$9,615
Marine Environmental Protection	1,356	$370,757	1,376	$340,776	1,385	$371,771	9	$30,995
Living Marine Resources	4,208	$868,088	4,231	$850,244	4,239	$796,851	8	($53,393)
Drug Interdiction	6,333	$1,436,747	6,268	$1,349,229	6,300	$1,292,658	32	($56,571)
Migrant Interdiction	2,467	$574,515	2,547	$515,120	2,574	$520,879	27	$5,759
Other Law Enforcement	703	$122,135	815	$160,728	803	$131,377	(12)	($29,351)
Port Waterways & Coastal Security	12,906	$1,718,372	13,040	$1,840,398	13,268	$1,928,230	228	$87,832
Defense Readiness	2,076	$550,354	2,087	$664,055	2,074	$626,754	(13)	($37,301)
Total	**47,145**	**$8,675,119**	**47,798**	**$8,626,864**	**48,124**	**$8,726,302**	**326**	**$99,438**
Adjustments	--	($689,088)	--	($266,305)	--	--	--	--
Adjusted Budget Authority	**47,145**	**$7,986,031**	**47,798**	**$8,360,559**	**48,124**	**$8,726,302**	**326**	**$99,438**

[1] The USCG develops estimates of mission-specific spending using a sophisticated activity-based costing model (the model). Data presented in the "FY 2006 Revised Enacted," "FY 2007 Enacted" and "FY 2008 President's Budget" columns are based on the model's most current performance assumptions. The FY 2006 and FY 2007 funding amounts are revised from the estimates reported in the FY 2007 President's Budget submission.

[2] Figures do not include mandatory fee funded activity from the Miscellaneous Trust Revolving Funds account. Fee accounts reflect actual collections for FY 2006.

[3] Adjustments include Department of Defense transfers and Supplemental Appropriations.

[4] FTE figures include service members and civilian employees. Military service members are measured in end strength vice FTE.

[5] FY 2007 total funding includes prior year rescissions for the Fast Response Cutter - $78.7M (P.L. 109-295), Offshore Patrol Cutter - $20M (P.L. 109-90) and Nationwide Automatic Identification System - $4.1M (P.L. 109-90).

[6] FY 2007 funding includes $505K received as a result of the sale of a lighthouse. The National Historic Lighthouse Preservation Act of 2000 (NHLPA), 16 U.S.C. § 470w-7, authorizes the funds received from the sale of lighthouses to be credited to the Coast Guard Operating Expenses appropriation account, and shall be available for obligation and expenditure for the maintenance of light stations.

FY 2006 Accomplishments:

- The Coast Guard responded to more than 28,000 calls for assistance and saved the lives of more than 5,200 mariners in distress.

- The Coast Guard had a spectacular year conducting the counter-drug mission from Coast Guard and Navy vessels, as well as Allied naval vessels in the Caribbean and Eastern Pacific. In 2006, counter-drug boardings from U.S. and Royal Navy vessels resulted in all-time records for seizures and arrests. The 93,209 pounds of drugs seized in FY 2006 was more than the 83,149 pounds of drugs seized in FY 2004 and FY 2005 combined. Several "firsts" in the counter-drug mission were achieved, including the first employment of the British airborne use of force package, and the first successful employment of airborne use of force by Coast Guard personnel operating from a U.S. Navy aircraft.

- The Coast Guard took on an important new mission in defense of the National Capitol Region airspace as it implemented Rotary Wing Air Intercept capability on a 24/7 basis in support of the North American Aerospace Defense Command's Operation NOBLE EAGLE (ONE).

- The Coast Guard christened Cutter *Bertholf* (WMSL 750), its first new high endurance cutter in more than 35 years and the first National Security Cutter of the Deepwater acquisition program. The cutter will meet the Coast Guard's multi-mission responsibilities in homeland security, national defense, marine safety and environmental protection, and will play an important role in strengthening the Coast Guard's operational readiness, capacity and effectiveness.

- The Coast Guard Cutter *Rush* (WHEC 723) completed an important Multi-lateral/international exercise with coast guard vessels from China, Japan, Canada, India and South Korea to enhance the ability to operate effectively with our international partners. The *Rush* was the first U. S. Coast Guard Cutter visit to mainland China since World War II.

- In support of the Coast Guard's vital mission to protect the nation's living marine resources, Coast Guard Cutter *Walnut* and a Coast Guard C-130 airplane observed a foreign fishing vessel fishing illegally inside the Howland/Baker Exclusive Economic Zone, about 1,700 miles south of Honolulu. The *Walnut* seized the vessel and escorted it to Guam. The vessel had approximately 500 metric tons of illegally caught skipjack tuna worth about $350,000.

- In a dramatic operation off the coast of San Diego, the Coast Guard, along with federal drug agents, arrested Mexican drug lord Francisco Javier Arellano-Felix, leader of a major violent gang, known as the "Tijuana Cartel," responsible for digging elaborate tunnels to smuggle drugs under the U.S. border.

- In January, shortly after commencing the U.S. Antarctic Program's resupply effort to open a channel through the ice into McMurdo Station, the chartered Russian icebreaker *Krasin* suffered a major casualty when a blade on one of its three propellers was sheared

off by thick ice. Coast Guard Cutter *Polar Star* deployed on extremely short notice to Antarctica to assist the *Krasin* and complete the critical resupply effort.

- In 2006, the Coast Guard successfully transitioned the Inland Rivers Vessel Movement Center (IRVMC) from a small start-up to a fully funded, permanently staffed component of the Coast Guard's Navigation Center. IRVMC strengthens homeland security by tracking barges and vessels transporting dangerous chemicals, and provides mission-critical maritime domain awareness to Coast Guard units on more than 10,000 miles of the Western Rivers.

- The Coast Guard helped the nation meet its urgent and growing energy needs by extensively analyzing multiple energy facility site proposals in the Northeast for environmental impacts and maritime security. Working with Department of Energy, Federal Energy Regulatory Commission, Maritime Administration and other federal, state and local entities - and with much public input - the Coast Guard has provided thorough review of seven Liquid Natural Gas and two wind farm facility proposals.

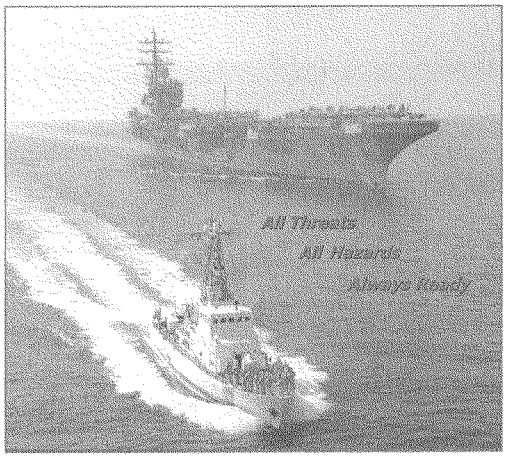
- The Coast Guard procured six 33-foot Special Purpose Craft to meet its needs for faster, more maneuverable boats. These unique assets provide the Coast Guard with the capability to intercept high speed non-compliant vessels, as well as to stop illegal fishing, and migrant and drug smuggling especially along our southern maritime border. Of note, the Coast Guard partnered with U.S. Customs and Border Protection on the acquisition and maintenance support of these highly capable assets.

- In FY 2006, there were 5,552 successful migrant arrivals out an estimated threat of 51,134 migrants, yielding a deterrence and interdiction rate of 89.1 percent, just over the 89 percent performance target.

- Coast Guard Patrol Forces Southwest Asia fabricated a training facility in Umm Qasr, Iraq. The facility enables the training of Iraqi security forces in vessel boarding procedures, close quarters battle techniques, and container inspections. The first group of Iraqi marines successfully completed the inaugural two-week course taught by Coast Guard on October 21, 2006.

- The Coast Guard provided escorts in and out of key U.S. ports and Naval Vessel Protection Zones during the loading/unloading of ships involved in the transport of military equipment to Iraqi and Afghanistan theaters. Staffing for these operations was provided by reservists mobilized under Title 10 United States Code.

- The Coast Guard replaced 39 obsolete cutter boats on the entire High Endurance and Medium Endurance Cutter fleets with the significantly more capable Cutter Boat– Over The Horizon (CB-OTH); with speed nearly doubling that of the boat it replaced, along with increased secure communications capabilities. When used in conjunction with armed helicopter capability, CB-OTH has had a 98 percent success rate in stopping non-compliant vessels.



FY 2008 Initiatives:

- **Integrated Deepwater System (IDS)..... $788.1M (0 FTE)**
  The budget requests a total of $788.1 million to complete the IDS acquisition of National Security Cutters one through four (High Endurance Cutter replacement) and fund long lead material for the fifth; fund the engineering and design costs for the Replacement Patrol Boat (FRC-B) and purchase four additional Maritime Patrol Aircraft (MPA), establishing a fourth MPA-equipped air station. Additionally, IDS Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance upgrades to the USCG cutters, boats and aircraft will enhance Maritime Domain Awareness and are crucial to the achievement of an integrated, interoperable border and port security system.

- **National Distress System (Rescue 21) ..... $89.0M (2 FTE)**
  The Rescue 21 project is the foundation for Search and Rescue, and will enhance the Coast Guard's ability to execute all of its missions through improved communications, command and control capabilities in the coastal zone. The budget requests a total of $88.973 million to continue full-rate production of the ground support system through design for ten locations, infrastructure preparation at twelve locations and system installation at seven locations. The request includes $8.173 million for Rescue 21 operating costs.

- **Operation & Maintenance of Surface and Air Assets ..... $55.5M (169 FTE)**
  The budget requests a total of $55.5 million. This is $25 million over the $30 million funded in FY 2007. The FY 2008 request will fund O&M of cutters, boats, aircraft and associated subsystems delivered through the IDS acquisition project. O&M funding is requested for the following assets: 1) six C-130J aircraft; 2) the Atlantic Area Aviation Deployment Center; 3) the second, third and fourth National Security Cutters; and 4) C4ISR upgrades installed on legacy cutters, boats and aircraft.

- **Shore Facilities and Aids-to-Navigation Recap Projects ..... $37.9M (0 FTE)**
  The budget requests a total of $37.9 million. This is $15.9 million more than the $22.0 million funded in FY 2007. The FY 2008 request will continue to improve critical shore infrastructure projects essential to maintaining safe, functional and modern shore facilities that efficiently and effectively support USCG personnel as they perform the missions and operational requirements of the USCG. FY 2008 projects include:
  - Survey and Design – Shore Operational and Support Projects ($1.337M)
  - Phase I - Rebuild Station and Waterfront at Base Galveston ($5.200M)
  - Phase II - Recapitalization of Cordova, AK housing ($7.380M)
  - Construct Berthing and Boat Maintenance at Station Washington ($2.180M)
  - Recapitalize Waterways Aids-to-Navigation Infrastructure ($2.500M)
  - Recapitalize Station Marquette ($6.000M)
  - Recapitalize Rescue Swimmer Training Facility ($13.300M)

- **Response Boat-Medium Project ..... $9.2M (0 FTE)**
  The $9.2 million requested in FY 2008 will be used to replace the aging 41-foot utility boats (UTB) and other large non-standard boats (NSB) with assets more capable of meeting all of the USCG's multi-mission operational requirements.

- **Nationwide Automatic Identification System (NAIS) Project ..... $12.0M (0 FTE)**
  The FY 2008 request of $12.0 million will continue implementation of NAIS to significantly enhance the USCG's ability to identify, track and exchange information with vessels in the maritime domain in support of the Nation's maritime interests.

- **High Frequency (HF) Communications Recap Project ..... $2.5M (0 FTE)**
  The budget requests a total of $2.5 million for FY 2008 to continue recapitalization of the USCG's HF communications system, including replacement of 88 twenty-five year old, unserviceable, shore-side, high power HF transmitters critical to offshore flight and air operations.

- **Special Purpose Craft – Law Enforcement ..... $3.3M (31 FTE)**
  The budget requests a total of $3.3 million in FY 2008 to operate and maintain the SPC-LE boats acquired with funding added by Congress in the FY 2007 Homeland Security Appropriations Bill. The SPC-LE gives the Coast Guard increased boat capacity which will be used at multi-mission stations. Increased small boat capacity directly supports all Coast Guard missions such as certain dangerous cargo (CDC) and high capacity passenger vessel security; migrant and drug interdiction, shore side and waterborne patrols; and boardings of High Interest Vessels.

UNITED STATES SECRET SERVICE

Description:

The United States Secret Service protects the President, Vice President, and other dignitaries and designated individuals; enforces laws relating to obligations and securities of the United States; investigates financial and electronic crimes; and protects the White House and other buildings within the Washington, D.C. area.

At a Glance

Senior Leadership:
Mark J. Sullivan, Director

Established: 1865

Major Divisions: Office of Protective Operations, Office of Investigations, Office of Protective Research, Office of Human Resources and Training, and Office of Administration

Budget Request:	***$1,608,996,000***
Gross Discretionary	*$1,398,996,000*
Mandatory, Fees & Trust Funds	*$ 210,000,000*
Employees (FTE):	*6,700*

Responsibilities:

The primary responsibility of the Secret Service is the protection of the President, Vice President, immediate family members, the President-elect, Vice President-elect, or other officers next in the order of succession to the Office of the President and members of their immediate families, visiting heads of state/government and accompanying spouses, former Presidents, their spouses and minor children and, at the discretion of the President, other distinguished foreign visitors to the United States and official representatives of the United States, performing special missions abroad. The Secret Service also protects the Executive Residence and grounds in the District of Columbia, buildings in which White House offices are located, the official residence and grounds of the Vice President in D.C., foreign diplomatic missions located in the Washington metropolitan area, and other designated buildings within the Washington D.C. area; and implements operational security plans for designated National Special Security Events.

The Secret Service is also responsible for the investigation of counterfeiting of currency and securities, forgery and alterations of government checks and bonds, thefts and frauds relating to Treasury electronic funds transfers, financial access device fraud, telecommunications fraud, computer and telemarketing fraud, fraud relative to Federally insured financial institutions, and other criminal and non-criminal cases.

Service to the Public:

The Secret Service protects the leaders of the nation and ensures the integrity of the nation's financial systems by prosecuting crimes involving identity theft, financial institution fraud, and money laundering. The Service also works to ensure the integrity of the nation's cyber infrastructure through investigations into electronic crimes involving computers, telecommunications devices, scanners, and other electronic equipment.

BUDGET REQUEST

Dollars in Thousands

	FY 2006 Revised Enacted[1]		FY 2007 Enacted		FY 2008 Pres. Budget		FY 2008 +/- FY 2007	
	FTE	$000	FTE	$000	FTE	$000	FTE	$000
Salaries & Expenses	6,564	$1,219,827	--	--	--	--	--	--
Protection, Administration, and Training	--	--	4,564	$961,779	4,841	$1,095,078	277	$133,299
Investigations and Field Operations	--	--	2,085	$311,154	1,859	$300,193	(226)	($10,961)
Acquisition, Construction, Improvements, and Related Expenses	--	$3,662	--	$3,725	--	$3,725	--	--
DC Annuity	--	$200,000	--	$200,000	--	$210,000	--	$10,000
Gross Discretionary	**6,564**	**$1,423,489**	**6,649**	**$1,476,658**	**6,700**	**$1,608,996**	**51**	**$132,338**

Note: Congress enacted one appropriation for Salaries and Expenses in FY 2006. In FY 2007, Congress separated the Salaries and Expenses appropriation into two appropriations – Protection, Administration, and Training and Investigations and Field Operations.

[1] Includes a 1% rescission ($12.120M) pursuant to P.L. 109-48, an Emergency Hurricane Katrina Supplemental ($3.600M), and Global WAR on Terror, and Hurricane Recovery Supplemental ($20.000M).

FY 2006 Accomplishments:

- Protected 84 foreign heads-of state and 48 spouses at the United Nations General Assembly 61st anniversary.
- Provided protection for 55 protectees who made 6,000 foreign and domestic stops.
- Conducted a technologically ground-breaking cyber crime investigation of vulnerabilities where 112,000 sets of identity information targeted for identity theft were intercepted.
- Screened mail destined for the White House for potential harmful and hazardous materials.
- Provided training for agents, officers, professional, technical and administrative personnel.
- Provided a "surge capacity" of protective support during protectees' travel. Field offices provided direct support for protective visits within their district while also conducting criminal investigations involving counterfeiting, financial, and cyber crime.
- The Secret Service planned security designs for National Special Security Events (NSSEs), designated and potential, to ensure the physical protection of the President, the public, and other Secret Service protectees who participate in NSSEs.

FY 2008 Initiatives:

- **Presidential Candidate Nominee Protection ..... $35.6M (0 FTE)**
  The Secret Service will provide protection to qualifying presidential candidates/nominees and their spouses (120 days prior to the election). In addition, the Service will provide security at the major political conventions, debates, and at coordinating centers. During presidential campaigns, there is a significant increase in required protective workload.

- **Joint Operations Center (JOC) Relocation ..... $32.8M (0 FTE)**
  The JOC monitors all sensors, alarms, gates, and communications systems in support of the protection of the President and the White House Complex (24 hours a day / 7 days a week). Funding is requested to cover the costs of relocating the JOC, Emergency Operations Center, and all supporting systems. This re-location is necessary because of structural hardening and infrastructure modernization of the Eisenhower Executive Office Building.

- **White House Mail Facility Equipment ..... $10.4M (0 FTE)**
  Specialized equipment and environmental equipment will be purchased for use at the new White House mail screening facility. The specialized equipment includes unique laboratory systems, specialized ventilation and filtering systems, radioactive detection systems/x-ray equipment, decontamination equipment, and laboratory analysis equipment.

- **Funding for Non-Traditional Protectees ..... $3.1M (0 FTE)**
  Funding is requested for the protection of individuals specifically designated by the President who are not already statutorily protected.

- **Protective Countermeasures ..... $2.0M (0 FTE)**
  Funding is requested for maintenance of state-of-the-art protective systems and equipment.

FEDERAL EMERGENCY MANAGEMENT AGENCY

Description:

The Federal Emergency Management Agency (FEMA) leads the federal government's role in preparing for, preventing, mitigating the effects of, responding to, and recovering from all domestic disasters, whether natural or man-made, including acts of terror.

In addition to its headquarters in Washington, D.C., FEMA has 10 regional offices, 2 area offices, 5 recovery offices, and various disaster-related sites that carry out the Agency's operations throughout the United States and its territories.

The FY 2008 President's Budget request reflects the Notice of Implementation of the Post–Katrina Emergency Reform Act of 2006 (P.L. 109-295) and of Additional Changes Pursuant to Section 872 of the Homeland Security Act of 2002, provided to Congress on January 18, 2007. The Post-Katrina Act established new leadership positions and brings additional functions into FEMA. The Department expects that the newly proposed FEMA structure will bolster the Department's emergency preparedness, response, recovery and mitigation capabilities and facilitate a robust coordinated response to all hazards.

At a Glance

Senior Leadership:
R. David Paulison, Administrator

Established: 1979; transferred to DHS in 2003

Major Divisions: National Preparedness, Grant Programs, Disaster Operations, Disaster Assistance, Logistics Management, National Continuity Programs, United States Fire Administration, 10 Operational Regions

Budget Request:	***$8,020,204,000***
Gross Discretionary	*$5,187,204,000*
Mandatory, Fees, & Trust Funds	*$2,833,000,000*
Employees (FTE):	*6,651*
Disaster Relief Fund	*3,243*
Other Appropriations	*3,408*

Responsibilities:

FEMA manages and coordinates the federal response to and recovery from major domestic disasters and emergencies of all types in accordance with the *Robert T. Stafford Disaster Relief and Emergency Assistance Act*. It ensures the effectiveness of emergency response providers at all levels of government in responding to terrorist attacks, major disasters, and other emergencies. Through the Disaster Relief Fund, FEMA provides individual and public assistance to help families and communities impacted by disasters rebuild and recover. FEMA also administers hazard mitigation programs to prevent or to reduce the risk to life and property from floods and other hazards. In addition to administering the National Incident Management System (NIMS), in FY 2007, FEMA's role as the

Waveland, Miss., September 9, 2005 and August 10, 2006 -- Before (top) power was restored it was necessary to use portable generators to create electricity in Waveland. Work to restore electricity after Hurricane Katrina was a top priority.

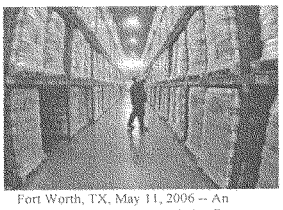
lead federal agency for incident management, preparedness, and response was expanded to include the administration of the Department of Homeland Security's grant programs and the United States Fire Administration. The inclusion of these programs within FEMA reinforces the Department's focus to provide the Nation with unified, coordinated, and robust all-hazards preparedness and response capability at all levels of government including federal, state, tribal, and local government personnel, agencies, and regional authorities.

Service to the Public:

FEMA is at the forefront of public service in times of need. Disasters and acts of terrorism happen without notice; therefore, FEMA stands ready to provide rapid assistance and resources in emergency situations when state and local responders are overwhelmed or unavailable. At a disaster location, FEMA leads the recovery effort by providing expertise and coordinating resources from across the country. Financial assistance is also provided to state and local governments as well as to citizens directly to support immediate emergency needs such as shelter for disaster victims and post-disaster support for recovery and rebuilding efforts. FEMA ensures that federal agencies are fully prepared and that a national plan exists to coordinate a single, comprehensive disaster response.

FY 2006 Accomplishments:

- **Upgrading FEMA's Response Capability:** With emphasis on preparing for the 2006 Hurricane Season, the agency focused efforts on enhancing the ability to respond to disasters by establishing pre-scripted mission assignments to fully leverage federal capabilities and allow supplies and services to reach the field more quickly. FEMA also dramatically increased the nation's stockpiles of relief supplies, including positioning four times the emergency meals and ice, and 2.5 times the water for the 2006 Hurricane Season than were available prior to Hurricane Katrina. The supplies have the capacity to sustain one million people for one week. FEMA also focused on improving communications and situational awareness, including the completion of the newly upgraded and renovated, state-of-the art National Response Coordination Center (NRCC).



Fort Worth, TX, May 11, 2006 -- An employee at the FEMA Logistics Center warehouse uses a barcode scanner to take inventory. The bar code scan is a new system that will let FEMA track supplies using GPS technology.

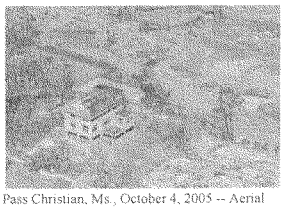
- **Strengthening Logistics Management Capabilities:** FEMA implemented the Total Asset Visibility (TAV) program to provide enhanced visibility, awareness, and accountability over disaster relief supplies and resources. The TAV program assists in both resource flow and supply chain management. FEMA implemented Phase One of TAV in the hurricane-prone Gulf Coast States for the 2006 hurricane season and plans to expand it to all of FEMA's ten Regions. Interagency Agreements, Memoranda of

- Understanding, and private sector contracts were also developed to strengthen disaster logistics capabilities.

- **Continuity of Operations (COOP):** Over the course of FY 2006, FEMA's Office of National Security Coordination (ONSC) conducted "Forward Challenge 06," the largest full-scale interagency COOP exercise in history, which involved over 50 departments and agencies deploying to alternate sites for a 30-hour period. In addition, 32 COOP tabletop exercises were conducted, seven of which were designed to assist federal COOP program managers with preparing for COOP in a pandemic influenza environment. FEMA delivered over 80 COOP manager's train-the-trainers courses, resulting in over 2,403 individuals trained and certified and reaching all 30 major Departments and Agencies and 551 smaller federal, state, local and tribal organizations.

- **Integrated Public Alert and Warning System (IPAWS):** FEMA's Office of National Security successfully completed the Digital Emergency Alert System (DEAS) pilot with the Association of Public Television Stations and began the national DEAS deployment to all PBS affiliate stations. In addition, two new EAS Primary Entry Point radio stations (in Mississippi and Alabama) were brought online and 15 hurricane region Primary Entry Point stations were provided with satellite communications to improve their communications resiliency during disasters. FEMA also initiated several state level IPAWS pilots involving the DEAS, the DHS Web Alert and Relay Network (DHS WARN), and the National Warning System (NAWAS). FEMA's ONSC also provisioned the National Public Radio (NPR) satellite uplink with EAS equipment so that a national-level EAS message can be sent directly to all NPR affiliate stations.

- **Assisting Disaster Victims:** In the year since Katrina made landfall, FEMA provided nearly $6.3 billion directly to some 1.7 million households for housing and other needs -- the most provided by the agency for any single natural disaster. FEMA also provided more than $7 billion in Public Assistance to clear debris and rebuild roads, schools, libraries, and other public facilities. The agency is working aggressively to be more responsive to disaster victims. In FY 2006, FEMA increased registration capability to 200,000 a day through the combined use of its toll-free registration number, online registration process, registering individuals in shelters and using mobile units; increased home inspection capacity to 20,000 homes per day; activated a contract to assist in identity verification in future disasters; and tightened processes to speed up delivery of needed aid while simultaneously reducing waste, fraud, and abuse.



Pass Christian, Ms., October 4, 2005 -- Aerial photo shows the only surviving home in the area that was completely destroyed by Hurricane Katrina.

- **Pre-Disaster Mitigation Grant Program:** FEMA distributed $50 million to communities nationwide through the Pre-Disaster Mitigation (PDM) grant program, which provides funding to state, tribal, U.S. territory, and local governments for

- implementing cost-effective hazard mitigation planning and projects before disasters occur. Eligible applications are awarded on a nationally competitive basis and include a range of activities that will reduce the overall risk to people and property from future disasters, while also reducing reliance on federal funding from disaster declarations.

- **Flood Map Modernization:** FEMA's Flood Map Modernization efforts continued to update and transform flood maps into more reliable, easy-to-use, and readily available digital products using the latest mapping technology. The $1 billion, multi-year effort enables communities and citizens across the country to more efficiently obtain flood hazard data, learn their flood risk, and make informed decisions about development, floodplain management, and mitigation projects that limit damages in future flooding events. New flood maps have been produced for jurisdictions representing approximately 39 percent of the nation's population. Maps currently under development represent an additional 53 percent of the population.

- **National Incident Management System (NIMS):** The NIMS Integration Center (NIC) continued to facilitate nationwide adoption and implementation of NIMS, including working with all 32 federal agencies identified in the National Response Plan to develop NIMS implementation activities, and successfully implementing a NIMS compliance system based on performance measures and metrics for FY 2007. Every state and U.S. territory continued efforts to adopt and implement the FY05 and FY 2006 NIMS implementation requirements, with 4 million first responders and disaster workers completing NIMS awareness training in 2006. The NIC also released the first 99 credentialed positions (as part of the National Credentialing System) for nationwide review and comment and developed and released a range of NIMS training and guidance documents.

- **Office of Grant Programs (Previously the Office of Grants and Training under the Preparedness Directorate):** The Office of Grant Programs awarded $2.3 billion in homeland security grants including $400 million in grant funding to protect the nations ports, rail and mass transit systems, trucking industry, intercity bus systems, and other critical infrastructure from acts of terrorism. Grant awards were based on a national homeland security planning process that aligns resources with the National Priorities and target capabilities established by the Interim National Preparedness Goal. As part of this process, DHS:
  - Established a national homeland security planning process that linked strategic objectives, multi-year program priorities, and investment proposals for a single grant cycle with National Priorities and critical capabilities.
  - Brought together more than 100 state and local homeland security experts to evaluate state and urban area applications.
  - Developed and implemented a funding allocation methodology based on an analysis of relative risk and anticipated effectiveness of proposed investments.

- Provided feedback to state and local partners on the outcome of that analysis through customized risk and effectiveness profiles.
- Received over 21,000 applications and issued approximately 5,000 grant awards to fire department throughout the United States.
- Conducted five regional Hurricane Preparedness Exercises on Eastern Seaboard and Gulf Coast to align federal, state, and local response in preparation for 2006 Hurricane Season.
- Trained 60,000 responders in resident, non-resident, and Train the Trainer programs through 2,605 course iterations at the Center for Domestic Preparedness

The Office of Grant Programs also awarded over $300 million in Assistance to Firefighter Grants to fire departments and EMS organizations to enhance their response capabilities and to more effectively protect the health and safety of the public and emergency response personnel with respect to fire and all other hazards.

- **United States Fire Administration (USFA) (previously under the Preparedness Directorate):** USFA delivered 3,010 NFA training programs to 75,675 fire and emergency response personnel, both on and off campus, through its diverse delivery system and network of national training partners. In addition, USFA:
  - The All Hazards Incident Management Team Technical Assistance Program conducted three Type 3 State delivery and six Urban Areas Security Initiatives (UASI) deliveries and seven Type 4 team developments. Team development included the use of Unified Command and Command & General Staff Functions and the All Hazards Incident Management Team courses to develop on-screen incident management teams to positively affect incident outcomes. A total of nine position specific courses for Type 3 & 4 Incident Management Team (IMT) members were delivered.
  - USFA Web sites received approximately 90 million hits with visitors accessing citizen fire safety materials, NFA course information, and first responder reference and research.
  - Continued comprehensive training to support the National Incident Management System Integration Center (NIC) and the nationwide implementation of the National Incident Management System (NIMS).

  - Fielded new NIMS courses in Incident Command System (ICS), communications management, and multi-agency coordination.

Budget Request

Dollars in Thousands

	FY 2006 Revised Enacted[1]		FY 2007 Enacted[2]		FY 2008 Pres. Budget		FY 2008 +/- FY 2007	
	FTE	$000	FTE	$000	FTE	$000	FTE	$000
Operations, Planning, and Support (OPS)[3]	1,854	$520,045[4]	2,326	$526,000	2,487	$667,600	183	$141,600
Public Health[5]	40	$33,660	40	$33,885	--	--	(40)	($33,885)
Disaster Relief Fund	3,493	($17,160,500)[6]	3,243	$1,486,500[7]	3,243	$1,700,000	--	$213,500
Disaster Assistance Direct Loan Program	3	$1,032,861[8]	3	$569	3	$875	--	$306
Pre-Disaster Mitigation Fund	15	$49,500	15	$100,000	15	$100,053	--	$53
National Flood Mitigation Fund	--	$28,000	--	$31,000	--	$34,000	--	$3,000
Emergency Food and Shelter	--	$151,470	--	$151,470	--	$140,000	--	($11,470)
National Flood Insurance Fund – Discretionary	270	$95,854	270	$97,588	300	$111,000	30	$13,412
Flood Map Modernization Fund	33	$198,000	33	$198,980	33	$194,881	--	($4,099)
State and Local Programs	[200]	[$2,729,287][9]	203	$2,736,500	225	$1,896,000	22	($840,500)
State and Local Programs with PSIC Grants[10]	*[200]*	*[$2,729,287]*	203	*[$2,736,500]*	225	*[$2,896,000]*	22	*[$195,500]*
Assistance to Firefighter Grants	[33]	[$648,450]	33	$662,000	54	$300,000	22	($362,000)
Radiological Emergency Preparedness Program (REPP)	[90]	[($1,266)]	130	($6,477)	170	($505)	40	$6,477
United States Fire Administration (USFA)	[113]	[$44,499]	114	$41,349[11]	114	$43,300	--	$1,951
Gross Discretionary	**5,078**	**($15,051,110)**	**6,410**	**$6,059,364**	**6,644**	**$5,187,204**	**234**	**($871,655)**
National Flood Insurance Fund – Mandatory	--	$2,443,836	--	$2,631,396	7	$2,833,000	7	$201,604
Total Budget Authority	**5,078**	**($12,607,274)[12]**	**6,410**	**$8,690,760**	**6,651**	**$8,020,204**	**241**	**($670,051)**
Total w/ PSIC Grants[10]	*5,078*	*($12,607,274)*	*6,410*	*$8,690,760*	*6,651*	*$9,020,204*	*241*	*$329,444*

[Items in brackets do not contribute to Total Budget Authority line] – See footnotes for additional detail.

[1] FY 2006 funding reflects a 1% recission for all appropriations pursuant to P.L. 109-148. Program funding in brackets [ ] represents programs appropriated under the Preparedness Directorate in FY 2006 and are not included in the FY 2006 funding totals for FEMA but shown for comparability purposes. These programs were transferred to FEMA in FY 2007 pursuant to the Post-Katrina Emergency Reform Act of 2006 (P.L. 109-295).

[2] The FY 2008 President's Budget request reflects the transfer of State and Local Programs, Assistance to Firefighter Grants, REPP, and USFA from the Preparedness Directorate in FY 2007 pursuant to the Post-Katrina Emergency Reform Act of 2006 (P.L. 109-295). The funding for these programs in FY 2007 was provided under the Preparedness Directorate. In order to provide a thorough comparison of funding changes from FY 2007 to FY 2008, the funding levels for these programs are included in both FY 2007 and FY 2008.

[3] The Operations, Planning and Support (OPS) appropriation represents the combined funding totals from the *Administrative and Regional Operations (ARO)* appropriation and the *Readiness, Mitigation, Response and Recovery (RMRR)* appropriation in FY 2006 and FY 2007. The FY 2008 budget proposed to combine ARO and RMRR into a single OPS appropriation.

[4] FY 2006 funding includes supplemental funding of $89.0 million in ARO pursuant to P.L. 109-148 and P.L. 109-234 and $10.0 million in RMRR pursuant to P.L. 109-234.

[5] The National Disaster Medical System (NDMS), funded through the Public Health appropriation, was transferred out of FEMA to the Department of Health and Human Services in FY 2007.

[6] FY 2006 Disaster Relief funding includes: supplemental funding of $5.962 billion dollars pursuant to P.L. 109-234 to support continuing recovery operations as a result of the 2005 hurricane season; a recission of prior year balances of -$23.4 billion pursuant to P.L. 109-148; a transfer of $752.5 million to the Disaster Assistance Direct Loan Program pursuant to P.L. 109-88 and P.L. 109-148 FY 2006; and a transfer of $712 million to the Small Business Administration to support relief efforts in the Gulf Region. Direct FY 2006 funding for the Disaster Relief Fund, not including the recission of prior year balances, was $6.250 billion.

[7] FY 2007 funding includes a transfer out of $13.5M to the OIG for disaster related audits pursuant to P.L. 109-295.

[8] FY 2006 funding includes supplemental funding of $751.0 million pursuant to P.L. 109-88, $1.5 million pursuant to P.L. 109-148, and $279.8 million pursuant to P.L. 109-234 in support of Community Disaster Loans for the Gulf Region.

[9] FY 2006 funding includes supplemental funding of $10.3 million pursuant to P.L. 109-148 and $15.0 million pursuant to P.L. 109-234.

[10] In coordination with DHS's State Preparedness Grant Programs, FEMA will be co-administering the $1 billion Public Safety Interoperable Communications (PSIC) grant program in partnership with the Department of Commerce pursuant to P.L. 109-171 and P.L. 109-459. The funding for this program was appropriated per The Deficit Reduction Act of 2005 from anticipated spectrum auction receipts, and therefore is not included as requested DHS budget authority. However, PSIC will support interoperable communications grants to State and local public safety agencies, and adjusted totals are provided to illustrate the level of grant funding that will become available for State and local preparedness projects.

[11] FY 2007 enacted funding reflects a transfer out of $5.5M for the Noble Training Center to State and Local Programs pursuant to P.L. 109-295. This transfer is also reflected in the FY 2007 enacted funding level for State and Local Programs.

[12] Due to the recission of prior-year balances of $23.4 billion pursuant to P.L. 109-148 in FY 2006, the total funding level shown does not represent FEMA's total budget authority for that year. FY 2006 direct appropriations for FEMA, excluding the recission but including all other supplemental funding, totaled $10.5 billion in budget authority.

FY 2008 Initiatives:

- **Vision for a New FEMA ..... $100.0M (127 FTE)**
  For FEMA to meet the needs of the future and successfully achieve its all-hazards mission, the Agency's programs and approach to business must evolve. Increased funding will target resources to develop core competencies, integrate preparedness, and support a new business approach in managing for results. Activities include:

  - **Incident Management ..... $21.2M (48 FTE)**
    FEMA's ability to marshal an effective response to disasters must be based on a professional, national network of emergency managers skilled in incident management. FEMA will work with our state and association partners to establish common standards for training and certification of the nation's emergency management personnel and provide better support to state and local emergency management organizations. In addition to being a facilitator and standard-bearer for the profession of emergency management, FEMA will become a leader and model of effective implementation of incident management skills and practices. The requested funding will be used to expand and strengthen professional emergency management certification, education, training, and career development; actively administer national response doctrine; strengthen FEMA's incident management capability to ensure 24/7 operational awareness and strengthen FEMA's regional operations and partnerships; and establish National Rapid Support and Response Team (N-RSRT) and Regional Rapid Support and Response Teams (R-RSRT) comprised of full-time support and response experts on 24/7 alert status.

  - **Operational Planning ..... $5.8M (15 FTE)**
    FEMA Operational Planners will assist state and local jurisdictions in developing specific operational plans that will guide their response activities. The funding requested will support FEMA's ability to work with states through its ten regional offices to ensure the development of coordinated and integrated state-federal operational plans and operational planning capabilities. These planning efforts will include response and recovery elements that will be integrated with state hazard mitigation plans, which will be linked to federal preparedness grant funding. These jointly developed plans will form the basis for conducting joint federal-state training and exercises, thus promoting a more robust, multi-level capability to quickly respond to notice or no-notice events. As part of this effort, FEMA will work at all levels to promote training in and the development of operational planning capability at state and local levels. FEMA wil also engage with federal, regional, and state partners to build incident specific catastrophic plans.

  - **Disaster Logistics ..... $6.2M (13 FTE)**
    To fully meet its dual responsibilities as both national coordinator and direct provider of assets, teams, commodities, and other federal capabilities, FEMA must adopt new approaches to disaster logistics management that will require an innovative balance of manpower, processes, strategic partnerships, and technology. The funding requested will build this Disaster Logistics competency, enabling FEMA to establish a Logistics Directorate, led by a senior team of experienced logisticians with the ability to access and coordinate strategic partnerships with both the Department of Defense and the

private sector. These partnerships will provide integrated logistics solutions that focus on the full, end-to-end supply chain to ensure efficient and effective management of the flow of assets, teams, equipment, and supplies to meet disaster requirements. FEMA will continue implementation and enhancements of a 21st century system to plan, identify, and track assets – from mobilization, to arrival, demobilization, and departure.

- **Emergency Communications ..... $12.4M (7 FTE)**
  FEMA will serve as the integrated operational link and a major advocate for disaster emergency communications at the national level, working closely with the DHS Office of Emergency Communications and the state and local first responder community. The requested funding will enhance FEMA's ability to engage across the federal level and with states and other partners to establish and facilitate consistent disaster emergency communications standards including establishing a template of essential emergency communications capabilities. FEMA will also build its capability to provide emergency communications services before, during, and immediately after an event, including supporting state offices of emergency communications and ensuring the integrity of the first responder network.

- **Service to Disaster Victims ..... $4.4M (18 FTE)**
  Every disaster victim and affected community should expect FEMA to provide rapid, compassionate, and readily accessible disaster assistance that is easily understandable and consistently applied for individuals and across states and regions from one disaster to another. Through the requested funding, FEMA will improve the Individual Assistance (IA) and Public Assistance (PA) programs through the application of simplified and transparent processes, advanced technologies, and stronger and more interactive relationships with states, other government agencies, the private sector, and other providers of assistance. FEMA will dramatically improve its ability to deliver speedy, situational appropriate, and accurately targeted disaster assistance to individuals, including those with disabilities or limited English proficiency, and communities through its IA and PA programs. Specific efforts will include making FEMA assistance programs easier to understand, improving the oversight of IA and PA programs to reduce waste, fraud, and abuse, maintaining a national debris removal registry, and improving national and international donations management.

- **Continuity Programs ..... $25.6M (3 FTE)**
  As the lead agent for the Nation's continuity programs, FEMA must direct, guide, and assist all Executive Branch Departments and Agencies and their 300,000+ offices nationwide; provide guidance to the Legislative and Judicial Branches of Government, all 50 States, the territories, tribes, and local jurisdictions; and coordinate continuity program response and recovery assistance to all Federal Executive Branch and other government jurisdictions during major emergencies and disasters. The funding requested will allow FEMA to carry out these authorities, and enable FEMA to maintain an operational readiness posture and program capability that can respond to any national security event, and execute robust test, training, and exercise programs. FEMA will assess Executive Branch continuity programs to ensure enduring Constitutional government and continuity of essential Federal

Executive Branch operations, and will fulfill requirements of Executive Order 13407 in establishing an Integrated Public Alert and Warning System (IPAWS) that incorporates new and emerging technologies and maintaining a dependable and effective means of communicating with the public through the Emergency Alert System (EAS).

- **Public Disaster Communications..... $1.0M (3 FTE)**
  FEMA will assume a leadership position as coordinator of all hazards messaging to the American public during peacetime and disasters, leading the national campaign for greater personal and community preparedness. Specifically, the funding requested will support FEMA's efforts to strengthen interagency incident communications systems and capabilities to ensure coordinated public information efforts across all hazards. By working one-on-one with state, local, and major urban area jurisdictions to build knowledge and capability for public information efforts and conducting planning, training, and exercises to ensure integrated crisis communication strategies and messaging FEMA will facilitate public discourse, outreach, and adoption of a national culture of personal preparedness and mitigation that will have a direct impact on reducing the loss of life and property. Through effective public communications and outreach programs, FEMA will ensure the general public is provided with and has access to vital disaster preparedness and planning information including those with special needs and multilingual and multicultural populations.

- **Integrated Regional Grant Advocates: ..... $1.3M (5 FTE)**
  The Region is *the* essential field echelon of FEMA that engages most directly with state partners for all FEMA services to include grants guidance and technical assistance. The requested funding will support regional grant advocates for each state who will provide direct day-to-day interaction and support to the states on grant issues. Grant Advocates will facilitate the provision of technical assistance closer to the client, strengthen our partnership with states and Urban Area Security Initiative (UASI) - designated cities, and provide greater grant accountability. By placing dedicated grant advocates within each regional office, FEMA will build and nurture state and local capabilities across the spectrum of preparedness, response, recovery, and mitigation utilizing the preparedness grant programs.

- **Hazard Mitigation..... $1.2M (3 FTE)**
  Hazard mitigation is the most proactive and successful method for reducing the physical, financial, and emotional losses caused by disasters. FEMA's hazard mitigation efforts consist of three objectives: risk analysis, risk reduction, and flood insurance. These objectives work in tandem in enabling the Nation's at-risk population to reap the rewards of good hazard mitigation practices:

  - Creation of safer communities by reducing loss of life and property;
  - Recovering more rapidly from floods and other disasters; and
  - Reducing the financial impact on states, local, and tribal communities, and the national treasury. Specifically, the requested funding will allow FEMA to expand its coastal mapping activity to improve the accuracy of flood hazard maps; provide data to state and local officials for evacuation planning; support efforts to

address vulnerabilities associated with the Nation's at-risk dams; and provide technical assistance for conducting risk assessments to evaluate all hazards impacts on communities. In addition, FEMA will work to create safer communities by supporting and proactively enhancing the capability of states and local communities to reduce their risk from natural hazards by supporting the implementation cost-effective, long-term hazard mitigation measures through the Agency's five Hazard Mitigation Assistance grant programs.

- **Business Approach to Achieving Desired Results..... $20.9M (12 FTE)**
  As FEMA strives to build the above core competencies, they must be grounded in a business approach that enables wise business decisions backed by finance, budget, human resource, and information systems support capabilities designed and scaled to enhance FEMA's mission success. The requested funding will allow FEMA to develop integrated data systems that leverage proven hardware, software, and middle ware; establish program analysis and project management capabilities at decision points within the agency; build an efficient acquisition process that adheres to policies, proven standards, systems, and procedures; and reform FEMA's major management and administrative activities, including human capital, finance and budget, space management, personal property management, planning, recruitment, and hiring.

- **State and Local Programs, Assistance to Firefighters, and PSIC Interoperability Grants..... $3.2B (0 FTE)**
  A total of $3.2 billion will be available for state and local preparedness expenditures as well as assistance to firefighters in FY 2008. Of this amount, $2.2 billion is requested by DHS to fund its grant, training and exercise programs. In addition, in coordination with DHS's State Preparedness Grant Program, the Department will be co-administering the $1.0 billion Public Safety Interoperable Communications (PSIC) grant program, in partnership with the Department of Commerce. The Homeland Security Grants, Infrastructure Protection, Assistance to Firefighter, and PSIC Grant programs will fund activities necessary to support the National Preparedness Goal and related National doctrine, such as the National Incident Management System (NIMS), National Response Plan (NRP), and the National Infrastructure Protection Plan (NIPP). Funds requested through these programs will (1) provide critical assistance to State and local homeland security efforts, (2) support resources available through other federal assistance programs that center on first responder terrorism preparedness activities, and (3) deliver ample support to all state and local first responder organizations to obtain the equipment, training, and other resources required to protect the public in the event of a terrorist attack or other major incident.

U.S. CITIZENSHIP AND IMMIGRATION SERVICES

Description:

United States Citizenship and Immigration Services (USCIS) will secure America's promise as a nation of immigrants by providing accurate and useful information to our customers, granting immigration and citizenship benefits, promoting an awareness and understanding of citizenship, and ensuring the integrity of the immigration system. USCIS has recently completed a comprehensive fee review that will permit full cost recovery of operations and ensure the security and integrity of the immigration system, enhance service delivery, and continue investments in business transformation efforts to establish a new technology and business process platform to radically improve the agency's capabilities and service levels.

At a Glance

Senior Leadership:
Emilio T. Gonzalez, Director

Established: 2003

Major Divisions: Immigration Security and Integrity; Adjudication Services; Information and Customer Services; Citizenship; Immigration Status Verification

Budget Request:	***$2,568,872,000***
Gross Discretionary	*$30,000,000*
Mandatory, Fees & Trust Funds	*$2,538,872,000*
Employees (FTE):	*10,714*

Responsibilities:

USCIS is the federal agency responsible for granting or denying immigration benefits to individuals seeking to reside or work in the United States – processing millions of immigration benefit applications and petitions annually.

Service to the Public:

Through a network of 250 field offices, Application Support Centers, Service Centers, Asylum offices, National Customer Service Call (NCSC) Centers, Forms Centers, and the Internet, USCIS works with applicants to collect, process, and grant benefits which range from employment authorization documents, to asylee and refugee status, to classification as an immediate relative for the purpose of immigration to the United States, and to U.S. citizenship.

2006 Accomplishments:

- While also improving service and security, USCIS drastically reduced the immigration benefit backlog and achieved a six-month or better average processing standard for nearly all immigration applications. In January 2004, the backlog of cases waiting more than six months for processing reached its peak at over 3.85 million. With the exception of cases delayed for reasons outside USCIS control, such as those waiting for a response from the customer, USCIS almost entirely eliminated by the end of the year its net backlog.

- Implemented more than 35 million background and security checks on all persons seeking immigration benefits to identify applicants and petitioners who might pose a threat to U.S. national security and public safety.

- To combat fraud and criminal activity, USCIS established the National Security and Records Verification Directorate, deploying hundreds of officers who specialize in the detection of fraudulent documentation and immigration scams to USCIS field offices and centers throughout the United States.

- USCIS began developing its first end-to-end electronic benefits processing capability. As a first step, in FY 2007, USCIS will electronically process inter-country adoption applications although initially filing will be paper-based. This proof of concept will provide USCIS with information about systems capabilities that will inform larger scale transformational efforts that will offer expanded opportunities for customers to file their application for a service or benefit electronically and track the status of their case(s) online through the USCIS.gov website. Additional investments were made to further simplify immigration processing; new biometric standards were developed permitting USCIS to store and access electronic fingerprints, photographs and signatures, making it easier and faster to verify identity. These capabilities will come online incrementally in FY 2007.

- USCIS conducted special naturalization ceremonies for members of the armed forces in locations across the world, waiving processing fees as directed by Congress making it easier for qualified military personnel to become citizens. USCIS and its predecessor agency have naturalized more than 26,000 service men and women and more than 2.9 million new Americans since September 11, 2001.

- USCIS doubled the enrollment of U.S. employers and businesses in the Employment Eligibility Verification Program, bringing the total number of employers participating in the voluntary program to more than 10,000. This program verified the work authorization of more than one-million new hires at 36,000 hiring sites across the United States through online employment authorization checks against Social Security Administration and DHS databases.

BUDGET REQUEST
Dollars in Thousands

	FY 2006 Revised Enacted[1]		FY 2007 Enacted		FY 2008 Pres. Budget		FY 2008 +/- FY 2007	
	FTE	$000	FTE	$000	FTE	$000	FTE	$000
Immigration Security and Integrity	1,137	$340,668	1,137	$348,331	1,407	$510,137	270	$161,806
Adjudication Services	7,766	$1,346,041	7,490	$1,317,782	8,036	$1,777,643	546	$459,861
Information and Customer Services	1,109	$174,086	1,109	$178,197	811	$221,753	(298)	$43,556
Citizenship	21	$6,555	21	$6,690	21	$7,787	-	$1,097
Immigration Status Verification	174	$20,500	365	134,990	439	$51,552	74	($83,438)
Total	**10,207**	**$1,887,850**	**10,122**	**$1,985,990**	**10,714**	**$2,568,872**	**592**	**$582,882**

[1] FY 2006 Revised Enacted reflects a 1% across-the-board rescission pursuant to P.L. 109-148. USCIS' portion was $1.15 million.

FY 2008 Initiatives:

- **Ensuring the Security and Integrity of the Immigration System and Improving Service Delivery..... $529.6M (1,495 FTE)**
  USCIS will adjust its immigration benefit application and petition fee schedule to provide additional fee funding to improve service levels and ensure the security and integrity of the immigration system. Among other things, these resources will enable increases in adjudication capacity, strengthen fraud detection and prevention, increase training, and enhance internal security and investigative operations. USCIS is undertaking a rulemaking process during FY 2007 for the revenue associated with this spending. DHS anticipates implementation of the rule by the beginning of FY 2008.

- **Modernize Business Infrastructure ..... $139.0M (0 FTE)**
  Within the planned adjusted fee schedule, USCIS will devote anticipated premium processing fee revenues to broader investments in a new technology and business process platform to substantially improve the agency's capabilities and service levels. Resources will be utilized to modernize processes and systems to improve sharing of immigration information, eliminate paper-based processing, and improve USCIS ability to respond more effectively to changing workload while enhancing the security and integrity of the immigration system. Overall, modernization will make operations easier and faster for customers to file immigration benefit applications electronically, receive updates on the status of their applications, and obtain appropriate benefits more quickly.

NATIONAL PROTECTION AND PROGRAMS DIRECTORATE

Description:

The FY 2008 President's Budget request reflects the Notice of Implementation of the Post–Katrina Emergency Reform Act of 2006 (P.L. 109-295) and of Additional Changes Pursuant to Section 872 of the Homeland Security Act of 2002, provided to Congress on January 18, 2007.

The Post-Katrina Act retains, outside of FEMA, certain offices of the Directorate of Preparedness and the Under Secretary for Preparedness. In recognition of the intention of the Act, the Department will rename that Directorate the National Protection and Program Directorate (NPPD).

AT A GLANCE

Senior Leadership:
George Foresman, Under Secretary

Established: 2007

Major Divisions: Infrastructure Protection; Cyber Security and Communications; US-VISIT; and, National Protection Planning Office.

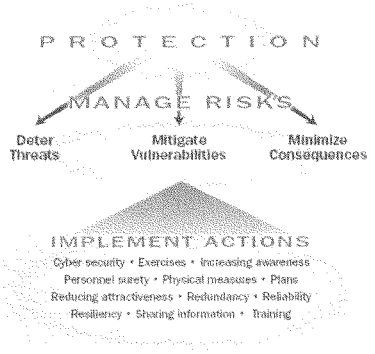
Budget Request: ***$1,046,567,000***

Employees (FTE): *646*

The Preparedness Directorate was originally established to fulfill at least three critical Department-wide needs: (1) strengthen national risk management efforts for critical infrastructure; (2) define and synchronize DHS-level doctrine for homeland security protection initiatives that entail aggressive coordination internally within DHS, in our planning and integration work across the Federal Government, and with State, communities and the private sector; and (3) deliver grants and related preparedness program and training activities. The third element will be transferred to FEMA, while the NPPD will continue to provide a Department-level focal point for ongoing management of the initial two imperatives. In addition, the NPPD will provide management support and direction for a major existing immigration technology program that touches multiple DHS equities within DHS and with other federal agencies, US-VISIT.

Responsibilities:

The NPPD will serve as the Department-wide focal point enhancing the protection of America by interlacing key programs to provide a strategic homeland security and risk management approach and accounting for performance and outcomes through a metrics and assessment process. In leading national efforts to protect and prevent attacks on our Nation's critical infrastructure, NPPD will improve the resiliency of essential cyber-security and communications capabilities. NPPD will interact with the private sector and with state and local



government leaders—the key non-federal constituents of our national approach—to ensure the full range of Department-wide programs and policies are effectively integrated. NPPD will also develop a standardized approach to risk management for application across the Department. Finally, NPPD will protect the Nation supporting the U.S. Government's efforts to establish an identity management capability through the US-VISIT program.

The NPPD responsibilities will be:

- Promoting an integrated national approach to homeland security protection activities and verifying the approach and strategy via program metrics to assess performance and outcomes against mission goals.
- Protecting the Nation's critical infrastructure, both physical and virtual.
- Ensuring operable and interoperable systems and networks to support emergency communications through a full spectrum of conditions.
- Standardizing risk management approaches applied across the Department ensuring polices, programs, and resources are driven by a consistent methodology.
- Enhancing the security of citizens and people traveling to the U.S. through the use of biometric capabilities.

Service to the Public:

NPPD will serve the public through these major program activities:

Infrastructure Protection – Protect infrastructure through identification of threats and vulnerabilities and by developing mitigation strategies. Additionally, this activity provides the primary defense against attacks on our nation's critical infrastructure through robust real-time monitoring and incident response.

Cyber Security and Communications (CS&C) – Incorporate cyber-security, emergency and interoperable communications, and emergency communications. CS&C defends the nation, both governmental entities and critical infrastructure, against virtual or cyber attacks. CS&C identifies cyber-based threats, vulnerabilities, and the consequences of successful attacks. To prevent and protect against attacks on the Nation, CS&C ensures national security and emergency preparedness communications and interoperable communications.

Verification of foreign visitor's identity through biometrics facilitates travel.

U.S. Visitor and Immigrant Status Indicator Technology (US-VISIT) – Through its deployment of biometric capture and watch list matching capabilities to visa-issuing posts worldwide and U.S. air, land and sea ports of

entry, US-VISIT supports safe and legitimate travel to the United States. It helps prevent document fraud and identity theft that threaten the security of the immigration process and the safety of foreign visitors. US-VISIT provides key identifying information to law enforcement, border officials and other decision makers about persons they may encounter in the line of duty, thus protecting their safety and that of US citizens.

Risk Management and Analysis – Develop a single risk analysis methodology for all-hazard risks to the homeland to apply across all DHS risk assessment challenges. This program will expand its focus from physical critical infrastructure to include virtual and other risk analysis arenas. This expanded mission will broaden the Office's efforts to address risk issues for the overall protection, prevention, and mitigation of homeland security risks.

National Protection Planning Office – Develop the doctrine for synchronization of national and regional-level plans and actions across federal, state, tribal, local and private sectors regarding the assessment of both physical and cyber critical infrastructure and key resources. Develop and coordinate performance metrics to measure progress in reducing the risk to critical infrastructure and key resources.

2006 Accomplishments:

Physical Infrastructure Protection

- Completed the National Infrastructure Protection Plan (NIPP), a comprehensive risk management framework that clearly defines critical infrastructure protection roles and responsibilities for all levels of government, private industry, nongovernmental agencies, and tribal partners.

- Finalized Sector-Specific Plans that complement the NIPP and detail the risk management framework and unique sector characteristics and risk landscapes.

- National Infrastructure Simulation and Analysis Center (NISAC) updated the Urban Area Security Initiative (and other risk-based grant programs) selection process with more robust modeling efforts. Developed urban modeling efforts for generic city types and specific cities. Conducted infrastructure-modeling efforts for infrastructures that have national or large regional impacts.

Cyber Security and Communications

- Concluded Cyber Storm, the largest cyber security exercise ever conducted. Cyber Storm examined the preparedness, response and recovery capabilities for a significant cyber disruption within federal, State, local government and private sector, as well as international partners.

Cyber Storm Control Center

- Initiated a five-year effort to ensure a common architecture for continuity of communications that will enable successful execution of priority and minimum essential functions; developed interim Continuity of Government Spectrum Strategy; and significantly strengthened Emergency Support Function 2 (ESF-2) operational planning and response capability at the national and regional levels.

US-VISIT

- Extended the full identity verification capabilities of the US-VISIT Automated Biometric Identification System (IDENT) to remaining northern and southern land border ports of entry.

- Developed functionality for readers to meet DHS and Department of State policy. Visa Waiver Program countries were instructed to produce passports by October 26, 2006 with integrated circuit chips capable of storing biographic information from the data page, a digitized photograph, and any other biometric information, as a condition for continued membership in the Program.

- Implemented functionality to read biometrics contained in US-issued travel documents.

- Provided information through analytical services that contributed directly to border security and immigration integrity.

- Engaged in interoperable information-sharing and provided technical assistance, both domestically and internationally, to extend the virtual border of the United States.

Risk Management and Analysis

- Matured risk assessment methodology, Infrastructure protection grant targeting, and comprehensive Reviews (CR) of Nuclear and Chemical Sectors

BUDGET REQUEST[1]
Dollars in Thousands

	FY 2006 Revised Enacted		FY 2007 Enacted		FY 2008 Pres. Budget		FY 2008 +/- FY 2007	
	FTE	$000	FTE	$000	FTE	$000	FTE	$000
Management and Administration [2]	85	$15,918	106	$30,572	59	$46,290	(47)	$15,718
Infrastructure Protection and Information Security [3]	445	$619,244	447	$547,633	485	$538,277	38	($9,356)
US-VISIT	102	$336,600	102	$362,494	102	$462,000	0	$99,506
Total	632	$971,762	655	$940,699	646	$1,046,567	(9)	$105,868

[1] The FY 2007 Appropriations Act (P.L. 109-295) for the Department of Homeland Security realigned the Directorate of Preparedness by transferring the following Preparedness Appropriations to FEMA: State and Local Programs (SLP), US Fire Administration (USFA), Assistance to Firefighter Grants (AFG), and the Radiological Emergency Preparedness Program (REPP). In addition, FEMA also received the Office of Faith Based and Community Preparedness, the Office of the National Capital Region Coordination (NCRC), and the State and Local Government Coordination Office (SLGC) from the Preparedness Management and Administration (M&A) Appropriation. The National Protection and Programs Directorate is proposed to combine the Infrastructure Protection and Information Security Appropriation (the Biosurveillance program is proposed to transfer to the Office of Health Affairs (OHA)), the remaining portion of the Preparedness M&A Appropriation, and the US-VISIT Appropriation.

[2] The Management and Administration line represents the enacted FY 2006 and FY 2007 Preparedness M&A Appropriation, prior to the FY 2007 realignment. The FY 2008 requested M&A Appropriation reflects transfers to FEMA for NCRC (7 FTE and $2.741M); Faith Based Initiatives (1 FTE and $1M); SLGC (17 FTE and $2.6M); Public Affairs for the Ready Campaign ($1.5M); and OHA for the former CMO (15 FTE and $4.98M).

[3] The Infrastructure Protection and Information Security (IPIS) line represents the Preparedness Directorate enacted amounts for FY 2006 and FY 2007. In FY 2008, IPIS includes Infrastructure Protection, Cyber Security, NS/EP Telecommunications, and the Office of Emergency Communications. The Biosurveillance program is transferred to OHA.

FY 2008 Initiatives

On January 18, 2007, DHS provided Congress with a Notice of Implementation of the Post–Katrina Emergency Reform Act of 2006 (P.L. 109-295) and of Additional Changes Pursuant to Section 872 of the Homeland Security Act of 2002. The Directorate for Preparedness was realigned and several Preparedness programs moved to FEMA and elsewhere. The remaining Preparedness programs became the National Protection and Programs Directorate, with concentrated focus on the Nation's critical infrastructure protection, cyber security, emergency communications, and security measures for persons passing though our ports of entry. The FY 2008 NPPD program increases include:

- **Chemical Site Security..... $15.0M (17 FTE)**
  This establishes an office to oversee chemical site security. DHS plans to classify facilities into risk-based tiers, establish security standards for each tier, and ensure strong safeguards are in place to protect the public disclosure of any sensitive information gathered by the Office.

- **Office of Emergency Communications (OEC)..... $35.7M (18 FTE)**
  This establishes OEC to harmonize national emergency communications, provide support to state, local, and tribal governments and first responders regarding interoperability, and improve the integration and delivery of federal services and solutions to these emergency communications customers. The OEC consolidates interoperable communications technical assistance and training programs ($12.0M), the Integrated Wireless Network program ($18.7M), and non-research and development functions of the SAFECOM ($5.0M) program to better integrate the Department's emergency communications planning, preparedness, protection, crisis management, and recovery capabilities across the Nation.

- **National Command and Control Capability (NCCC)..... $4.0M (1 FTE)**
  This enhancement establishes a national crisis communications capability that is reliable and survivable with robust processes and systems that will serve command, control and coordination operations among federal, state, tribal, territories, and local governments. In a crisis, it will enable the President and other national leaders to make informed decisions, and coordinate efforts appropriately. The NCCC offers an interconnectivity solution inclusive of Katrina Lessons Learned recommendations. DHS has been designated the executive agent for coordinating the development, operation, and maintenance of the NCCC, with support from the Department of Defense and the interagency community.

- **Priority Telecommunications Programs..... $10.7M (0 FTE)**
  Telecommunication technologies are changing. In order to preserve priority telecommunication services for government and industry emergency responder community, it is necessary to migrate to the Next Generation Network (NGN). This will allow continuity of the voice priority service and apply priority for data applications. NGN priority services will supplement current services as the Public Switched Network (PSN) gradually migrates to packet-based technologies.

- **Control Systems Security Program (CSSP) ..... $2.8M (0 FTE)**
  Continue support of malicious software analysis and common vulnerability evaluations, development of a Federal Control Systems Roadmap, strategy expansion of control system metrics to additional sectors beyond the chemical sector, and next generation systems recommendations. CSSP coordinates efforts among federal, state, and local governments, as well as control system owners, operators, and vendors to improve control system security within and across all critical infrastructure sectors by reducing cyber security vulnerabilities and risk.

- **Information Systems Security Line of Business (ISS LOB)..... $2.4M (1 FTE)**
  OMB designated DHS/National Cyber Security Division as program manager for ISS. This enhancement will hire contract personnel for the management office, establish an Implementation Governing Board, and promulgate migration guidelines to customer agencies. The ISS LOB promotes more consistent security management processes across federal agencies and identifies opportunities and solutions to strengthen the ability of all agencies to identify and defend against threats, correct vulnerabilities, and manage risk. This program supports the President's Management Agenda for improved management/performance of federal agencies, Federal Information Security Management Act (FISMA) mandates, National Strategy to Secure Cyber Space and Homeland Security Presidential Directive-7.

- **Infrastructure Critical Asset Viewer (iCAV)..... $3.4M (0 FTE)**
  This enhancement will permit state, local, and other homeland security partners to access iCAV/geospatial capability. The benefit will be a common operating picture for federal preparedness personnel and first responders in accomplishing their mission of maintaining real/near real-time operational, situational and strategic awareness of the 17 critical infrastructure and key resource (CI/KR) sectors.

- **National Protection Planning Office .....$3.5M (5 FTE)**
  This enhancement will develop synchronization of national and regional-level protection plans across federal, state, local and private sectors regarding the assessment of both physical and cyber critical infrastructure and key resources. It also develops and coordinates performance metrics to measure progress in reducing the risk to critical infrastructure and key resources.

- **US-VISIT ..... $146.2M (0 FTE)**
  This enhancement enables US-VISIT, in conjunction with the Departments of State and Justice, to capture ten fingerprints rather than the current two, as well as continue efforts to develop interoperability between DHS' Automated Biometric Identification System (IDENT) and the DOJ's Integrated Automated Fingerprint Identification System (IAFIS). This additional functionality will significantly improve US-VISIT's capability to match enrollees against latent prints, mitigate concerns about false negatives when matching enrollees against poor quality prints, and ensure faster resolution of false positives.

OFFICE OF HEALTH AFFAIRS

Description:

The Office of Health Affairs (OHA) serves as the Department of Homeland Security's principal agent for all medical and public health matters. Working across federal, state, local, tribal, and territorial governments and with the private sector, the OHA leads DHS' role in the establishment of scientifically rigorous, intelligence-based medical and biodefense architecture program that ensures the health and medical security of our Nation.

The FY 2008 President's Budget request reflects the Notice of Implementation of the Post–Katrina Emergency Reform Act of 2006 (P.L. 109-295) and of Additional Changes Pursuant to Section 872 of the Homeland Security Act of 2002, provided to Congress on January 18, 2007.

At a Glance

Senior Leadership:
Jeffrey W. Runge, MD, Assistant Secretary for Health Affairs & Chief Medical Officer

Established: FY 2007

Major Divisions: Office of WMD & Biodefense; Office of Medical Readiness; Office of Component Services

Budget Request: *$117,933,000*

Employees (FTE): *49*

Responsibilities:

The Office of Health Affairs serves as the principal medical advisor for the Secretary and FEMA Administrator by providing timely incident-specific management guidance for the medical consequences of disasters. Additionally, OHA leads the Department's biodefense activities; works with partner agencies to ensure medical readiness for catastrophic incidents; and supports the DHS mission through department-wide standards and best practices for the occupational health and safety of its employees.

Service to the Public:

OHA plays a crucial role in the Department's mission to secure the homeland. In leading the Department's biodefense activities, OHA is responsible for operating the biological monitoring and early detection systems that are deployed in the nation's major cities, and for managing the National Biosurveillance Integration System. Together, these programs play a vital role in ensuring that relevant human, plant, animal and environmental health information is consolidated, analyzed and shared with interagency partners and better coordinate the nation's biodefense activities. OHA's role will not be limited only to working within the federal government.

By engaging fully with state, local, tribal, and territorial authorities, associations of medical professionals and other private sector stakeholders, OHA provides a single point of entry for key stakeholders on all medical and public health matters involving DHS.

Specifically, OHA serves the public in the following ways:

- *Serves as Principle Medical Advisor to DHS Leadership* - Advise the Secretary and the Administrator of FEMA on medical and public health consequence management. In addition, the OHA will advise and serve as a technical resource for all DHS components and directorates on issues of health, medical science, and biological threats.

- *Leads DHS bio-defense programs* – Manage a biological threat awareness system to enhance detection and characterization of biological events. In particular, the OHA will lead the development of a coordinated architecture for bio-monitoring among executive branch departments that includes biosurveillance, aerosol detection, clinical syndrome detection, mail room observation, and suspicious substance management. The FY 2008 request consolidates several biodefense programs from across the Department within the Office of Health Affairs. The operational components of BioWatch will be transferred from the Department's Science & Technology (S&T) Directorate. The bringing together of the National Biosurveillance Integration System (NBIS) and Biowatch will provide a more seamless integration of early warning and biosurveillance information. In addition, a new Office of Animal and Agro-Defense will enable the Department to discharge its duty under Homeland Security Presidential Directive – 9, with attention to threats to the food supply. OHA will lead the Department's role in Project BioShield, a program for bringing threat-based pharmaceutical countermeasures to bear for the mitigation of biological, chemical, and nuclear incidents, in coordination with the Departments of Health and Human Services and Defense.

- *Coordinates medical readiness activity* – Ensure consistency in planning, resource requirements, medical first responder readiness, consequence management for all hazards. In addition, OHA will assist in the enhancement of incident management capabilities of states, communities, and the private sector. OHA will work with FEMA so that DHS grant programs aimed at improving medical readiness are informed by requirements based on plausible threats and target capabilities for community prevention, protection, response, and recovery.

- *Integrates the preparedness and response initiatives of interagency partners* – Ensure that the efforts of all agencies and professionals with responsibility for public health, medical assets, and environmental safety are fully integrated in preparing for and responding to catastrophic incidents.

- *Improves occupational health and safety for DHS workforce* – Produce policy, standards, best practices, requirements, and metrics for the health and workforce safety of DHS employees.

2006 Accomplishments

The Chief Medical Officer (CMO) was established in FY 2006 as part of the Department's Second Stage Review. The CMO was formally authorized in P.L. 109-295 §516 and is proposed to be renamed the Office of Health Affairs.

- Formation: The Chief Medical Officer was appointed and commenced operations with a small group of federal employees and U.S. Public Health Officers providing the Department's leadership with real-time, incident-specific management support.
- Biosurveillance: In late FY 2006, the CMO took over responsibility for the management of the National Biosurveillance Integration System (NBIS) and developed initial operational analytic capabilities and standard operating procedures for the sharing and reporting of multi-agency information to the National Operations Center.
- Project BioShield: The CMO assumed responsibility for DHS' role in Project BioShield, in coordination with Science and Technology Directorate, for determination of material threats.
- National Disaster Medical System: The CMO assumed pre-deployment medical oversight for the National Disaster Medical System (NDMS), and facilitated the transition of the NDMS to the Department of Health and Human Services as recommended by the Homeland Security Council's report *Hurricane Katrina: Lessons Learned.*
- Pandemic Influenza: The CMO has been the Department's principal agent for all activities related to Pandemic Influenza, serving as the DHS representative on the Administration's Pandemic Implementation Plan development process. The CMO led the formation and activities of the Department's pandemic influenza working groups and oversaw the Department's pandemic planning activities. The CMO also represented DHS at the Department of Health and Human Services' "State Pandemic Summit" meetings, ensuring that local, state, tribal, and territorial governments and private sector organizations are taking appropriate steps to prepare for a possible pandemic.

BUDGET REQUEST

Dollars in thousands

	FY 2006 Revised Enacted		FY 2007 Enacted		FY 2008 Pres. Budget		FY 2007 +/- FY 2006	
	FTE	$000	FTE	$000	FTE	$000	FTE	$000
Office of Health Affairs[1]	--	--	--	--	49	$117,933	49	$117,933
Biodefense Countermeasures	--	--	--	--	--	--	--	--
Total	--	--	--	--	**49**	**$117,933**	**49**	**$117,933**

[1] FY 2008 includes transfers of: $85.1 million for BioWatch and Rapidly Deployable Chemical Defense System from the Science & Technology Directorate; $9.2 million for Biosurveillance from the Preparedness Directorate; and $4.9 million for the Chief Medical Officer (Preparedness). In addition to the increments transferred in, a total of $18.7 million is requested as a program increase.

FY 2008 Initiatives:

- **Biodefense Activities ..... $2.1M (9 FTE)**
  The National Biosurveillance Integration System (NBIS) enables DHS to characterize, prioritize, and understand biological threats, events, and countermeasures in all sectors, including food and agriculture. This funding provides the necessary personnel to operate the system to support the Department's activities.

- **Animal Disease and Agro Defense ..... $0.80M (2 FTE)**
  These resources will enable OHA to develop the veterinary expertise to provide the Secretary advice on zoonotic, food, or agriculture related catastrophic events. OHA will also increase coordination of the Department's roles with U.S. Department of Agriculture, Department of Health and Human Services, Department of Defense, the Environmental Protection Agency, Food and Drug Administration, state and local governments, and the private sector. Increased coordination will further develop requirements for research, homeland security grants, preparedness and response veterinary programs, and to mitigate future and emerging threats to animal health and the food supply.

- **Workforce Health Protection ..... $1.3M (3 FTE)**
  This funding will support development of a common set of standards, policies, and training opportunities for occupational health programs across the department. Expanding on the traditional view of workplace health and safety, these programs will integrate efforts towards workforce health protection, including wellness and prevention programs, to help ensure that workforces are physically able to support the Department's missions while minimizing health-threats and work-related disability. In addition, funding will enable continued development of programs to ensure world-class medical support to tactical operations.

- **Medical Readiness ..... $3.3M (6 FTE)**
  Resources requested will support efforts to: develop medical readiness interagency planning; develop homeland security grant guidance; and advocate for the medical first responder community. OHA will ensure that homeland security grants are based on good planning guidance and capabilities assessments and will ensure that DHS grants work in concert with Health and Human Services grants. OHA will advocate for medical first responder preparedness by working to assist communities to achieve appropriate Emergency Medical Services capabilities to prepare for and respond to catastrophic incidents.

- **Internal Controls/ Administrative Services ..... $11.2M (7 FTE)**
  As a new office proposed in 2007, this funding will provide resources for rent, IT services, program controls, and administrative support such as security, budgetary and financial support, and facilities management.

SCIENCE AND TECHNOLOGY DIRECTORATE

Description:

The Science and Technology (S&T) Directorate's mission is to protect the homeland by providing Federal, State, local, tribal and territorial officials with state-of-the-art technology and other resources.

The FY 2008 President's Budget request reflects the Notice of Implementation of the Post–Katrina Emergency Reform Act of 2006 (P.L. 109-295) and of Additional Changes Pursuant to Section 872 of the Homeland Security Act of 2002, provided to Congress on January 18, 2007.

At a Glance

Senior Leadership:
Jay M. Cohen, Under Secretary

Established: FY 2003

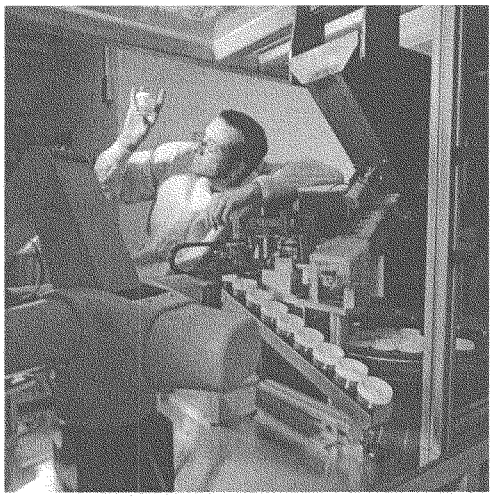
Major Divisions: Border and Maritime; Chemical and Biological; Explosives; Human Factors; Infrastructure and Geophysical; and Command, Control, and Interoperability.

Budget Request: $799,100,000

Employees (FTE): 381

Responsibilities:

The S&T Directorate works to ensure that DHS and the homeland security community have the science, technical information, and capabilities they need to more effectively and efficiently prevent, protect against, respond to, and recover from all-hazards or homeland security threats. A key focus is on developing state-of-the-art systems to protect the Nation's people and critical infrastructure from chemical, biological, and explosive attacks.



The S&T Directorate accomplishes its mission through customer-focused and output-oriented research, development, testing and evaluation (RDT&E) programs that balance risk, cost, impact and time to delivery. These RDT&E programs support the needs of the operational components of the Department and address cross-cutting areas such as standards and interoperability.

This work is deliverable-focused and driven by the requirements of the S&T Directorate's customers, who play an integral role in identifying mission-capability relevant technologies that are needed to support the Department's acquisition programs. Through customer-led Integrated Product Teams, the S&T Directorate builds a mutual understanding of what capabilities the Nation's border guards, transportation security screeners, first responders, intelligence analysts, and other

key customers need, and works hand-in-hand with its customers to develop those capabilities and seamlessly transition them into the field through federal, state, local, tribal, territorial and private partners.

Realigned in late 2006 to reflect customer relationships and Departmental priorities, the S&T Directorate has six divisions and four key offices, each of which has an important role in implementing the S&T Directorate's RDT&E activities. These divisions are: Border and Maritime; Chemical and Biological; Explosives; Human Factors; Infrastructure and Geophysical; and Command, Control, and Interoperability. Crosscutting the six divisions are four key offices: Transition, Research, Innovation, and Test & Evaluation and Standards.

Border and Maritime Division
The Border and Maritime Security Division develops and transitions tools and technologies that improve the security of our Nation's borders and waterways without impeding the flow of commerce and travelers.

Chemical and Biological Division
The Chemical and Biological Countermeasure division works to increase the Nation's preparedness against chemical and biological threats through improved threat awareness, advanced surveillance and detection, and protective countermeasures.

Explosives Division
The Explosives Division develops the technical capabilities to detect, interdict, and lessen the impacts of non-nuclear explosives used in terrorist attacks against mass transit, civil aviation, and critical infrastructure.

Human Factors Division
The Human Factors Division applies the social and behavioral sciences to improve detection, analysis, and understanding of the threats posed by individuals, groups, and radical movements; it supports the preparedness, response, and recovery of communities impacted by catastrophic events; and it advances homeland security by integrating human factors into homeland security technologies.

Infrastructure and Geophysical Division
The Infrastructure and Geophysical Division's mission is to increase the Nation's preparedness for and response to natural and man-made threats through superior situational awareness, emergency response capabilities, and critical infrastructure protection.

Command, Control and Interoperability Division
The Command, Control, and Interoperability Division focuses on operable and interoperable communications for emergency responders, security and integrity of the Internet, and development of automated capabilities to recognize potential threats.

Test & Evaluation and Standards
The Test & Evaluation and Standards program provides technical support and coordination to assist the Nation's emergency responders in the acquisition of equipment, procedures and mitigation processes that are safe, reliable and effective.

Office of the Director of Transition
The Director of Transition focuses on delivering near-term products and technology enhancements by working with the Department's components to expedite the technology transition process. This work includes implementation of the SAFETY Act and the Technology Clearing House.

Office of the Director of Research
The Director of Research focuses on the overall integration of basic research in support of DHS mission areas. Office activities include oversight of laboratory facilities management and University Programs.

Within the office, laboratory facilities programs are executed through the Office of National Laboratories (ONL). ONL provides the Nation with a coordinated, enduring core of productive science, technology and engineering laboratories, organizations and institutions, which can provide the knowledge and technology required to secure our homeland.

University Programs engages the academic community to conduct research and analyses and provides education and training programs to support DHS priorities and enhance homeland security capabilities.

Office of the Director of Innovation
The Director of Innovation manages "leap ahead," game-changing technology demonstration and prototypical science and technology initiatives. These activities focus on homeland security R&D that could lead to significant technology breakthroughs that would greatly enhance DHS operations. The office oversees the Homeland Security Advanced Research Project Agency (HSARPA). HSARPA funds research and development (R&D) of homeland security technologies to "support basic and applied homeland security research to promote revolutionary changes in technologies that would promote homeland security; advance the development, testing and evaluation, and deployment of critical homeland security technologies; and accelerate the prototyping and deployment of technologies that would address homeland security vulnerabilities."

Service to the Public:

The S&T Directorate is centrally important to securing the homeland. We lead a national research effort to harness science and technology, in coordination and partnership with universities, research institutes and laboratories, and private sector companies, to counter high-consequence threats. Science and technology improvements helped us in many ways to defeat the enemies we faced in the last half-century; advancements in science and technology can now be deployed against those who would seek to attack our homeland and disrupt our way of life.

BUDGET REQUEST

Dollars in Thousands

	FY 2006 Revised Enacted[1]		FY 2007 Enacted		FY 2008 Pres. Budget		FY 2008 +/- FY 2007	
	FTE	$000	FTE	$000	FTE	$000	FTE	$000
Management and Administration[2]	387	$80,288	383	$135,000	381	$142,632	(2)	$7,632
Border and Maritime	--	$43,268	--	$33,436	--	$25,936	--	($7,500)
Chemical and Biological	--	$387,000	--	$313,553	--	$228,949	--	($84,604)
Command, Control and Interoperability	--	$108,133	--	$62,612	--	$63,600	--	$988
Explosives	--	$261,548	--	$105,231	--	$63,749	--	($41,482)
Human Factors	--	$6,459	--	$6,800	--	$12,600	--	$5,800
Infrastructure and Geophysical	--	$86,095	--	$74,781	--	$24,000	--	($50,781)
Innovation	--	--	--	$38,000	--	$59,900	--	$21,900
Laboratory Facilities	--	$83,250	--	$105,649	--	$88,814	--	($16,835)
Test and Evaluations, Standards	--	$34,649	--	$25,432	--	$25,520	--	$88
Transition	--	$19,180	--	$24,040	--	$24,700	--	$660
University Programs	--	$62,371	--	$48,575	--	$38,700	--	($9,875)
Domestic Nuclear Detection Office[2]	--	$314,834	--	--	--	--	--	--
Gross Discretionary	**387**	**$1,487,075**	**383**	**$973,109**	**381**	**$799,100**	**(2)**	**($174,009)**
Less Prior Year Rescission[3]	--	($20,000)	--	($125,000)	--	--	--	--
Total	**387**	**$1,467,075**	**383**	**$848,109**	**381**	**$799,100**	**(2)**	**($49,009)**

[1] FY 2006 Revised Enacted budget includes 1% rescission. These figures represent historical alignment with the new S&T PPA structure.

[2] The Domestic Nuclear Detection Office received separate appropriations in FY 2007. FY 2006 DNDO funding: $314,834 in RDA&O and $2,558 in M&A.

[3] Rescission of prior year balances in accordance with Public Law 109-90 and Public Law 109-295.

Accomplishments:

- *Launched Air Cargo Explosives Detection Pilot Program* – The S&T Directorate launched this program at San Francisco International Airport and at Seattle-Tacoma International Airport, to capture vital information associated with enhanced air cargo screening and inspection, and will provide critical knowledge to help TSA make future decisions and assist in technological research and development planning for the national air cargo security infrastructure.

- *Released National Interoperability Baseline Survey Results* – The Office for Interoperability and Compatibility's SAFECOM program released the final results of its National Interoperability Baseline Survey, fielded earlier this year to measure the capacity for interoperable communications among emergency response agencies nationwide. By identifying the Nation's interoperability capacities, survey findings will help policy makers and emergency response leaders make informed decisions about strategies for improving interoperability and target resources. The landmark analysis surveyed 22,400 law enforcement, fire, and emergency medical service agencies nationwide, and had a response rate of approximately 30 percent.

- *Conducted TSA Rail Security Explosives Detection Pilot Programs* – Rail Security Explosives Detection Pilot Programs were conducted in Baltimore, MD and Jersey City, NJ to test and evaluate security equipment and operating procedures as part of DHS's broader efforts to protect citizens and critical infrastructure from possible terrorist attacks.

- *Held Groundbreaking for National Biodefense Analysis and Countermeasures Center (NBACC)* – The S&T Directorate started construction on a new facility to house research activities that directly support S&T Directorate biological and agricultural terrorism countermeasures programs. Activities are presently conducted through two centers at interim facilities, the Biological Threat Characterization Center and the National Bioforensics Analysis Center (NBFAC). The new NBACC will be roughly 160,000 square feet and house a staff of approximately 120.

- *Initiated Development of Cargo Security Prototypes* – The S&T Directorate started developing prototypes of a technology that will significantly heighten the security of cargo containers. Known as the Advanced Container Security Device (ACSD), the technology is an in-container sensor capable of detecting and warning of intrusion on any side of a container, its door openings or the presence of people hiding within a container.

- *Flight Tested Counter-MANPADS Technologies* – The S&T Directorate completed Phase II of a multi-phase program to migrate military countermeasures technology to commercial aircraft to protect against shoulder-fired, anti-aircraft missiles known as Man-Portable Air Defense Systems (MANPADS). During Phase II, prototype Counter-MANPADS systems were integrated onto aircraft and the FAA certified their safety and airworthiness. Additionally, the S&T Directorate initiated Phase III of the program, selecting three firms to receive $7.4 million in combined contract awards to assess alternative methods to counter the MANPADS threat.

- *Demonstrated a Wireless Border Security Communications Network* – The S&T Directorate installed and tested an initial Border Network (BorderNet) prototype, enabling Border Patrol officers to remotely access databases, sensor alerts and geo-spatial information via vehicle-mounted computers and handheld devices. BorderNet is a wireless communication network that, when fully established, will connect law enforcement officers in the field to real-time information from law enforcement databases and geographic information systems.

- *Tested System that Increased Boarding Team Communications Capability by 50 percent* – The S&T Directorate tested a repeater-based communications system that permits communication among boarding team members, no matter where they are in the ship. Repeaters are small transmission devices that are deployed like breadcrumbs as officers enter and search a ship. With small breadcrumb repeaters widely distributed throughout the ship, 100-percent connectivity between boarding team members was maintained in areas that provided less than 50-percent connectivity without repeaters.

- *Enhanced BioWatch Capabilities* – While operating the baseline BioWatch monitoring system in approximately 30 cities, the S&T Directorate continued developing BioWatch enhancements (Generation 2) to provide better spatial coverage and indoor detection capabilities for the Nation's top 10 threat cities. In addition, the Biological Warning and Incident Characterization (BWIC) system was piloted in two BioWatch cities. BWIC interprets warning signals from BioWatch, public health surveillance data, and incident characterization tools (plume and epidemiological models) to quickly determine the impacts a release may have.

- *Improved Resources for Chemical Threat Response* – A first sourcebook of data for Non-Traditional Chemical Agents (NTAs) was completed and the S&T Directorate developed methods to collect conventional forensic information (e.g., fingerprints) in highly toxic environments, useful to enable safe investigation of a CWA attack, for example.

- *Delivered Violent Intent Prediction Model* – The S&T Directorate delivered an initial version of a Group Violent Intent Model, an analytical framework to test scenarios that can help assess the likelihood of radicalization and identify group intent to engage in violence. The model applies social and behavioral science research and theory to understand terrorist motivation, intent, and behavior, including terrorist recruitment and the intent to engage in violence.

- *Developed Technology Integration Template* – The results of four Regional Technology Integration (RTI) pilots provided a model template for cost-effective technology integration that can be replicated at similar venues nationwide. Key capabilities being tested at the pilot locations include: atmospheric monitoring and detection systems for chemical and biological toxins; monitoring and detection systems that are integrated with existing emergency response and traffic management infrastructures (like video surveillance systems); planning and exercise tools to evaluate multi-jurisdictional performance for State and local decision-makers; and, technologies credentialing emergency responders and verifying victims' identities during an incident.

- *Released Public Safety Statement of Requirements for Communications and Interoperability (SoR)* – The Office for Interoperability and Compatibility published SoR Volume I, version 1.1, the first national effort to capture a comprehensive set of emergency response communications requirements. Developed with practitioner input, the SoR is a living document that defines the operational and functional requirements for emergency response communications. Volume I provides further specifications to manufacturers and enable them to build equipment that meets emergency responders' communications needs. In FY 2006, OIC also released SoR Volume II, version 1.0, which quantifies the requirements for the most important applications identified by the emergency response community: mission-critical voice and emerging technologies for tactical video.

- *Coordinated Standards for Emergency Responder Protective Clothing and Gear* – As a result of S&T Directorate standards coordination efforts, National Fire Protection Association standards were revised to include chemical, biological, radiological, nuclear, and explosives (CBRNE) protection requirements and incorporate standards for CBRNE respiratory equipment. Such standards will help emergency responders to purchase the right equipment to protect themselves and the best operational equipment to use in protecting the public.

- *Established the Center for the Study of Preparedness and Catastrophic Event Response (PACER)* – This center, based at Johns Hopkins University, to study how the nation can best prepare for and respond to potential large-scale incidents and disasters. The center will investigate issues relevant to the theory and practice of emergency preparedness and response to terrorism incidents and natural disasters, including critical decision-making, regional integration of communication and response capabilities, surge capacity, informal and formal response networks, health systems integration, deterrence and prevention, infrastructure integrity, and sensor networks.

FY 2008 Initiatives:

- **Human Factors ..... $5.8M (0 FTE)**
  An increase of $5.8 million is proposed for Human Factors to fund programs aimed at modeling group dynamics during catastrophic events, deterrence of radical behavior, and the capability to predict and prevent violent behavior in groups. These programs will enhance the ability of the Department to prepare and respond to, and in some cases, predict terrorist behavior and natural or man-made disasters and will ultimately produce tools for end-users inside and external to the Department.

- **Innovation ..... $21.9M (0 FTE)**
  An increase of $21.9 million is proposed for the Office of Innovation to provide increases to programs developing game-changing and leap-ahead technologies to address some of the highest priority needs of the Department. The technologies being developed will detect tunnels along the border, defeat improvised explosive devices, create a resilient electric grid to protect critical infrastructure sites, and utilize high-altitude platforms and/or ground-based systems for detection and engagement of MANPADS in order to offer alternative solutions to installing systems on aircraft.

- **Chemical and Biological.....-$85.1M (-2 FTE)**
  The transfer of $84.1 million (from the Research, Development, Acquisition, and Operations) for the BioWatch program, Biological Warning and Incident Characterization (BWIC) system, and the Rapidly Deployable Chemical Detection System, in addition to $1 million and two FTEs (from the Management and Administration) to the Office of Health Affairs (OHA) will better align operational support of these proven systems within the Department. The OHA will operate the baseline BioWatch monitoring system in approximately 30 cities and the S&T Directorate will continue system research and development developing BioWatch enhancements (Generation 3) to provide better spatial coverage and indoor detection capabilities for the Nation's top 10 threat cities.

- **SAFECOM.....-$5.0M (0 FTE)**
  The transfer of $5.0 million and the activities of the SAFECOM Program, excluding elements related to research, development, testing and evaluation, and standards, to the Office of Emergency Communications within the Preparedness Directorate, better aligns the operational portions of the program within the Department.

DOMESTIC NUCLEAR DETECTION OFFICE

Description:

The Domestic Nuclear Detection Office (DNDO) is a national office established to improve the Nation's capability to detect and report unauthorized attempts to import, possess, store, develop, or transport radiological or nuclear material for use against the Nation, and to further enhance this capability over time.

At a Glance

Senior Leadership:
Vayl S. Oxford, Director

Established: April 15, 2005

Major Divisions: Systems Engineering and Architecture, Systems Development and Acquisition Directorate, Transformational Research and Development Directorate, Assessments Directorate, Operations Support Directorate, National Technical Nuclear Forensics Center

Budget Request ***$561,900,000***

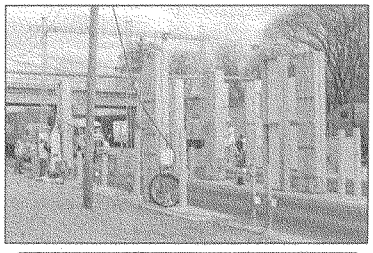
Employees (FTE): *121*

Responsibilities:

DNDO coordinates Federal efforts to detect and protect against nuclear and radiological terrorism against the United States. DNDO, utilizing its interagency staff, is responsible for the development of the global nuclear detection architecture, the underlying strategy that guides the U.S. Government's nuclear detection efforts. DNDO conducts all research, development, test, and evaluation of nuclear and radiological detection technologies within DHS, and is responsible for acquiring the technology systems necessary to implement the domestic portions of the global nuclear detection architecture. DNDO also provides standardized threat assessments, technical support, training, and response protocols for Federal and non-Federal partners.

Service to the Public:

DNDO works to protect the United States from radiological and nuclear terrorism by continuing to advance the state-of-the-art in nuclear detection technologies, and to bring these technical solutions to bear in the Nation's homeland security and law enforcement efforts. In addition to technical solutions, DNDO looks to balance its approach with operational solutions. DNDO works with other agencies across the U.S. Government to ensure that these capabilities provide the greatest level of protection possible, and that these capabilities are continually improved.

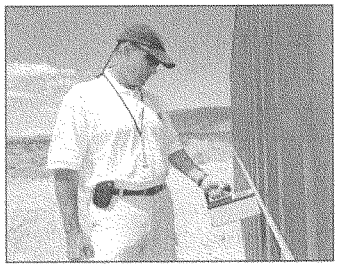


Advanced Spectroscopic Portals are installed at the New York Container Terminal for initial operational testing.

2006 Accomplishments:

- Systems Development: Awarded contracts for several major development and acquisition programs, including three awards for the Advanced Spectroscopic Portal (ASP) program, three awards for the Cargo Advanced Automated Radiography Systems (CAARS) program, and five awards for the Human Portable Radiation Detection Systems (HPRDS) program. These programs seek to significantly improve nuclear and radiological materials detection and identification capabilities at ports of entry (POEs), along the Nation's borders and coastlines, in State and local operations, and overseas.

- Systems Acquisition: DNDO continued to acquire and deploy radiation portal monitors to the Nation's POEs, increasing the total number of systems deployed by 325 to a total of 884 systems. This increased the volume of cargo that DHS is scanning to 81% of cargo at all seaports and 90% of cargo at land border crossings.



Handheld detection systems are tested as part of DNDO's Bobcat test campaign at the Nevada Test Site.

- Assessments: DNDO conducted the first-ever comprehensive testing of nuclear detection systems using actual nuclear materials as part of the Advanced Spectroscopic Portal research, development, and acquisition program, and continues to build on and refine these capabilities through additional testing of handheld, mobile, backpack, and pager testing campaigns.

- Transformational Research and Development: DNDO initiated the first of its planned Advanced Technology Demonstrations, Intelligent Personal Radiation Locators (IPRL), awarding contracts to three development teams. IPRL is intended to ultimately replace the existing generation of radiation pagers with a pocket-sized ubiquitous radioisotope identifier that will wirelessly communicate with similar devices in the vicinity, automatically combining data to increase sensitivity and determine source location.

- Operations Support: DNDO is responsible for providing radiological and nuclear detection training to State and local law enforcement personnel along with first responders. In FY 2006, DNDO trained over 400 local law enforcement and first responders to detect and report radiological and nuclear materials, devices, or weapons components.

- Systems Architecture: DNDO completed the first iteration of the global nuclear detection architecture. This deliverable provided a high-level description of deployed detection assets and established a baseline of current detection capabilities. This effort also included a gap analysis of detection capabilities and identified potential initiatives to address these gaps. Throughout FY 2006, the DNDO will work with the Federal agencies responsible for implementation of the global architecture (*i.e.* DHS, DOD, DOE, FBI, NRC, State) to develop prioritized timelines for the implementation of these proposed initiatives.

BUDGET REQUEST

Dollars in Thousands

	FY 2006 Revised Enacted[1]		FY 2007 Enacted		FY 2008 Pres. Budget		FY 2008 +/- FY 2007	
	FTE	$000	FTE	$000	FTE	$000	FTE	$000
Management and Administration	[14]	[$2,558]	112	$30,468	121	$34,000	9	$3,532
Research, Development, and Operations	--	[$189,834]	--	$272,500	--	$319,900	--	$47,400
Systems Acquisition	--	[$125,000]	--	$178,000	--	$208,000	--	$30,000
Gross Discretionary	**[14]**	**[$317,392]**	**112**	**$480,968**	**121**	**$561,900**	**9**	**$80,932**
Fee Accounts	--	--	--	--	--	--	--	--
Total	**[14]**	**[$317,392]**	**112**	**$480,968**	**121**	**$561,900**	**9**	**$80,932**

[1] DNDO funding was included within DHS Science and Technology appropriations in FY 2006: $314,834 in RDA&O and $2,558 M&A.

FY 2008 Initiatives:

- **Securing the Cities Implementation ..... $30.0M (0 FTE)**
  Building off of analytical work done in prior years in support of the Securing the Cities initiative, requested funding will begin the implementation of strategies developed through the course of this analysis in the New York region. Implementation funds will be utilized to procure, integrate, deploy, train, and exercise a multi-layer, multi-pathway, preventive radiological and nuclear detection and reporting architecture for urban areas. Concurrently, DNDO will engage state and local partners in additional urban areas beginning in FY 2008 to tailor strategies and lessons learned from the New York region to meet requirements specific to these regions.

- **Acceleration of Next-Generation Research and Development ..... $47.4M (0 FTE)**
  The Acceleration of Next-Generation Research and Development program increase funds initiatives across multiple DNDO Research, Development, and Operations program areas. The largest increases will be directed towards the Systems Development and Transformational Research and Development program areas.

  The Systems Development program increase will allow for the acceleration of development of multiple variants of Advanced Spectroscopic Portal (ASP) systems. As ASP technologies mature for use in fixed portal applications, the same technical advances can be applied to other radiation detection technologies, and provide the same advantage of spectroscopic identification capability, compared to simple gross-counting systems. The global nuclear detection architecture has highlighted the need for multiple variants of spectroscopic systems to meet unique mission requirements, such as integration with

State and local law enforcement vehicles, rail detection systems, crane-mounted systems, and variants for use in airport environments.

Transformational research and development increases allow for the initiation of several new Advanced Technology Demonstrations (ATD) in FY 2008. The improvements expected from the transformational research and development programs are not intended to incrementally improve deployed capabilities; rather, there improvements will fundamentally change the operational bounds of deployed systems. However, these operational concepts will require dramatic increases in technical capability. The requested funding will allow for the continuation of research programs begun in FY 2006, as well as the exploration of additional topics directly applicable to the DNDO mission. Active Special Nuclear Material Verification ATD seeks to directly detect plutonium and uranium, even when heavily shielded to reduce detectable emissions, through various active interrogation mechanisms. The Long Dwell, In Transit Detection ATD seeks to develop low-cost, extremely low false alarm radiation detectors to capitalize on the relatively long detection opportunities afforded during ship or airplane transit.

ANALYSIS AND OPERATIONS

Description:

The Analysis and Operations appropriation provides resources for the support of the Office of Intelligence and Analysis and the Office of Operations Coordination. The appropriation was new beginning in FY 2006 and was created as a result of 2SR.

At a Glance

Senior Leadership:
Charles E. Allen, Assistant Secretary for Office of Intelligence and Analysis

Admiral Roger Ruff, Director of Operations

Established: FY 2006

Major Divisions: Office of Intelligence and Analysis; Office of Operations Coordination

Budget Request: ***$314,681,000***

Employees (FTE): *518*

Responsibilities:

The two offices supported by this appropriation, however different and distinct in their mission work, collaborate together with other DHS components in an effort to support the DHS mission of protecting the homeland.

Office of Intelligence and Analysis (I&A) - I&A leads the DHS Intelligence Enterprise and is responsible for the Department's intelligence and information gathering and sharing capabilities for and among all components of DHS. The Assistant Secretary for Intelligence & Analysis (ASIA) leads I&A, and is also the Department's Chief Intelligence Officer (CINT) reporting directly to the Secretary. I&A ensures that information is gathered from all relevant DHS field operations and is fused with information from other parts of the Intelligence Community to produce accurate, timely and actionable analytic intelligence products and services for DHS stakeholders.

Office of Operations Coordination - The Office's mission is to disseminate threat information, provide domestic situational awareness, perform incident management and ensure operational coordination among the DHS components with specific threat responsibilities. Many of these functions are performed through the Operations Mission Systems. The Office of Operations Coordination works with component leadership and other federal partners to translate intelligence data and policy into actions, and to ensure that those actions are joint, well-coordinated and executed in a timely fashion.

Service to the Public:

The Analysis and Operations account provides the resources that enable the critical support necessary to ensure the protection of American lives, economy, and property by improving the analysis and sharing of threat information. This includes advising all levels of government (federal, state, territorial, tribal, and local), the private sector, and the public with timely warnings and advisories concerning threats to the homeland. In addition, specific protective

measures and countermeasures are developed within DHS with input from the organizations financed by this account.

I&A's intelligence contribution to our National Security—its value added—is its ability to provide homeland security intelligence analysis and warning and act as a nexus for integration and coordination of actionable intelligence information whether the source is domestic or foreign. I&A must ensure that all homeland security intelligence-related information is gathered, collected, reported, analyzed and disseminated to those who need it. DHS' unique functional expertise resides in its operational components and their intelligence organizations, in the pool of rich information gathered by those components and from its exchanges with State, local and private partners. The blend of different functional perspectives coupled with access to component and stakeholder data yields unique analysis and products. Very simply, "homeland security intelligence" is a blend of traditional and non-traditional intelligence that produces unique and actionable insights. In partnership and collaboration with the Office of Operations Coordination, these unique products, of component and stakeholder information and I&A analysis, are rapidly shared with other DHS components as well as with our state, local, tribal, and territorial partners and the private sector.

BUDGET REQUEST

Dollars in Thousands

	FY 2006 Revised Enacted		FY 2007 Enacted		FY 2008 Pres. Budget		FY 2008 +/- FY 2007	
	FTE	$000	FTE	$000	FTE	$000	FTE	$000
Analysis and Operations	283	$252,940	475	$299,663	518	$314,681	43	$15,018

DEPARTMENTAL MANAGEMENT AND OPERATIONS

Description:

Departmental Management and Operations provides leadership, direction and management to the Department of Homeland Security and is comprised of five separate appropriations including: the Offices of the Secretary and Executive Management (OS&EM); the Under Secretary for Management (US/M); the Office of the Chief Financial Officer (OCFO); the Office of the Chief Information Officer (OCIO) and the Office of the Federal Coordinator for Gulf Coast Rebuilding.

The OS&EM provides resources for 13 separate offices that individually report to the Secretary. These offices include the Immediate Office of the Secretary, the Office of the Deputy Secretary, the Office of the Chief of Staff, the Office of Counternarcotics Enforcement, the Office of the Executive Secretary, the Office of Policy, Secure Border Coordination Office, the Office of Public Affairs, the Office of Legislative and Intergovernmental Affairs, the Office of General Counsel, the Office of Civil Rights and Civil Liberties, the Office of the Citizenship and Immigration Ombudsman, and the Privacy Office.

At a Glance

Senior Leadership:
Michael Chertoff, Secretary
Michael Jackson, Deputy Secretary
Paul A. Schneider, Under Secretary for Management
David Norquist, Chief Financial Officer
Scott Charbo, Chief Information Officer
Donald Powell, Federal Coordinator for the Gulf Coast Rebuilding Office

Established: 2003 under the Department of Homeland Security Act of 2002

Major Divisions: Office of the Secretary and Executive Management; Office of the Under Secretary for Management; Office of Chief Human Capital Officer; Office of the Chief Procurement Officer; Office of the Chief Administrative Services Officer; Office of Security; Office of the Chief Financial Officer; Office of the Chief Information Officer; Federal Coordinator for the Gulf Coast Rebuilding Office

Budget Request: ***$683,189,000***

Employees (FTE): *1,118*

The US/M appropriation within Departmental Management and Operations is comprised of the Immediate Office of the Under Secretary for Management, the Chief Human Capital Office, the Chief Procurement Office, the Chief Administrative Services Office, and the Office of Security.

The OCFO is comprised of the Budget Division, Program Analysis and Evaluation Division, Financial Management and Policy Division, Resource Management Transformation Office (Financial Systems Division), and the Departmental Government Accountability Office (GAO)/Office of the Inspector General (OIG) Audit Liaison Office.

The Chief Information Officer (CIO) has oversight of all Information Technology (IT) projects in the Department. The Office of the CIO (OCIO) provides IT leadership, products and services to ensure the effective and appropriate use of information technology. It coordinates acquisition strategies to minimize cost and improve consistency. OCIO enhances mission success by partnering with other core DHS business components; and by leveraging the best available information technologies and management practices.

The President created the Gulf Coast Rebuilding Office and designated a Coordinator of Federal support for the recovery and rebuilding of the Gulf Coast Region by Executive Order 13390 on November 1, 2005.

The OCFO and OCIO each have separate appropriations within Departmental Management and Operations.

Responsibilities:

The OS&EM provides central leadership, management, direction, and oversight of all the Department's components. The Secretary serves as the top representative of the Department to the President, the Congress, and the general public.

The US/M's primary mission is to deliver quality administrative support services and provide leadership and oversight for all Departmental Management and Operations functions that include IT, budget and financial management, procurement and acquisition, human capital, security, and administrative services. The US/M implements the mission structure for the Department to deliver customer services, while eliminating redundancies and reducing support costs. In this effort, the US/M is continuing the design and implementation of a functionally integrated mission support structure for the Department to improve the efficiency and effectiveness of the delivery of administrative support services.

The Office of the Chief Financial Officer (OCFO) is responsible for the fiscal management, integrity and accountability of DHS. The mission of the OCFO is to provide guidance and oversight of the Department's budget, financial management, investment review, and strategic planning functions to ensure that funds necessary to carry out the Department's mission are obtained, allocated, and expended in accordance with the Department's priorities and relevant law and policies.

The Department of Homeland Security (DHS) is a technology dependent and information focused organization that must employ the best information technology in order to execute its mission. OCIO is responsible for assuring a global DHS environment that enables the sharing of essential homeland security information to ensure that *the right people have the right information, at the right time...every time!* In addition, the OCIO provides the capability for DHS to partner in information sharing among governments, private industry, and citizens. Finally, the OCIO ensures an information management infrastructure that provides timely and useful information to all individuals who require it.

The OCIO plays a crucial role in protecting the American Public. It delineates a roadmap for using IT to meet current and future needs to ultimately assure the delivery the most effective capabilities for protecting the homeland. OCIO is proactive in overseeing the development of technologies so that operational enhancements are maximized and risks to the homeland are minimized.

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

2006 Accomplishments:

US/M

- Completed initial phases of occupancy of the Nebraska Avenue Complex with Headquarter organizations and functions necessary to support the Secretary and the Department's strategic focus.
- Prioritized the procurement workforce to ensure the establishment of a world-class acquisition program.
- Sustained the Headquarters operations and start-up Components and maintained a DHS Headquarters emergency preparedness program.
- Submitted the Department's first Human Capital Accountability Plan, completed Human Capital 2SR conversion activities, and continue to establish DHS human capital policies and operating procedures.
- Established the Chief Learning Officer position and began conducting a needs analysis, particularly in the area of executive development, to identify opportunities for DHS-wide training initiatives.
- Continued the implementation of Max-HR with the conversion of 4,870 employees in Headquarters, USCG, ICE, and FLETC into the new performance management system, which links individual performance goals to organizational strategic priorities.
- Met security challenges presented by the growing DHS workforce and expanding information requirements.
- Increased the efficiency and effectiveness of security through functional integration of the Component security offices and the identification of DHS centers for security excellence.
- Expanded the security program to support the DHS mission to share sensitive and classified information with state, local tribal and private-sector officials.

OCFO

- Executed the first phase of the DHS multi-year plan to implement a comprehensive internal control assessment pursuant to OMB A-123, Appendix A guidelines.
- Developed the DHS Internal Control Over Financial Reporting (ICOFR) Playbook. The playbook identifies key tasks, milestones, and completion dates to remediate root causes of all financial statement material weaknesses.
- Improved the methodology for identifying Improper Payment Information Act (IPIA) programs.

- Completed statistically significant testing for improper payments for programs that issued more than $100 million in FY 2005 disbursements at CBP, CIS, ICE, TSA, USCG, and USSS and for programs that issued more than $40 million in FY 2005 disbursements at FLETC.

- Completed statistically significant testing for improper payments for FEMA Katrina Disaster Relief payments between September 1, 2005 and March 1, 2006.

OCIO

- Completed 85 percent of IT projects within 10% of the cost and schedule dates.

- Realized $15M in savings from the consolidation of the Infrastructure and the Screening Portfolios.

- Completed 85% of the OMB's Electronic Government (eGov) alignment milestones.

- Achieved a 100% Technical Reference Model (TRM) Selection and 5% reduction in DHS Data Center Operations Costs & GIS Software Costs.

- Completed 100% of the user requirement documentation of the Southwest Border, which will serve as the basis for wireless system design in that area.

- Upgraded over 8,000 USSS and White House Communications Agency subscriber units to fully encrypt agent/officer communications.

- Deployed over 400 subscriber units as well as emergency communication equipment and services for the Gulf Coast to facilitate interoperability among federal, state, and local responders.

- Enhanced and expanded the IWN Seattle/Blaine system to meet 100% of DHS user requirements.

- Acquired and deployed 10% of the technical investigative equipment to support ICE and USSS covert operation requirements (e.g., body wires, transmitters, and receivers).

- Achieved 100% system Steady State operation of core system network (i.e. wide area network, primary data center, help desk, network and security operations centers) and an installed base of DHS component field sites 24 hours per day, seven days per week; as well as completing necessary updates and technology improvements to the established HSDN system to comply with mission critical service level agreements.

- Consolidated and transitioned DHS secret legacy systems into HSDN; and deployed additional HSDN sites both within DHS and externally to other (non-DoD) Federal Government agencies.

- Established a mobile, remote access capability to the HSDN network in support of Federal Emergency Management Agency (FEMA) emergency management operations for hurricanes or natural disaster.

BUDGET REQUEST

Dollars in Thousands

	FY 2006 Revised Enacted		FY 2007 Enacted		FY 2008 Pres. Budget		FY 2008 +/- FY 2007	
	FTE	$000	FTE	$000	FTE	$000	FTE	$000
Office of the Secretary and Executive Management (OSEM) [1,4]	416	$82,575	469	$94,470	516	$107,939	47	$13,469
OSEM Supplemental - Pandemic Flu [2]	--	$47,283	--	--	--	--	--	--
Office of the Under Secretary for Management [3]	265	$167,147	283	$153,640	370	$278,350	87	$124,710
Office of the Chief Financial Officer	87	$19,211	97	$26,000	124	$32,800	27	$6,800
Office of the Chief Information Officer [4]	78	$294,257	87	$349,013	94	$261,100	7	($87,913)
Office of the Federal Coordinator for the Gulf Coast Rebuilding Office	--	--	14	$3,000	14	$3,000	--	--
Total	**846**	**$610,473**	**950**	**$626,123**	**1,118**	**$683,189**	**168**	**$57,066**

1 FY 2006 Revised Enacted reflects Transfer from Screening, Coordination & Operation to Office of Policy.

2 OSEM Supplemental, Pandemic Flu, P.L. 109-148, DOD Appropriations Act, DHS Supplemental.

3 FY 2008 USM President Budget includes $120,000,000 (11 FTE), for the Consolidated Headquarters Project.

4 The FY 2008 President's Budget request reflects the Notice of Implementation of the Post-Katrina Emergency Reform Act of 2006 (P.L. 109-295) and of Additional Changes Pursuant to Section 872 of the Homeland Security Act of 2002, provided to Congress on January 18, 2007.

FY 2008 Initiatives:

Office of the Secretary and Executive Management:

- **Office of Policy ..... $5.1M (24 FTE)**
  Office of Policy is seeking an increase of $5.087 million to further enhance the Committee on Foreign Owned Investments in the U.S. under the Policy Office; implement the Real ID initiative; and expand duties of the International Affairs Office.

- **Office of the Privacy ..... $.539M (4 FTE)**
  The Privacy Office requests an increase of $539 thousand and 4 FTE for the Privacy Office FOIA program. The requested funding for the FTE positions will provide the necessary support to administer an adequate and compliant FOIA program.

- **Executive Secretary ..... $.539M (4 FTE)**
  An increase of $539 thousand and 4 FTE is requested to support the Office of the Secretary with accurate and timely dissemination of information and written communications throughout the Department and with our homeland security partners.

- **Office of the General Counsel ..... $2.0M (12 FTE)**
  An increase of 12 FTE and $2 million for additional staff to support the Department, in ensuring the full implementation of the Department's statutory responsibilities and all policies set forth by the Secretary and other Department officials.

- **Office of Civil Rights and Civil Liberties ..... $.319M (2 FTE)**
  An increase of 2 FTE and $319 thousand is requested for its Equal Employment Opportunity and Review and Compliance Unit.

- **Office of Counternarcotics Enforcement (CNE) ..... $.157M (1 FTE)**
  An increase of $157 thousand and 1 FTE is requested to improve oversight of the Department of Homeland Security counter drug policy and operations and to track and sever the connection between drugs and terror. The one additional FTE will provide necessary analytical support to improve CNE's ability to carry out the office core functions.

Office of the Under Secretary for Management:

- **Headquarters Operations Support Services ..... $1.0M (8 FTE)**
  An increase of $1 million and 8 FTE is required to meet administrative needs of growing staffs at DHS Headquarters Offices and start up components (such as S&T, IA, OPS, and Preparedness) in the Washington, DC, metropolitan area. Headquarters Operations Support Services provides DHS Headquarters Offices and start up components with logistical support including real estate services, mail screening and delivery, safety and health services, records and publication services, and other administrative services.

- **DHS Consolidated Headquarters Project..... $120.0M (11 FTE)**
  Funding of $120 million and 11 FTE consolidates the DHS requirements and centrally funds the DHS project costs and support. This item combines the non-recurring DHS tenant improvement costs and the recurring Special Projects Team personnel costs for management of the relocation of the USCG Headquarters and consolidation of other DHS Components on the St. Elizabeths West Campus and throughout the NCR.

- **DHS-Wide Acquisition Workforce Training ..... $4.5M (0 FTE)**
  An increase of $4.5 million is requested to meet requirements of the Federal Acquisition Certification I Contracting (FAC-C) Program approved December 2005. The FAC-C program establishes core requirements for education, training and experience for contracting professionals in civilian agencies and is designed to improve acquisition workforce competencies and increase career opportunities. To date, DHS has identified approximately 2,100 members of the acquisition workforce and these numbers are increasing daily. The implementation of the education and acquisition specific training will not only appropriately train current employees, but will also attract the best and brightest talent that will shape our future workforce.

- **DHS-Wide Acquisition Workforce Intern Program ..... $5.1M (33 FTE)**
  Funding of $5.1 million and 33 FTE is required for the recruiting, training, certifying, and retaining an appropriate workforce of acquisition professionals. To address the shortage of contracting professionals, DHS is expanding the Acquisition Intern Program and adding the Student Career Experience Program positions to form the core of the procurement workforce.

- **Federal Law Enforcement Training Accreditation ..... $0.15M (0 FTE)**
  An increase of $150 thousand is needed for additional travel cost to support training for assessors, site visits and Federal Law Enforcement Training Accreditation (FLETA) assessments. The additional travel cost is due to increases in the number of academies and programs that have applied for accreditation.

- **State and Local Fusion Center..... $1.0 M (3 FTE)**
  Funding of $1 million and 3 FTE is required to create a State and Local Fusion Center (SLFC) to support the security needs of the Department's State and Local programs. The Program involves administering an all-inclusive security program for state, local, tribal and private sector partners and DHS federal and contractor personnel assigned to SLFCs nationwide.

- **Homeland Security Presidential Directive 12 (HSPD-12)..... $0.35M (0 FTE)**
  An increase of $350 thousand is needed to support the ongoing mandatory, government-wide standard for secure and reliable forms of identification issued by the federal government to its employees and to the employees of federal contractors. Funds will be used to contract systems integration and support, as well as contract maintenance services on stations and software. This will sustain the HSPD -12 implementation process and continue the issuance of cards to DHS employees and contractors.

Office of the Chief Financial Officer:

- **DHS Financial Accountability Act, Internal Control Program ..... $2.5M (0 FTE)**
  An increase of $2,500,000 is requested to strengthen the Department's internal control program and its compliance with Public Law 108-330, *The Department of Homeland Security Financial Accountability Act*. These funds would be used to strengthen the Department's ability to test for, identify, and correct process weaknesses.

Office of the Chief Information Officer:

- **Salaries and Expenses..... $2.5M (7 FTE)**
  The request for an additional 10 positions, 7 FTE, and $2.479 million for the Enterprise Business Management Office, for augmenting the OCIO's federal employee staff overseeing all major Departmental IT acquisition and E-Gov implementation efforts.

  The funding is requested to improve OCIO's capability to oversee the management of IT acquisitions and E-Gov initiatives. This initiative supports the mandated requirement that all DHS IT acquisitions be reviewed and approved by the Office of the Chief Information Officer. The additional funding and FTEs will increase the capability of the Office of the Chief Information Officer to oversee and more effectively manage the major IT acquisitions and E-Gov initiatives. The funding also provides for a small increase in the level of current services.

OFFICE OF THE INSPECTOR GENERAL

Description:

The Department's Office of Inspector General (OIG) was established by the *Homeland Security Act 2002* (P.L. 107-296), by amendment to the *Inspector General Act of 1978*. The Inspector General has a dual reporting responsibility, to the Secretary of Homeland Security and to the Congress. OIG serves as an independent and objective inspection, audit, and investigative body to promote economy, efficiency, and effectiveness in DHS programs and operations, and to prevent and detect fraud, waste, and abuse.

At a Glance

Senior Leadership:
Richard L. Skinner, Inspector General

Established: *2003*

Major Divisions: Audit; Disaster Assistance Oversight; Information Technology Audit; Inspections; Investigations

Budget Request: ***$99,111,000***

Employees (FTE): *551*

Responsibilities:

The Inspector General is responsible for conducting and supervising audits, investigations, and inspections relating to DHS' programs and operations. OIG examines, evaluates and, where necessary, critiques these operations and activities, recommending ways for DHS to carry out its responsibilities in the most economical, efficient, and effective manner possible.

In addition, OIG is responsible for the oversight of the management and expenditures of all contracts, grants, and governmental operations related to the on-going hurricane relief efforts. This oversight is being accomplished through internal control reviews and contract audits to ensure appropriate control and use of disaster assistance funding. OIG is ensuring that this oversight encompasses an aggressive and on-going audit and investigative effort designed to identify and address fraud, waste, and abuse. OIG is also coordinating audit activities of other inspectors general, who oversee funds transferred to their respective departments and agencies by the Federal Emergency Management Agency (FEMA) to aid in disaster relief assistance.

Service to the Public:

OIG safeguards the public's tax dollars by preventing and detecting fraud, waste, and abuse in the Department's programs and operations.

2006 Accomplishments:

- The OIG issued 62 management reports (audits and inspections), 58 Gulf Coast Hurricane Recovery-related reports, and processed 232 reports on DHS programs that were issued by other organizations. As a result of these efforts, $65 million of questioned costs were identified, of which $14.7 million were determined to be unsupported. In

addition, $148 million of funds that could be put to better use were identified. DHS management concurred with 91% of OIG recommendations.

- OIG investigations resulted in 471 reports issued, 521 arrests, 583 indictments, and 366 convictions. OIG investigators closed 507 investigations and 15,183 complaints received through the hotline.

- Additionally, recoveries, fines, restitutions, and administrative cost savings totaled $35 million.

BUDGET REQUEST

Dollars in Thousands

	FY 2006 Revised Enacted[1]		FY 2007 Enacted[2]		FY 2008 Pres. Budget		FY 2008 +/- FY 2007	
	FTE	$000	FTE	$000	FTE	$000	FTE	$000
Audit, Inspections & Investigations	540	$84,187	545	$85,185	551	$99,111	6	$13,926

[1] Includes $2 million supplemental appropriation (P.L. 109-234)
[2] Excludes a $13.5 million transfer from the Disaster Relief Fund (P.L. 109-295)

FY 2008 Initiative:

Personnel & Contract Support - $11.5M (1 FTE): The requested resource level will enable the OIG to continue its oversight of the Gulf Coast disaster and other disasters ($11 million) and establish a new investigative sub-office in Bellingham, WA (2 positions, 1 FTE and $500,000).

- **Disaster Assistance Oversight..... $11.0M (0 FTE)**
  Although the funding for disaster assistance oversight is reflected as a program increase, it represents a continuation of the OIG's oversight of the response and recovery efforts associated with the Gulf Coast hurricanes. Funding for this effort was initially provided via a transfer from the Disaster Relief Fund at the end of FY 2005 ($15 million), supplemental funding in the summer of FY 2006 ($2 million), and for FY 2007 via a transfer from the Disaster Relief Fund ($13.5 million).

  Specifically, OIG will: monitor operations at the FEMA Emergency Operations Center to stay current on all disaster relief operations and provide on-the-spot advice; provide counsel and perform proactive procedures related to the joint field offices' internal activities to ensure the appropriate control and use of FEMA funds; coordinate with the respective Federal, state, and local law enforcement agencies and prosecutors; handle allegations received through a single, OIG-wide, hurricane relief fraud hotline; work with the Attorney General's Hurricane Fraud Task Force; review the administration of major contracts awarded with hurricane-relief funds to ensure that appropriate Federal acquisition regulations are being adhered to, and that expenditures are necessary and reasonable; provide continuous oversight of FEMA's control environment, financial and operational processes, and the effectiveness of internal controls to identify financial

reporting issues early; and, closely monitor FEMA's approval of public assistance projects.

- **Establishment of a New Investigative Sub Office ..... $.5M (1 FTE)**
  The requested increase includes 2 positions, 1 FTE and $500,000 to establish a new sub-office in Bellingham, WA. There are six ports of entry (POE) north of Seattle, WA, in Whatcom County, including 580 DHS full-time employees located at the POEs. The preparations for the 2010 Olympics in Vancouver, Canada will necessitate an increase in the number of Customs and Border Protection (CBP) employees in the region and overall investigative coverage as well.

  In addition, there are a number of investigations in the area. Due to the nature of these investigations and the possible national security implications at stake, it is imperative that these cases be handled in a timely manner. Having an office in Bellingham, Washington, will greatly reduce the response time for future complaints and enable the DHS OIG to more effectively and efficiently handle its mission of protecting the integrity of the department and its employees.

RESOURCE TABLES

Department of Homeland Security
February 5, 2007 - President's Budget

Dollars in Thousands

	Revised Enacted Crosswalk					
	FY 2006 Revised Enacted		FY 2007 Revised Enacted		FY 2008 President's Budget	
Component	FTE	Dollars	FTE	Dollars	FTE	Dollars
Office of the Secretary & Executive Management [3]	**416**	**$129,858**	**469**	**$94,470**	**516**	**$107,939**
Discretionary Resources	416	129,858	469	94,470	516	107,939
Enacted Level	416	29,495	469	94,470	516	107,939
Supplemental (P.L. 109-148): Avian Flu		47,283	-			
Supplemental (P.L. 109-234): Office of Policy		3,964				
Rescission (P.L. 109-148): 1% across the board		-794	-			
Under Secretary for Management [2]	**265**	**167,147**	**283**	**153,640**	**370**	**278,350**
Discretionary Resources	265	167,147	283	153,640	370	278,350
Enacted Level	265	168,835	283	153,640	359	148,350
St. Elizabeth's Project			-		11	129,000
Rescission (P.L. 109-148): 1% across the board		-1,688	-		-	
Office of the Chief Financial Officer	**87**	**19,211**	**97**	**26,000**	**124**	**32,800**
Discretionary Resources	87	19,211	97	26,000	124	32,800
Enacted Level	87	19,405	97	26,000	124	32,800
Rescission (P.L. 109-148): 1% across the board		-194	-		-	
Office of the Chief Information Officer [1]	**78**	**294,257**	**87**	**349,013**	**94**	**261,100**
Discretionary Resources	78	294,257	87	349,013	94	261,100
Enacted Level	78	297,229	87	349,013	94	261,100
Rescission (P.L. 109-148): 1% across the board		-2,972	-		-	
Working Capital Fund						
Rescission of prior year unobligated balances: Non-add	-	-[15,000]	-	-	-	-
Counter-Terrorism Fund	-	**1,980**	-	-	-	-
Discretionary Resources	-	1,980	-	-	-	-
Enacted Level	-	2,000	-	-	-	-
Rescission (P.L. 109-148): 1% across the board		-20	-		-	
Rescission of prior year unobligated balances: Non-add	-	-[8,000]	-	-[16,000]	-	-
Office of Screening Coordination and Operations	-	-	-	-	-	-
Discretionary Resources	-		-	-	-	-
Enacted Level	17	4,000	-		-	
Rescission (P.L. 109-148): 1% across the board		-40	-		-	
Reversion (P.L. 109-234)	-17	-3,960	-		-	
Office of the Federal Coordinator for Gulf Coast Rebuilding	-	-	14	3,000	14	3,000
Discretionary Resources	-	-	14	3,000	14	3,000
Enacted Level	-		14	3,000	14	3,000
Analysis and Operations	**406**	**252,940**	**475**	**299,663**	**518**	**314,681**
Discretionary Resources	406	252,940	475	299,663	518	314,681
Enacted Level	406	255,495	475	299,663	518	314,681
Rescission (P.L. 109-148): 1% across the board		-2,555	-		-	
Inspector General	**540**	**84,187**	**545**	**98,685**	**551**	**99,111**
Discretionary Resources	540	84,187	545	98,685	551	99,111
Enacted Level	540	84,017	545	85,185	551	99,111
Transfer from FEMA Disaster Relief Fund			-	15,500	-	
Supplemental (P.L. 109-62): Transfer from FEMA Disaster Relief Fund		836	-			
Supplemental (P.L. 109-234)		2,005	-			
U.S.-VISIT [3]	**102**	**336,600**	**102**	**362,494**	-	-
Discretionary Resources	102	336,600	102	362,494	-	-
Enacted Level	102	340,000	102	362,494	-	-
Rescission (P.L. 109-148): 1% across the board		-3,400	-		-	-

Component	FY 2006 Revised Enacted		FY 2007 Revised Enacted		FY 2008 President's Budget	
	FTE	Dollars	FTE	Dollars	FTE	Dollars
U.S. Customs & Border Protection	**42,748**	**7,970,695**	**44,414**	**9,344,781**	**48,551**	**10,174,114**
Discretionary Resources	34,463	6,757,358	36,129	8,043,536	40,266	8,790,349
Enacted Level	33,737	5,952,553	35,998	6,435,156	40,215	8,783,292
Technical Adjustment: realignment of Small Airports from fees	51	7,000	51	7,180	51	7,057
Supplemental (P.L. 109-148): Salaries and Expenses		24,109				
Supplemental (P.L. 109-148): Construction		19,481				
Supplemental (P.L. 109-234): Salaries and Expenses	675	422,900				
Supplemental (P.L. 109-234): Air & Marine Interdiction		95,000				
Supplemental (P.L. 109-234): Construction		304,800				
Supplemental (P.L. 109-295): Salaries & Expenses				100,000		
Supplemental (P.L. 109-295): Border Security Fencing, Infrastructure, Technology			86	1,159,290		
Supplemental (P.L. 109-295): Air & Marine Interdiction				232,000		
Supplemental (P.L. 109-295): Construction				119,000		
Rescission (P.L. 109-148): 1% across the board		-59,499				
Fee Accounts	8,285	1,207,440	8,285	1,295,348	8,285	1,377,868
Estimates at Enacted Level	8,249	1,142,946	8,249	1,265,231	8,336	1,384,925
Technical Adjustment: realignment of Small Airports to discretionary	-51	-7,000	-51	-7,180	-51	-7,057
Technical Adjustment: revised Small Airports fee estimate	6	7,867	6	951	-	-
Technical Adjustment: revised COBRA fee estimate		2,060	-	-20,808		
Technical Adjustment: revised Land Border Inspection fee estimate	-5	-2,039	-5	891	-	-
Technical Adjustment: revised Immigration User fee estimate	-105	29,152	-105	-12,122	-	-
Technical Adjustment: revised Enforcement Fines fee estimate	71	3,260	71	1,767	-	-
Technical Adjustment: revised APHIS fee estimate	291	16,544	291	55,320	-	-
Technical Adjustment: revised Puerto Rico fee estimate	-174	7,882	-174	13,499	-	-
Trust Fund & Public Enterprise Accounts	-	5,897	-	5,897	-	5,897
Technical Adjustment: presentation of estimates for Customs Unclaimed Goods		8,113		5,897		5,897
Technical Adjustment: revised Customs Unclaimed Goods fee estimate	-	-2,216	-	-	-	-
U.S. Immigration & Customs Enforcement [2]	**16,315**	**4,206,443**	**16,854**	**4,726,641**	**17,463**	**5,014,500**
Discretionary Resources	15,869	3,970,443	16,394	4,474,292	16,989	4,781,000
Enacted Level	15,501	3,662,193	16,394	4,444,292	16,989	4,781,000
Technical Adjustment: Salaries and Expenses FTE adjustment	368	-	-	-	-	-
Supplemental (P.L. 109-148): Salaries and Expenses	-	13,000	-	-	-	-
Supplemental (P.L. 109-234): Salaries and Expenses	-	327,000	-	-	-	-
Supplemental (P.L. 109-295): Salaries and Expenses			-	30,000	-	-
Rescission (P.L. 109-148): 1% across the board		-31,752	-	-	-	-
Discretionary Offset: Non-add	-	-[487,000]	-	-[516,011]	-	-[613,000]
Fee Accounts	446	236,000	460	252,349	474	233,500
Estimates at Enacted Level	446	251,552	460	252,349	474	233,500
Technical Adjustment: revised Breached Bond Detention Fund fee estimate	-	-15,552	-	-	-	-
Transportation Security Administration	**50,363**	**6,167,014**	**49,195**	**6,329,291**	**50,173**	**6,401,178**
Discretionary Resources	50,363	5,915,014	49,189	6,077,291	50,167	6,399,178
Enacted Level	50,363	6,205,083	49,195	6,124,592	50,174	6,401,178
Technical Adjustment: realignment of Alien Flight School to fees	-	-16,000	-6	-2,000	-6	-2,000
Technical Adjustment: revised Credentialing fee estimates		-131,000	-	-45,101	-	-
Rescission (P.L. 109-148): 1% across the board		-39,051			-	-
Discretionary Offset: Non-add	-	-[2,049,000]	-	-[2,331,770]	-	-[2,693,801]
Estimates at Enacted Level		-2,170,000	-	-2,406,101	-	-2,693,801
Technical Adjustment: revised TSA passenger fee offset		-20,000	-	117,230		
Technical Adjustment: revised Credentialing fee offset		131,000	-	45,101	-	-
Technical Adjustment: scoring Alien Flight School as mandatory		10,000	-	2,000	-	-
Fee Accounts	-	252,000	-	252,000	-	2,000
Estimates at Enacted Level	-	250,000	-	250,000	-	-
Technical Adjustment: realignment of Alien Flight School from discretionary		16,000	6	2,000	6	2,000
Technical Adjustment: revised Alien Flight School fee estimate		-8,000	-	-	-	-
Rescission of prior year unobligated balances: Non-add	-	-[5,500]	-	-[66,712]	-	-
Preparedness Directorate [1]	**966**	**4,056,132**	**1,033**	**4,011,577**	-	-
Discretionary Resources	966	4,056,132	1,033	4,011,577	-	-
Enacted Level	966	4,011,566	1,033	4,017,577	-	-
Technical Adjustment: realignment of Real ID Act funds		40,000			-	
Technical Adjustment: RLPP set of collections based on FY08 request				-6,000	-	
Supplemental (P.L. 109-148): State and Local		10,700			-	
Supplemental (P.L. 109-234): State and Local		15,000			-	
Rescission (P.L. 109-148): 1% across the board	-	-40,729			-	
Office of Health Affairs [1,2]	-	-	-	-	**49**	**117,933**
Discretionary Resources	-	-	-	-	49	117,933
Enacted Level					49	117,933

Component	FY 2006 Revised Enacted		FY 2007 Revised Enacted		FY 2008 President's Budget	
	FTE	Dollars	FTE	Dollars	FTE	Dollars
National Protection & Programs Directorate [1,2]	-	-	-	-	**646**	**1,046,567**
Discretionary Resources	-	-	-	-	646	1,046,567
Enacted Level			-		646	1,046,567
Federal Emergency Management Agency (FEMA) [1,3]	**5,708**	**11,175,544**	**5,890**	**5,223,503**	**6,651**	**8,020,204**
Discretionary Resources	5,708	9,071,190	5,890	2,592,107	6,644	5,187,204
Enacted Level	5,708	2,818,710	5,890	2,630,492	6,644	5,187,204
Transfer (P.L. 109-295) Disaster Relief to OIG	-	-	-	-73,900	-	-
Transfer (P.L. 109-295) Public Health to HHS	-	-	-81	-33,885	-	-
Technical Adjustment: revised NFIP discretionary fee estimates	-	-62,985	-	-	-	-
Supplemental (P.L. 109-148) Administrative and Regional Operations	-45	17,796	-	-	-	-
Supplemental (P.L. 109-148) Non-add - transfer of unobligated carryover to DADLP	-	11,800	-	-	-	-
Supplemental (P.L. 109-148) Non-add - transfer of unobligated carryover to DADLP	-	1,751,000	-	-	-	-
Supplemental (P.L. 109-234) Disaster Assistance Direct Loan Program	-	279,000	-	-	-	-
Supplemental (P.L. 109-234) Disaster Relief	-	6,990,000	-	-	-	-
Supplemental (P.L. 109-234) Transfer Disaster Relief Supplemental to SBA	-	-38,100	-	-	-	-
Supplemental (P.L. 109-234) Readiness Mitigation Response & Recovery	-	19,000	-	-	-	-
Supplemental (P.L. 109-234) Administrative and Regional Operations	-	71,800	-	-	-	-
Rescission (P.L. 109-148) 1% across the board	-	-26,122	-	-	-	-
Discretionary Offset: Non-add	-	-[123,854]	-	-[128,588]	-	-[145,000]
Estimates at Enacted Level	-	-185,854	-	-128,588	-	-145,000
Technical Adjustment: revised discretionary NFIP fee estimates	-	62,000	-	-	-	-
Trust Fund & Public Enterprise Accounts	-	2,104,354	-	2,631,396	7	2,833,000
Estimates at Enacted Level	-	-	-	-	-	-
Technical Adjustment: reflect NFIP mandatory fee estimates	-	2,078,757	-	2,233,024	7	2,833,000
Technical Adjustment: revised mandatory NFIP fee estimates	-	25,597	-	398,372	-	-
Rescission of prior year supplemental unobligated balances: Non-add	-	-[23,409,300]	-	-	-	-
U.S. Citizenship & Immigration Services	**10,207**	**1,887,850**	**10,122**	**1,985,990**	**10,714**	**2,568,872**
Discretionary Resources	450	113,850	365	181,990	255	30,000
Enacted Level	450	115,000	365	181,990	255	30,000
Rescission (P.L. 109-148) 1% across the board	-	-1,150	-	-	-	-
Fee Accounts	9,757	1,774,000	9,757	1,804,000	10,459	2,538,872
Estimates at Enacted Level	9,757	1,774,000	9,757	1,804,000	10,459	2,538,872
United States Secret Service	**6,564**	**1,423,489**	**6,649**	**1,479,158**	**6,700**	**1,608,996**
Discretionary Resources	6,564	1,223,489	6,649	1,279,158	6,700	1,398,996
Enacted Level	6,564	1,212,000	6,649	1,276,658	6,700	1,398,996
Technical Adjustment: reappropriated funds from rescinded unobligated balances		-		2,500		-
Supplemental (P.L. 109-148) Salaries and Expenses		3,600				-
Supplemental (P.L. 109-234) Salaries and Expenses		20,000				-
Rescission (P.L. 109-148) 1% across the board		-12,121				-
Trust Fund	-	200,000	-	200,000	-	210,000
Technical Adjustment: reflect Retirement Pay estimates		200,000	-	200,000		210,000
Rescission of prior year unobligated balances: Non-add	-	-	-	-[2,500]	-	-
United States Coast Guard [2]	**47,121**	**8,782,689**	**47,798**	**8,729,152**	**48,124**	**8,775,088**
Discretionary Resources	47,121	7,499,244	47,798	7,421,627	48,116	7,321,018
Enacted Level	47,121	6,782,727	47,798	7,077,144	48,116	7,321,018
Technical Adjustment: contr funds rescinded from unobligated balances as non-add		15,394	-	-		-
Technical Adjustment: reappropriated funds from rescinded unobligated balances		78,931		78,603		-
Technical Adjustment: presumption of Healthcare Fund Contribution	-	210,533				-
Transfer (P.L. 109-148) DOD to Operating Expenses	-	106,989	-			-
Transfer (P.L. 109-234) DOD to Operating Expenses	-	25,000				-
Transfer (P.L. 109-295) DOD to Operating Expenses				94,000		-
Supplemental (P.L. 109-234) Operating Expenses		-				-
Supplemental (P.L. 109-132) Operating Expenses		-				-
Supplemental (P.L. 109-148) Operating Expenses		-				-
Supplemental (P.L. 109-148) Operating Expenses		131,078				-
Supplemental (P.L. 109-148) Acquisition, Construction and Improvements	-	74,505				-
Supplemental (P.L. 109-148) realigned from Operating Expenses to ECR	-	800				-
Supplemental (P.L. 109-148) realigned from Operating Expenses to RDTE		925				-
Supplemental (P.L. 109-234) Operating Expenses		114,925				-
Supplemental (P.L. 109-234) Acquisition, Construction and Improvements		191,240				-
Supplemental (P.L. 109-234) realigned from Operating Expenses to ECR		261				-
Supplemental (P.L. 109-234) realigned from Operating Expenses to RDTE	-	370				-
Supplemental (P.L. 109-295) Acquisition, Construction and Improvements				175,398		-
Rescission (P.L. 109-148) 1% across the board	-	-66,161				-
Rescission (P.L. 109-148) Operating Expenses		-260,533				-
Mandatory Appropriation	-	1,014,080	-	1,063,323	-	1,184,720

	FY 2006 Revised Enacted		FY 2007 Revised Enacted		FY 2008 President's Budget	
Component	FTE	Dollars	FTE	Dollars	FTE	Dollars
Trust Fund & Public Enterprise Accounts	-	269,365	-	244,202	8	269,350
Estimates at Enacted Level					-	
Technical Adjustment: reflect estimated resources	-	185,281	-	241,980	8	269,350
Technical Adjustment: revised Boat Safety fee estimates	-	33,285	-	2,222		
Technical Adjustment: revised Oil Spill Recovery fee estimates	-	46,805	-			
Rescission of prior year unobligated balances: Non-add	-	-[100,103]	-	-[102,793]	-	-[48,787]
Federal Law Enforcement Training Center [2]	**1,001**	**304,534**	**1,047**	**275,279**	**1,049**	**263,056**
Discretionary Resources	1,001	304,534	1,047	275,279	1,049	263,056
Enacted Level	1,001	282,318	1,047	253,279	1,049	263,056
Supplemental (P.L. 109-234): Acquisition, Construction, and Improvements		25,938				
Supplemental (P.L. 109-295): Acquisition, Construction, and Improvements				22,000		
Rescission (P.L. 109-148): 1% across the board		-2,824				
Science & Technology Directorate [1]	**387**	**1,487,075**	**383**	**973,109**	**381**	**799,100**
Discretionary Resources	387	1,487,075	383	973,109	381	799,100
Enacted Level	387	1,512,080	383	974,369	381	799,100
Rescission (P.L. 109-148): 1% across the board		-15,021		-1,260		
Rescission of prior year unobligated balances: Non-add	-	-[20,000]	-	-[125,000]	-	-
Domestic Nuclear Detection Office	-	-	**112**	**480,968**	**121**	**561,900**
Real ID Act	-		-	-	-	-
Discretionary Resources	-		-	-	-	-
Enacted Level		40,000				
Technical Adjustment: reprogramming of Real ID Act funds to Preparedness		-40,000				
TOTAL BUDGET AUTHORITY: Discretionary plus Mandatory, Fees & Trust Funds	**183,274**	**48,777,645**	**185,565**	**44,946,414**	**192,809**	**46,408,489**
Discretionary	164,786	44,344,365	167,061	40,174,268	173,576	41,245,683
Discretionary: Fee Offsets	0	-2,659,854	0	-2,976,369	0	-3,451,803
Mandatory, Fees, Trust Funds	18,488	7,063,134	18,504	7,748,515	19,233	8,614,609
Scorekeeping Adjustment (for rescission of prior year unobligated balances)	0	-148,603	0	-313,005	0	-48,787
Adjusted Total Budget Authority:	**183,274**	**48,599,042**	**185,565**	**44,633,409**	**192,809**	**46,399,702**
Scorekeeping Adjustment for Recount of prior year supplemental unobligated balances	0	-23,409,529	0	0	0	0

NOTES:

1/ FY 2008 President's Budget reflects transfers to occur in FY 2007 pursuant to Title VI of P.L. 109-295 and the DHS Section 872 proposed reorganization: FEMA receives resources from legacy Preparedness ($3,440.172 million), OSEM receives resources from legacy Preparedness ($1.5 million), new Office of Health Affairs receives resources from legacy Preparedness ($4.980 million), new National Protection and Programs Directorate (NPPD) receives resources from legacy Preparedness ($579.925 million), CIG ($18.7 million), S&T ($5 million), and US-VISIT transfers into NPPD ($362.494 million).

2/ FY 2008 President's Budget reflects the following proposed transfers: USM receives resources from FLETC ($1.290 million), OHA receives resources from S&T ($85.1 million) and NPPD ($9.218 million), and DHS transfers out of the Department resources from ICE (-$2 million) to Department of Justice, and from USCG (-$2.650 million) to Department of Transportation.

3/ FEMA Disaster Assistance Direct Loan Program (DALAP) does not reflect unobligated carryover of Disaster Relief Supplemental from FY 2005 P.L. 109-62 in FY 2006 revised enacted figures. $752.5 million transferred pursuant to P.L. 109-148 ($1.5 million) and P.L. 109-188 ($751 million)

4/ Scorekeeping adjustment pursuant to P.L. 109-148 for rescission (-$23.409 billion) of prior year unobligated balances from P.L. 109-62 Hurricane Katrina supplemental for FEMA Disaster Relief is not reflected against total budget authority.

Department of Homeland Security
February 5, 2007 - President's Budget

Dollars in Thousands

	FY 2008 Budget Build									
	FY 2007 Revised Enacted		FY 2007 Adjustments for Post-Katrina/Section 872 Proposed Reorg		FY 2008 Adjustments to Base & Transfers		FY 2008 Total Program Changes		FY 2008 President's Budget	
	FTE	$$$	FTE	$$$	FTE	$$$	FTE	$$$	FTE	$$$
Departmental Operations:	1,426	323,266	-	(15,200)	9	108,453	129	58,777	1,564	467,296
Office of the Secretary and Executive Management (OSEM):	469	94,470	-	1,500	-	3,328	47	8,641	516	107,939
Office of the Federal Coord. for Gulf Coast Rebuilding (OFGCR):	14	3,000	-	-	-	-	-	-	14	3,000
Office of the Under Secretary for Management (USM):	283	153,640	-	-	32	17,300	15	112,100	370	278,350
Office of the Chief Financial Officer (CFO):	97	26,000	-	-	27	4,300	-	2,500	124	32,800
Office of the Chief Information Officer (CIO) and Dept-wide IT:	87	349,013	-	(18,700)	-	(71,592)	7	2,479	94	261,100
Analysis and Operations:	475	299,663	-	-	43	2,904	30	11,917	518	314,484
Office of the Inspector General:	545	98,000	-	-	-	10,456	14	13,500	559	121,956
U.S. Visit:	102	362,164	(102)	(362,164)	-	-	-	-	-	-
Customs and Border Protection:	44,014	5,216,783	-	-	2,939	1,000,017	3,898	549,300	49,851	6,766,117
Salaries and expenses: [1]	33,936	5,592,186	-	-	2,906	86,297	2,090	931,250	40,032	6,570,733
Automation modernization:	62	451,440	-	-	-	169	1	25,008	63	476,609
Border Security Fencing, Infrastructure, and Technology: [2]	80	1,187,365	-	-	33	(909,365)	7	722,000	120	1,000,000
Air and Marine Interdiction: [3]	-	662,187	-	-	-	(166,200)	-	41,300	-	477,287
Construction: [4]	-	232,978	-	-	-	(113,315)	-	130,000	-	249,663
Fee accounts: [5]	8,336	1,302,528	-	-	-	82,997	-	-	8,336	1,386,025
Trust Fund Accounts:	-	5,897	-	-	-	-	-	-	-	5,897
[illegible]	[illegible]	[illegible]			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Immigration and Customs Enforcement:	19,854	4,728,864	-	-	993	71,828	504	176,532	21,351	4,977,224
Salaries and expenses:	13,083	3,427,000	-	-	670	130,800	261	144,200	14,013	4,162,000
Federal Protective Service: (Fee Funded)	1,295	516,011	-	-	-	9,855	(345)	87,134	950	613,000
Automation modernization:	7	15,000	-	-	-	-	-	(15,000)	7	-
Construction: [6]	9	36,281	-	-	-	(30,281)	-	-	9	6,000
Fee accounts:	460	252,549	-	-	14	(18,849)	-	-	474	233,700
[illegible]	[illegible]	[illegible]			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]			[illegible]	[illegible]			[illegible]	[illegible]
Transportation Security Administration:	49,195	4,829,291	-	-	(351)	247,843	1,328	341,148	50,172	5,418,282
Aviation Security: [7]	47,359	4,731,814	-	-	(351)	161,345	1,329	60,000	48,237	4,953,159
Surface Transportation Security:	288	37,290	-	-	-	713	-	3,500	288	41,413
Transportation Threat Assessment & Credentialing: [8]	172	70,700	-	-	-	31,761	-	37,635	172	108,001
Transportation Security Support: [9]	1,476	325,283	-	-	-	(798)	-	-	1,476	324,515
Aviation Security Capital Fund:	-	250,000	-	-	-	(250,000)	-	-	-	-
Federal Air Marshals:	-	714,394	-	-	-	7,706	-	-	-	722,000
[illegible]	[illegible]	[illegible]			[illegible]	[illegible]			[illegible]	[illegible]
[illegible]	[illegible]	[illegible]			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]			-	[illegible]			-	[illegible]
[illegible]	[illegible]	[illegible]								
U.S. Coast Guard:	47,778	8,529,152	-	-	258	276,207	-	(300,471)	48,036	8,504,888
Operating expenses:	46,484	5,567,657	-	-	970	326,838	-	-	47,454	5,894,495
Environmental compliance and restoration:	24	10,880	-	-	1	1,196	-	-	24	12,076
Reserve training:	536	122,448	-	-	-	4,433	-	-	536	126,881
Acquisition, construction, and improvements: [11]	652	1,498,938	-	-	(652)	(89,500)	-	(390,971)	-	998,067
Alteration of bridges:	-	16,000	-	-	-	(16,000)	-	-	-	-
Research, development, test, and evaluation:	102	17,600	-	-	-	583	-	-	102	18,183
Health Care Fund Contribution:	-	278,704	-	-	-	(6,593)	-	-	-	272,111
Retired pay:	-	1,063,323	-	-	-	121,397	-	-	-	1,184,720
Trust Fund:	-	244,202	-	-	8	25,148	-	-	8	269,350
[illegible]	[illegible]	[illegible]			[illegible]	[illegible]			[illegible]	[illegible]
[illegible]	[illegible]	[illegible]			[illegible]	[illegible]			-	[illegible]
[illegible]	[illegible]	[illegible]								
U.S. Secret Service:	5,649	1,276,186	-	-	51	48,302	-	55,906	5,700	1,380,394
Salaries & Expenses [Protection, Administration and Training]: [12]	4,564	964,279	-	-	2,136	327,696	-	48,296	6,700	1,340,271
Investigations and Field Operations:	2,085	311,134	-	-	(2,085)	(311,134)	-	-	-	-
Special Event Fund:	-	-	-	-	-	19,409	-	55,600	-	55,006
ACI&E (Rowley Training Ctr):	-	3,725	-	-	-	-	-	-	-	3,725
Retired pay (mandatory - trust fund):	-	200,000	-	-	-	10,986	-	-	-	210,000
[illegible]	[illegible]	[illegible]			[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]				[illegible]	-			[illegible]
[illegible]	[illegible]	[illegible]								
Transportation Directorate:	1,908	5,811,475	(1,908)	(5,811,475)	-	-	-	-	-	-
Office of the Under Secretary for Preparedness:					-	-	-	-	-	-
Management and Administration:	166	50,572	(166)	(50,572)	-	-	-	-	-	-
Office for Domestic Preparedness (Grants and Training):	216	3,393,000	(216)	(3,393,000)	-	-	-	-	-	-
Radiological Emergency Preparedness: [13]	130	16,477	(130)	6,477	-	-	-	-	-	-
U.S. Fire Administration and Training:	134	46,849	(134)	(46,849)	-	-	-	-	-	-
Infrastructure Protection and Information Security:	447	547,633	(447)	(547,633)	-	-	-	-	-	-
National Preparedness Programs Directorate:	-	-	900	907,619	7	1,274	43	49,122	950	1,958,015
Management and Administration:	-	-	53	44,291	1	275	5	1,724	59	46,290
Infrastructure Protection and Information Security:	-	-	847	863,328	-	(7,968)	38	(4,089)	885	851,271
U.S. VISIT:	-	-	102	102,404	-	(7,681)	-	107,187	102	202,000
Office of Health Affairs:	-	-	18	8,000	-	14,818	30	18,455	48	41,273
CFO Fund:	-	-	-	-	-	-	-	-	-	-
[illegible]	[illegible]	[illegible]								
Federal Emergency Management Agency:	5,010	5,218,500	918	3,834,222	-	192,784	285	(3,079,405)	6,213	9,818,294
Operations, Planning, and Support:	-	-	39	12,806	2,321	510,974	127	143,820	2,487	667,600
Office of Grants Programs:	-	-	238	3,186,500	41	62,000	-	(1,252,500)	279	2,096,000
U.S. Fire Administration:	-	-	112	41,349	1	631	1	1,300	114	43,300
Radiological Emergency Preparedness: [13]	-	-	136	6,477	-	(28)	40	6,000	176	13,551
Administrative and regional operations:	1,365	282,000	-	-	(1,365)	(282,000)	-	-	-	-
Readiness, mitigation, response and recovery:	961	244,091	-	-	(961)	(244,000)	-	-	-	-
Public health programs: [14]	-	-	-	-	-	-	-	-	-	-
Disaster relief: [7]	3,243	1,486,500	-	-	-	213,500	-	-	3,243	1,700,000
Disaster assistance direct loan program account:	3	500	-	-	-	33	-	295	3	875
Flood map modernization fund:	33	198,980	-	-	-	551	-	(4,250)	33	194,881
National flood insurance fund (offsetting):	270	128,588	-	-	-	10,009	30	6,403	300	145,000
National flood insurance fund (mandatory):	-	2,631,396	-	-	-	161,804	7	40,000	7	2,833,000

	FY 2007 Revised Enacted		FY 2007 Adjustments for Post-Katrina/Section 872 Proposed Reorg		FY 2008 Adjustments to Base & Transfers		FY 2008 Total Program Changes		FY 2008 President's Budget	
	FTE	$$$	FTE	$$$	FTE	$$$	FTE	$$$	FTE	$$$
National flood mitigation fund (fee transfer)	-	134,000	-	-	-	1,000	-	-	-	134,000
National pre-disaster mitigation fund	15	100,000	-	-	-	53	-	-	15	100,053
Emergency food and shelter	-	151,470	-	-	-	-	-	(11,470)	-	140,000
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Citizenship & Immigration Services	30,425	1,365,398	-	-	(884)	(85,749)	1,995	668,628	30,224	2,948,277
Backlog Reduction Initiative	-	-	-	-	-	-	-	-	-	-
Salaries and Expenses	365	184,999	-	-	(110)	1,151,990	-	-	255	90,104
Immigration Examinations Fee Account	9,527	1,064,600	-	-	(1,933)	68,240	1,995	668,628	10,229	2,494,872
H1-B Visa Fee Account	-	13,000	-	-	-	-	-	-	-	13,000
H1-B and L Fraud Prevention	230	31,000	-	-	-	-	-	-	230	31,000
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Federal Law Enforcement Training Center	1,047	216,378	-	-	(7)	12,765	9	7,342	1,049	236,486
FLETC Fund (Salaries and Expenses)	1,047	211,053	-	-	(7)	1,211	9	7,342	1,049	219,606
Acquisition, Construction, Improvements & Related Expenses 16/	-	64,246	-	-	-	(20,976)	-	-	-	43,270
Science & Technology	383	975,107	-	(3,000)	(1)	77,536	-	98,775	381	1,148,418
Management and administrative	383	135,700	-	-	(1)	7,632	-	-	381	142,332
Research, development, acquisition, and operations 17/	-	839,407	-	(3,000)	-	277,868	-	98,775	-	976,075
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Domestic Nuclear Detection Office	112	399,000	-	-	-	208	-	3,824	112	403,032
Management and Administration	112	30,468	-	-	-	208	-	2,824	112	33,500
Research, Development, and Operations	-	272,500	-	-	-	-	-	(7,000)	-	319,860
Systems Acquisition	-	126,000	-	-	-	-	-	30,000	-	156,000
DEPARTMENT OF HOMELAND SECURITY	186,569	44,906,414	1	-	3,963	(209,174)	8,276	1,011,249	192,809	46,618,489
[illegible]	[illegible]	[illegible]	-	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	-	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	-	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	-	[illegible]	-	-	-	-	-	-	-	[illegible]
[illegible]	167,663	22,989,835	1	-	2,734	(879,143)	3,774	399,084	172,570	21,791,074

1/ FY 2007 revised enacted reflects the transfer from FEMA Disaster Relief ($13.5 million) to Office of the Inspector General pursuant to P.L. 109-295

2/ FY 2007 revised enacted for CBP Salaries & Expenses reflects $100 million in emergency funding pursuant to P.L. 109-295 for the Global War on Terror.

3/ FY 2007 revised enacted for CBP Border Security and Fencing reflects $1.159 billion in emergency funding pursuant to P.L. 109-295 for the Global War on Terror.

4/ FY 2007 revised enacted for CBP Air & Marine Interdiction reflects $232 million in emergency funding pursuant to P.L. 109-295 for the Global War on Terror.

5/ FY 2007 revised enacted for CBP Construction reflects $110 million in emergency funding pursuant to P.L. 109-295 for the Global War on Terror

6/ FY 2007 revised enacted reflects technical adjustments for revised fee estimates in CBP Small Airport estimates ($350 million)

7/ FY 2007 revised enacted for ICE Construction reflects $20 million emergency funding pursuant to P.L. 109-295 for the Global War on Terror.

8/ FY 2007 revised enacted for TSA Aviation Security does not reflect reversions of prior year unobligated funds (-$62.712 million)

9/ FY 2007 revised enacted reflects technical adjustments for revised fee estimates in TSA Transportation Threat Assessment and Credentialing fees (-$45.193 million) and Aviation Security offset.

10/ FY 2007 revised enacted for TSA Support does not reflect reversions of prior year unobligated funds (-$4 million).

11/ FY 2007 revised enacted for USCG AC&I reflects $173.8 million in emergency funding pursuant to P.L. 109-295 for the Global War on Terror, the reappropriation of $78.693 million, the reversion of prior year unobligated funds is not reflected (-$102.793 million)

12/ FY 2007 revised enacted for USSS National Special Security Event Fund reflects the reappropriation of $2.5 million, the reversion of prior year unobligated funds is not reflected (-$2.5 million).

13/ FY 2007 revised enacted reflects technical adjustments for revised fee estimates in FEMA Radiological Emergency Preparedness Program (-$6 million) to reflect net of re-baseline based on the FY 2008 request.

14/ FY 2007 revised enacted for CT Fund does not reflect the reversion of prior year unobligated funds (-$26 million).

15/ FY 2007 revised enacted reflects the transfer of FEMA Public Health ($33.885 million) to the Department of Health and Human Services.

16/ FY 2007 revised enacted for FLETC AC&I reflects $22 million in emergency funding pursuant to P.L. 109-295 for the Global War on Terror.

17/ FY 2007 revised enacted for S&T R&D does not reflect the reversion of prior year unobligated funds (-$125 million).

Department of Homeland Security

February 5, 2007 - President's Budget

Homeland and Non-Homeland Allocation by Appropriation Account and Program/Project Activity

(Dollars in Thousands)

	FY 2006 Revised Enacted [1]		FY 2007 Revised Enacted		FY 2008 Request	
	Homeland Amount	Non-Homeland Amount	Homeland Amount	Non-Homeland Amount	Homeland Amount	Non-Homeland Amount
OFFICE OF THE SECRETARY & EXECUTIVE MANAGEMENT [2]						
SUBTOTAL, OS&EM Gross Discretionary	56,609	73,249	68,030	26,440	77,613	39,326
OFFICE OF THE FEDERAL COORD. FOR GULF COAST REBUILDING						
Office of the Federal Coordinator for Gulf Coast Rebuilding	-	-	3,000	-	3,000	-
SUBTOTAL, SCO Gross Discretionary	-		3,000		3,000	
SCREENING COORDINATION & OPERATIONS						
Screening Coordination & Operations	-	-	-	-	-	-
SUBTOTAL, SCO Gross Discretionary	-	-	-	-	-	
UNDER SECRETARY FOR MANAGEMENT						
Immediate Office US/M	1,169	501	1,120	750	1,408	604
Business Transformation Office	1,303	558	-	-	-	-
Office of Administration	27,720	11,880	24,131	16,087	30,519	12,065
DHS Headquarters Project	18,067	7,743	8,206	-	3,842	2,158
St. Elizabeth's Project	-	-	-	-	84,000	36,000
Office of Human Capital	6,168	2,643	5,287	3,524	7,090	3,188
Office of Human Capital - MaxHR	20,790	8,910	15,000	10,000	10,000	5,000
Office of Procurement	6,251	2,679	10,137	6,758	19,947	8,548
Office of Security	35,535	15,230	52,640	-	37,793	16,197
Office of Immigration Statistics	-	-	-	-	-	-
SUBTOTAL, USM Gross Discretionary	117,003	50,144	116,521	37,119	194,590	83,760
CHIEF FINANCIAL OFFICER						
Salaries and Expenses	13,448	5,763	15,600	10,400	19,680	13,120
SUBTOTAL, CFO Gross Discretionary	13,448	5,763	15,600	10,400	19,680	13,120
CHIEF INFORMATION OFFICER						
OCIO Operations	43,647	31,352	55,665	23,856	57,680	24,720
Information Technology Services	25,684	56,925	42,709	18,304	39,340	16,860
Security Services	18,810	-	89,387	-	89,400	-
Wireless Program	85,149	-	86,438	-	-	-
Homeland Secure Data Network	32,699	-	32,654	-	33,100	-
SUBTOTAL, CIO Gross Discretionary	205,988	88,277	306,853	42,160	219,520	41,580
ANALYSIS & OPERATIONS						
Analysis & Operations	252,940	-	299,663	-	314,681	-
SUBTOTAL, A&O Gross Discretionary	252,940	-	299,663	-	314,681	
OFFICE OF THE INSPECTOR GENERAL [4]						
Office of the Inspector General	-	84,187	-	98,685	-	99,111
SUBTOTAL, OIG Gross Discretionary		84,187		98,685	-	99,111
BTS UNDER SECRETARY						
Office of the Under Secretary for BTS	-	-	-	-	-	-
SUBTOTAL, BTS Gross Discretionary	-		-		-	
US-VISIT						
US-VISIT	336,600	-	-	-	-	-
SUBTOTAL, U.S. VISIT Gross Discretionary	336,600	-	-	-	-	
U.S. CUSTOMS AND BORDER PROTECTION [5]						
Salaries and Expenses	4,425,981	801,408	4,679,610	889,756	5,616,430	970,360
Automation Modernization	225,720	225,720	225,720	225,720	238,305	238,304
Construction	582,500	-	232,978	-	249,663	-
Border Security, Fencing, Infrastructure and Technology	-	-	1,187,565	-	1,000,000	-
Air and Marine Interdiction, Operations, Maintenance and Procurement	332,339	163,690	403,465	198,722	319,782	157,505
Fee Accounts & Trust Funds	1,207,440	5,897	1,295,348	5,897	1,377,868	
SUBTOTAL, CBP Gross Discretionary	5,566,540	1,190,818	6,729,336	1,314,198	7,424,180	1,366,169
CBP Mandatory	1,207,440	5,897	1,295,348	5,897	1,377,868	5,897
U.S. IMMIGRATION & CUSTOMS ENFORCEMENT [6]						
Salaries and Expenses	2,973,149	444,265	3,381,690	505,310	3,620,938	541,062
Federal Protective Service	487,000	-	516,011	-	613,000	-
Automation Modernization	39,748	-	15,000	-	-	-

Fiscal Year 2006 – 2008 Homeland and Non-Homeland Allocations

	FY 2006 Revised Enacted [1,2]		FY 2007 Revised Enacted		FY 2008 Request	
	Homeland Amount	Non-Homeland Amount	Homeland Amount	Non-Homeland Amount	Homeland Amount	Non-Homeland Amount
Construction	26,281	-	56,281	-	6,000	-
Fee Accounts	236,600	-	252,349	-	233,500	-
SUBTOTAL, ICE Gross Discretionary	**3,526,178**	**444,265**	**3,968,982**	**505,310**	**4,239,938**	**541,062**
Less Offsetting Collections for FPS	(487,000)	-	(516,011)	-	(613,000)	-
ICE Net Discretionary	3,039,178	444,265	3,452,971	505,310	3,626,938	541,062
ICE Mandatory	**236,600**		**252,349**	-	**233,500**	
TRANSPORTATION SECURITY ADMINISTRATION [7]						
Aviation Security	4,571,487	-	4,731,814	-	4,953,159	-
Offsetting Collections: Security Fees (less Aviation Security Fund)	(2,010,900)	-	(2,302,770)	-	(2,613,200)	-
Surface Transportation Security	35,640	-	37,200	-	41,413	-
Transportation Threat Assessment & Credentialing	120,671	-	68,700	-	158,091	-
Credentialing Fee Offsets	(39,000)	-	(29,000)	-	(80,601)	-
Transportation Security Support	505,378	-	525,283	-	524,515	-
Federal Air Marshal Service	681,838	-	714,294	-	722,000	-
Fee Accounts - Mandatory	252,000	-	252,000	-	2,000	-
SUBTOTAL, TSA Gross Discretionary	**5,915,014**	-	**6,077,291**	-	**6,299,178**	-
Less Offsetting Collections for Security Fees	(2,010,000)	-	(2,302,770)	-	(2,613,200)	-
Less Offsetting Collections for Credentialing Fees	(39,000)	-	(29,000)	-	(80,601)	-
TSA Net Discretionary	3,866,014	-	3,745,521	-	3,705,377	-
TSA Mandatory	**252,000**	-	**252,000**	-	**2,000**	-
TSA Mandatory Offsetting Collections for Alien Flight School	(2,000)	-	(2,000)	-	(2,000)	-
U.S. COAST GUARD [8,9]						
Operating Expenses	2,016,173	3,584,307	2,004,367	3,563,290	2,166,456	3,727,819
Environment Compliance and Restoration	-	12,547	-	10,880	-	12,079
Reserve Training	42,618	75,192	44,122	78,326	46,615	80,268
Acquisition, Construction and Improvements	457,082	1,017,375	464,950	943,988	349,323	648,744
Alteration of Bridges	-	14,850	-	16,000	-	-
Research, Development, Test and Evaluation	3,899	14,668	1,954	15,046	2,457	15,126
Health Care Fund Contribution	64,844	195,689	94,614	184,090	99,970	172,141
Retired Pay	356,256	657,824	384,539	678,784	430,742	753,978
Boat Safety	-	101,285	-	117,222	-	122,000
Oil Spill Recovery	-	168,000	-	126,900	-	147,270
Gift Fund	30	50	29	51	29	51
SUBTOTAL, USCG Gross Discretionary	**2,584,616**	**4,914,628**	**2,610,007**	**4,811,629**	**2,664,821**	**4,656,197**
USCG Mandatory	**356,286**	**927,159**	**384,568**	**922,957**	**430,771**	**1,023,299**
U.S. SECRET SERVICE [10]						
Salaries and Expenses	1,133,702	86,125	-	-	1,256,108	84,163
Protection, Administration and Training	-	-	956,971	7,308	-	-
Investigations and Field Operations	-	-	233,365	77,789	-	-
Retired Pay	-	200,000	-	200,000	-	210,000
Special Event Fund	-	-	-	-	-	55,000
Acquisition, Construction, Improvements, and Related Expenses	3,456	206	3,514	211	3,514	211
SUBTOTAL, USSS Gross Discretionary	**1,137,158**	**86,331**	**1,193,850**	**85,308**	**1,259,622**	**139,374**
USSS Mandatory	-	**200,000**	-	**200,000**	-	**210,000**
OFFICE OF STATE & LOCAL GOVERNMENT COORDINATION & PREPAREDNESS						
State and Local Programs (SLP)	-	-	-	-	-	-
Assistance to Firefighter Grants (AFG)	-	-	-	-	-	-
SUBTOTAL, OSLGCP Gross Discretionary	-	-	-	-	-	-
PREPAREDNESS DIRECTORATE [10]						
Office of the Under Secretary Preparedness	15,918	-	-	-	-	-
State and Local Programs (SLP)	3,194,587	183,150	-	-	-	-
Assistance to Firefighter Grants (AFG)	-	-	-	-	-	-
Radiological Emergency Preparedness Program (REPP)	(1,266)	-	-	-	-	-
United States Fire Administration (USFA)	-	44,499	-	-	-	-
Infrastructure Protection and Information Security (IPIS)	619,244	-	-	-	-	-
Biodefense Countermeasures	-	-	-	-	-	-
SUBTOTAL, Preparedness Gross Discretionary	**3,828,483**	**227,649**	-	-	-	-
NATIONAL PROTECTION AND PROGRAMS DIRECTORATE						
Office of the Under Secretary Preparedness	-	-	30,572	-	46,290	-
Infrastructure Protection and Information Security (IPIS)	-	-	547,633	-	538,277	-
United States Visitor and Immigrant Status Indicator Technology	-	-	362,494	-	462,000	-
SUBTOTAL, National Protection and Programs Gross Discretionary	-	-	**940,699**	-	**1,046,567**	-
OFFICE OF HEALTH AFFAIRS						
Office of Health Affairs	-	-	-	-	117,933	-
SUBTOTAL, CT Fund Gross Discretionary	-	-	-	-	**117,933**	-

Fiscal Year 2006 – 2008 Homeland and Non-Homeland Allocations

	FY 2006 Revised Enacted [12]		FY 2007 Revised Enacted		FY 2008 Request	
	Homeland Amount	Non-Homeland Amount	Homeland Amount	Non-Homeland Amount	Homeland Amount	Non-Homeland Amount
COUNTERTERRORISM FUND [12]						
Counterterrorism Fund	1,980	-	-	-	-	-
Rescission of prior year unobligated balances	(8,000)	-	(16,000)	-	-	-
SUBTOTAL, CT Fund Gross Discretionary	(6,020)		(16,000)			
FEDERAL EMERGENCY MANAGEMENT AGENCY [13]						
State and Local Program	-	-	2,531,000	200,000	1,696,000	200,000
Assistance to Firefighter Grants (AFG)	-	-	-	662,000	300,000	-
United States Fire Administration (USFA)	-	-	-	46,849	-	43,300
Operations, Planning and Support	-	-	108,240	417,760	201,680	465,920
Readiness, Mitigation, Response, and Recovery	41,580	170,437	-	-	-	-
Administrative and Regional Operations	62,432	245,596	-	-	-	-
Office of the Under Secretary	-	-	-	-	-	-
Public Health Programs - National Disaster Medical System	33,660	-	-	-	-	-
National Pre-Disaster Mitigation Fund	-	49,500	-	100,000	-	100,053
Emergency Food and Shelter	-	151,470	-	151,470	-	140,000
Disaster Relief	-	7,714,300	-	1,486,500	-	1,700,000
Rescission Disaster Relief unobligated balances (enacted in FY06)	-	-	-	-	-	-
Cerro Grande Fire Claims	-	-	-	-	-	-
Flood Map Modernization Fund	-	198,000	-	198,980	-	194,881
Direct Assistance Disaster Loan Program Account	-	280,361	-	569	-	875
Biodefense Countermeasures	-	-	-	-	-	-
National Flood Mitigation Fund	-	28,000	-	31,000	-	34,000
Flood Mitigation Fund Offsetting Collections	-	(28,000)	-	(31,000)	-	(34,000)
National Flood Insurance Fund Discretionary	-	123,854	-	128,588	-	145,000
NFIF Offsetting Collections - Discretionary	-	(95,854)	-	(97,588)	-	(111,000)
Mandatory National Flood Insurance Fund	-	2,104,354	-	2,631,396	-	2,833,000
Radiological Emergency Preparedness Program	-	-	-	23,832	-	30,309
SUBTOTAL, FEMA Gross Discretionary	137,672	8,533,518	2,639,240	3,386,239	2,197,680	2,909,524
Less Offsetting Collections for National Flood Insurance Fund	-	(95,854)	-	(97,588)	-	(111,000)
Less Offsetting Collections for Flood Mitigation Fund	-	(28,000)	-	(31,000)	-	(34,000)
FEMA Net Discretionary	137,672	8,409,664	2,639,240	3,257,651	2,197,680	2,844,524
FEMA Mandatory	-	2,104,354	-	2,631,396		2,833,000
CITIZENSHIP & IMMIGRATION SERVICES						
Salaries and Expenses	-	-	-	181,990	-	30,000
Backlog Reduction Initiative	-	113,850	-	-	-	-
Adjudication Services	-	1,396,000	-	1,419,000	-	1,980,899
Information and Customer Services	-	141,000	-	144,000	-	161,864
Administration	-	237,000	-	241,000	-	374,557
Systematic Alien Verification for Entitlements (SAVE)	-	-	-	-	-	21,552
SUBTOTAL, USCIS Gross Discretionary	-	113,850	-	181,990	-	30,000
USCIS Mandatory	-	1,774,000		1,804,000		2,538,872
FEDERAL LAW ENFORCEMENT TRAINING CENTER						
Salaries and Expenses	125,518	66,542	155,403	55,630	160,586	59,200
Acquisition, Construction, Improvements & Related Expenses	94,478	17,996	52,552	11,694	30,795	12,475
SUBTOTAL, FLETC Gross Discretionary	219,996	84,538	207,955	67,324	191,381	71,675
INFORMATION ANALYSIS & INFRASTRUCTURE PROTECTION						
Management and Administration	-	-	-	-	-	-
Assessments and Evaluation	-	-	-	-	-	-
SUBTOTAL, IAIP Gross Discretionary	-		-			
SCIENCE & TECHNOLOGY DIRECTORATE [14]						
Management and Administration	-	80,288	-	135,000	-	142,632
Research & Development	1,406,787	-	838,109	-	656,468	-
SUBTOTAL, S&T Gross Discretionary	1,406,787	80,288	838,109	135,000	656,468	142,632
DOMESTIC NUCLEAR DETECTION OFFICE [15]						
Research, Development, Acquisition, and Operations	-	-	480,968	-	561,900	-
SUBTOTAL, DNDO Gross Discretionary			480,968		561,900	
Gross Discretionary	25,307,904	16,377,505	26,496,106	16,701,703	27,508,753	10,201,530
Less Discretionary Offsetting Collections	(2,536,000)	(123,854)	(2,637,281)	(128,588)	(3,306,901)	(145,000)
Subtotal: Net Discretionary	22,771,904	16,253,651	23,648,325	16,573,205	24,201,951	10,056,530
Mandatory	2,057,726	5,011,410	2,184,265	5,564,250	2,044,139	6,611,068
Less Mandatory Offsetting Collections	(2,000)	--	(2,000)	--	(2,000)	--
TOTAL, Net Discretionary plus Mandatory, Fees and Trust Funds	24,827,630	21,265,061	25,830,590	16,137,455	26,244,090	16,678,598

Fiscal Year 2006 – 2008 Homeland and Non-Homeland Allocations

NOTES:

1/ WCF: Rescission enacted in FY 2006 (-$15 million) of prior year obligated balances for the Working Capital Fund is not reflected in this chart.

2/ DHS: FY 2006 reflects a one percent across the board rescission (-$307.124 million) pursuant to P.L. 109-148.

3/ OSEM: FY 2006 includes supplemental funding pursuant to P.L. 109-148 for Avian Flu ($47.283 million - provided to Office of the Secretary and Executive Management for distribution throughout the Department). Pursuant to P.L. 109-234, $3.96 million for the Screening Coordination and Operations was rescinded.

4/ OIG: In FY 2005, OIG received supplemental funding pursuant to P.L. 109-62 ($15 million) transferred from FEMA Disaster Relief Fund. Pursuant to P.L. 109-295, the OIG received a transfer from FEMA's Disaster Relief Fund totaling $13.5 million.

5/ CBP: In FY 2005, CBP received supplemental funding pursuant to P.L. 109-13 for Defense, Global War on Terror and Tsunami relief ($176.3 million: $124.425 million - Salaries and Expenses, $51.875 million - Construction). FY 2006 includes supplemental funding pursuant to P.L. 109-148 for Hurricane Katrina ($34.5 million: $24.1 million - Salaries and Expenses and $10.4 million - Construction) and supplemental funding pursuant to P.L. 109-234 for the Global War on Terror and Hurrican Recovery ($822.7 million: $56.583 million – HQ Management and Administration, $348.089 million - Border Security, $18.228 million Air Marine Ops – PC&B, $95 million for Air and Marine Interdiction and $304.8 million - Construction).

6/ ICE: In FY 2005, ICE received supplemental funding pursuant to P.L. 109-13 for Defense, Global War on Terror and Tsunami relief ($454.250 million - Salaries and Expenses). FY 2006 includes supplemental funding pursuant to P.L. 109-148 for Hurricane Katrina ($13 million - Salaries and Expenses).

7/ TSA: FY 2006 reflects an enacted rescission of prior year unobligated balances from Aviation Security of (-$5.5 million). FY 2007 enacted rescission of prior year unobligated balances from Aviation Security (-$62.712 million) and Transportation Security Support (-$4.0 million).

8/ USCG: Homeland Security activities includes the following programs: Migrant Interdiction, Ports, Waterways and Coastal Security and Defense Readiness. Non-Homeland activities include the following programs: Search and Rescue, Marine Safety, Aids to Navigation, Ice Operations, Marine Environmental Protection, Living Marine Resources, Drug Interdiction and Other Law Enforcement.

9/ USCG: In FY 2005, USCG received supplemental funding pursuant to P.L. 108-324 for Hurricane Relief ($33.367 million - Operating Expenses), P.L. 109-13 for Defense, Global War on Terror and Tsunami relief ($161.5 million: $112.3 million - Operating Expenses, $49.2 million - Acquisition, Construction and Improvements); funding transferred to the USCG from Department of Defense (DoD) ($34 million - Acquisition, Construction and Improvements). FY 2006 reflects enacted rescission of prior year unobligated balances from Operating Expenses (-$15.190 million) and Acquisition, Construction and Improvements (-$84.913 million); rescission pursuant to P.L. 109-148 (-$260.533 million - Operating Expenses); supplemental funding pursuant to P.L. 109-148 for Hurricane Katrina ($206.5 million: $131.075 million - Operating Expenses, $0.400 million - Reserve Training, $74.500 million - Acquisition, Construction and Improvements, $0.525 million - Research and Development); funding transferred from DoD ($100 million - Salaries and Expenses) pursuant to P.L. 109-148; Medicare-Eligible Retiree Healthcare Fund Contribution is officially re-allocated from the Operating Expenses appropriation to the Medicare-Eligible Retiree Healthcare Fund Contribution appropriation. FY 2007 funding includes $0.505 million received as a result of the sale of a lighthouse. The National Historic Lighthouse Preservation Act of 2000 (NHLPA), 16 U.S.C. § 470w-7, authorizes the funds received from the sale of lighthouses to be credited to the Coast Guard Operating Expenses appropriation account, and shall be available for obligation and expenditure for the maintenance of light stations. FY 2007 total funding includes prior year rescissions for the Fast Response Cutter - $78.7 million pursuant to P.L. 109-295, Offshore Patrol Cutter - $20 million and Nationwide Automatic Identification System - $4.1 million pursuant to P.L. 109-90 and $90 million transferred from DoD pursuant to P.L. 109-289. In FY 2008, the President's Request proposes a rescission of the USCG's prior year unobligated balance (-$48.787 million).

10/ USSS: FY 2006 includes supplemental funding pursuant to P.L. 109-148 for Hurricane Katrina ($3.6 million - Salaries and Expenses). In FY 2007, USSS had $2.5 million rescinded from the appropriation for National Special Security Events, which was provided through a rescission of FY 2006 balances of the same amount.

11/ PREP: FY 2006 includes supplemental funding pursuant to P.L. 109-148 for Hurricane Katrina ($10.3 million - Grants and Training State & Local Programs). In 2006, the Grants and Training Office received $15 million via the Fourth Katrina Supplemental (H.R. 4939), for Operation Stonegarden in support of border security efforts. In 2007, the National Capital Region Coordination Office ($2.741 million), the National Preparedness Integration Program ($6.459 million), the Office of State and Local Government Coordination ($2.6 million) and Office of Faith-based programs ($1 million) moved to FEMA. The Ready Campaign moved to Public Affairs ($1 million). In the FY 2008 President's Budget, the Chief Medical Officer will become the Office of Health Affairs (OHA). $4.9 million in FY 2007 funds will be transferred from the Preparedness Directorate. The Biosurveillance program will also transfer to OHA and $1 million of the Infrastructure Protection and Information Security's Management and Administration funds ($9.374 million).

12/ CT Fund: FY 2006 reflects enacted rescission of prior year unobligated balances (-$8 million). In FY 2007, the Counterterrorism Fund reflects a rescission of prior year unobligated balances (-$16 million).

13/ FEMA: FY 2005 includes supplemental funding pursuant to P.L. 108-324 for Hurricane Relief ($6.5 billion - Disaster Relief), P.L. 109-61 for Hurricane Katrina ($10 billion - Disaster Relief), P.L. 109-62 ($49.985 billion - Disaster Relief); reflects rescission of prior year unobligated balances (-$5 million - Readiness, Mitigation, Response and Recovery); and for presentation purposes reflects FY 2006 enacted rescission of prior year unobligated balances pursuant to P.L. 109-148 (-$23.409 billion - Disaster Relief). FY 2006 includes supplemental funding pursuant to P.L. 109-148 for Hurricane Katrina ($17.2 million - Administrative and Regional Operations); does not reflect $752.5 million transferred to Disaster Assistance Direct Loan Program pursuant to P.L. 109-148 ($1.5 million) and P.L. 109-188 ($751 million); from unobligated carryover of Disaster Relief Supplemental. In FY 2007, Public Health Programs is being transferred to the Department of Health and Human Services pursuant to P.L. 109-295. In FY 2008, the President's Request is proposing a $3,440.172 million in resources from the Preparedness Directorate to transfer to FEMA.

14/ S&T: FY 2006 reflects enacted rescission of prior year unobligated balances (-$20 million - Research and Development). In FY 2007, S&T had -$125 million rescinded from prior year balances pursuant to P.L. 109-295.

15/ DNDO: In FY 2007, the Domestic Nuclear Detection Office became a separate component in DHS.