

**DEPARTMENT OF HOMELAND SECURITY  
APPROPRIATIONS FOR FISCAL YEAR 2014**

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**TUESDAY, APRIL 23, 2013**

U.S. SENATE,  
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,  
*Washington, DC.*

The subcommittee met at 2:36 p.m., in room SD-124, Dirksen Senate Office Building, Hon. Mary L. Landrieu (chairman) presiding.

Present: Senators Landrieu, Mikulski, Begich, Coats, Cochran, Murkowski, and Moran.

**DEPARTMENT OF HOMELAND SECURITY**

**STATEMENT OF HON. JANET NAPOLITANO, SECRETARY**

**OPENING STATEMENT OF SENATOR MARY L. LANDRIEU**

Senator LANDRIEU. Good afternoon, everyone. Let me call the Subcommittee on Homeland Security appropriations to order and welcome Secretary Janet Napolitano as she presents the administration's budget for this important Department today.

I'm going to open with a brief statement and then turn it over to my ranking member, acknowledge the other members that are here, and then turn to your statement, Madam Secretary.

Last week's events in Boston were a stark reminder of the threats we continue to face as a Nation and that we must remain vigilant at all times. Securing our homeland is a partnership between the Federal Government and our local entities, one that we must continue to support, strengthen, and fine-tune. Just as the runners set out that bright Monday morning for a long-distance run, so must our country take the long view with regular and routine investments in local, State, and Federal homeland security assets.

The heroic effort by first responders and law enforcement officers in Boston who worked together seamlessly and saved many lives because of their actions continue to inspire us. Our thoughts and prayers are with the victims and their families, the runners, the volunteers in the Boston Marathon, and the whole city of Boston and the region.

Madam Secretary, thank you for being here this morning and presenting the administration's budget and for your leadership through very difficult times.

Just over 10 years ago, this Department was formed, cobbled together from 22 disparate Federal agencies and in the shadow of the

worst attack on American soil. Since that time, you and your predecessors have worked hard to join together these separate entities to be one unified force, an integrated Department. While this integration has not always gone smoothly, there have been some notable accomplishments.

State and local grant investments paid dividends this past week in Boston. Since 2003, the Boston metropolitan area received from our subcommittee \$370 million. Within the last year, grants were used to equip and train tactical and specialized response teams on explosive detection and disruption, as well as trained first responders in how best to operate in close proximity to SWAT teams in very dynamic and evolving scenarios, one that, unfortunately, we watched in action, almost live, last week.

The exercises the city of Boston, Watertown, and the surrounding communities completed with State and Federal partners in hopes they would never have to use those skills were unfortunately put to the test. But lives were saved because communities and citizens were prepared to respond and, in fact, did. Federal investments to facilitate this level of preparedness must continue.

Both Customs and Border Patrol (CBP) and the Transportation Security Administration (TSA) are working hard to invigorate the travel experience while still providing ramped-up security, as is required. For example, CBP, in expanding enrollment travel programs such as Global Entry, has increased participation by 25 percent this year, making more than 2.5 million members of the traveling public eligible for expedited screening. Similarly, due to TSA's rollout of PreCheck (Pre✓™) in 2011 and flexible measures for children, military personnel and the elderly, 25 percent of the traveling public should receive some form of expedited screening by year's end. But there is much more that can be done to expedite this travel and keep it secure. I intend to explore this particular topic in more detail in the weeks and months ahead.

Our southern border, which is much the focus of our immigration debate, is, in fact, more secure today than it has ever been. Today there are 18,500 Border Patrol agents along the southwest border, more than double the amount we had in 2005; 651 miles of fencing has been built; and a crackdown on illegal immigrants means that illegal crossings have plummeted to levels not seen since the early 1970s. Sensors have been planted, cameras have been erected, and unmanned aerial vehicles monitor the border from above. Couple these efforts with targeted outbound inspections of vehicles for illegal drugs, weapons and cash and other contraband headed south into Mexico, resulting in some impressive seizures, and one can see much improvement.

But challenges remain, and as you know, that is going to be a topic of debate in this subcommittee and other committees of jurisdiction.

Let me mention that the Federal Emergency Management Agency (FEMA) has made significant strides since its disastrous performance following Hurricanes Katrina and Rita in 2005. I have seen firsthand how much this agency's response and recovery capabilities have evolved, thanks to experienced leadership, a more proactive and inclusive approach, and most recently several key re-

forms implemented by Congress to the Stafford Act have really come in handy.

Since Hurricane Isaac struck Louisiana and Hurricane Sandy ravaged the northeast last year, a new FEMA model has emerged, one that leads a whole-of-Government approach to recovery and one that will work, in my view, much better.

The Coast Guard has received new assets to replace the deteriorating fleet, such as the national security cutters (NSC), fast response cutters (FRC), and marine patrol aircraft. However, significant work remains in this area and, in my view, the budget before us severely underfunds these critical acquisitions, putting the Coast Guard further behind in acquiring the assets it needs to fulfill its mission.

Your agency is managing the constant onslaught of cyber attacks in our Federal civilian Government networks, financial institutions and critical infrastructure. The Department of Homeland Security (DHS) responds and issues warnings to an average of 70 incidents per month arising from more than 10,000 daily alerts. While no one has managed yet to seriously damage or disrupt our U.S. infrastructure, your Department now plays a key role in helping the Federal Government, State and local governments, as well as the private sector stay safe. As our enemies become more adept at attacking us, we have to keep up with the technology in blocking those attacks. I am looking forward to hearing more about that in your budget.

In 2013, we provided the necessary funding and increases for: Customs and Border Protection salaries that were significantly underestimated; restored proposed cuts to the Coast Guard acquisition program to replace aging and decrepit assets; appropriated a 70-percent increase in cybersecurity technology and education programs; and restored critical funding for advanced research; and State and local preparedness grants; all of which were at historic lows in 2012. Coupling these increases with supplemental appropriations enacted for Hurricane Sandy in January, the Department should have been in good standing to support its essential frontline employees, State and local responders, and disaster victims.

However, many of the increases I just highlighted will be eaten away by the 5-percent reduction required by sequester and set us back even further. While I recognize that you are still finalizing how these impacts of sequestration will be felt, it is an area that deeply concerns me.

For 2014, the discretionary request for the Department is \$39 billion, 1.4 percent less than the full appropriation we enacted just last month. If this request is met, it would be the fourth year in a row that the Department has faced reduced funding, down from its peak of \$42 billion.

In regard to the request before us, DHS, like all Federal agencies, has been asked to do more with less, and this has required some tough decisions. Your budget includes many examples where administrative and overhead costs have been reduced and where programs have been trimmed and stretched out or suspended to achieve cost savings without significantly degrading critical security requirements. By making these reductions, you were able to preserve the most essential frontline security operations, but this

budget calls for funding a new facility construction at the expense of ongoing acquisition needs, which could even more delay recapitalization necessary for the Coast Guard, and Customs' Air and Marine fleets for years.

Just last week, the Senate unveiled the bipartisan compromise immigration reform package, something that is urgently needed for the economic strength and security of our country, in my view, but also something that will have serious implications on how DHS directs personnel and resources over the next 5 to 10 years. This bipartisan effort to craft this legislation is admirable, but there will be financial measures necessary to implement it. The budget before us today contains only a few proposals to fund these reforms, so I am looking forward to hearing from you how our immigration reform efforts will be paid for.

And finally, let me say that I am pleased that the budget requests funding to hire 1,600 new Customs and Border Protection officers. Many people complain, and rightly so, that inspection lines at our air and land ports of entry for international arriving passengers are simply too long. Studies and surveys indicate that these long lines are a major reason why tourists choose simply, Madam Secretary, to go to other nations for vacations and for business. While we are back up to the pre-9/11 level, and that is something to celebrate, I must underscore that we have lost 40 percent of our global market share for these tourist dollars. That is not specifically your fault, but it is the reality of the traveling public and where they are making decisions to go. As a State that is reliant on hospitality dollars, I am very sensitive to this.

#### PREPARED STATEMENT

So today I look forward to exploring how this Department, one so critical to safety and security of our Nation, is assessing risk and prioritizing funding in this era of calls for smaller and weaker Government from some quarters, but not from this chair. It is also time to reflect about where the Department of Homeland Security has been and where it is going in the future.

[The statement follows:]

#### PREPARED STATEMENT OF SENATOR MARY L. LANDRIEU

Good afternoon. I call the subcommittee to order.

Last week's events in Boston were a stark reminder of the threats we continue to face as a Nation and that we must remain vigilant at all times. Securing our homeland is a partnership between the Federal Government and local entities—one that we must continue to support and strengthen. Just as the runners set out that bright Monday morning on this long distance run, so must our country take the long view with regular and routine investment in local, State and Federal homeland security assets.

The heroic effort by first responders and law enforcement officials in Boston, who worked together seamlessly and saved many lives because of their action, continue to inspire us. Our thoughts and prayers are with the victims and their families, runners and workers of the Boston Marathon, and the whole city of Boston.

Secretary Napolitano, thank you for presenting the administration's budget today for review and comment. Just over 10 years ago, the Department of Homeland Security was formed, cobbled together from 22 disparate Federal agencies in the shadow of the worst attack on American soil. Since that time, you and your predecessors have worked hard to join together these separate entities into a unified and integrated Department. While this integration has not always gone smoothly, there has been notable success:

- State and local grant investments paid dividends this past week in Boston. Since 2003, the Boston metropolitan area has received \$370 million. Within the last year, grants were used to equip and train tactical and specialized response teams on explosive detection and disruption, as well as train first responders how to best operate in close proximity to SWAT teams in very dynamic and evolving scenarios. The exercises that the city of Boston, Watertown, and the surrounding communities completed with local, State, and Federal partners—in hopes they would never have to use the skills—were unfortunately put to the test. Lives were saved because communities and citizens were prepared for the unthinkable. Federal investments to facilitate this preparedness must continue.
- Both Customs and Border Patrol (CBP) and the Transportation Security Administration (TSA) are working hard to reinvigorate the travel experience, while still providing ramped up security. For example, CBP is expanding enrollment in its trusted travel programs, such as Global Entry, by 25 percent this year, making more than 2.5 million members of the traveling public eligible for expedited screening next year. Similarly, with TSA's rollout of PreCheck (Pre✓™) in 2011 and flexible measures for children, military personnel, and the elderly, 25 percent of the traveling public should receive some form of expedited screening by year's end. But there is much more that can be done and hopefully we will explore this topic in much more detail.
- Our southern border is more secure today than it has ever been. Today there are 18,500 Border Patrol agents along the southwest border (more than double the amount we had in 2005), some 651 miles of fencing has been built, and a crackdown on illegal immigrants means that illegal crossings have plummeted to levels not seen since the early 1970s. Now sensors have been planted, cameras erected, and unmanned aerial vehicles monitor the border from above. Couple these efforts with targeted outbound inspections of vehicles for illegal drugs, weapons, cash, and other contraband heading south into Mexico, resulting in some impressive seizures, and one can see much improvement.
- Federal Emergency Management Agency (FEMA) has made significant strides since its disastrous performance following Hurricane Katrina in 2005. I have seen firsthand how much that agency's response and recovery capabilities have evolved, thanks to experienced leadership, a more proactive and inclusive approach, and most recently several key recovery reforms to the Stafford Act that we have enacted. Since Hurricane Isaac struck Louisiana and Hurricane Sandy ravaged the northeast last year, a new FEMA model has evolved, one that leads a whole of government approach to recovery.
- The Coast Guard has received new assets to replace a deteriorating fleet, such as national security cutters, fast response cutters, and maritime patrol aircraft. However, significant work remains in this area and in my view the budget before us severely underfunds critical acquisitions, putting the Coast Guard further behind in acquiring the assets it needs to fulfill its mission.
- Your agency is managing the constant onslaught of cyber attacks on our Federal civilian government networks, financial institutions, and critical infrastructure. The Department of Homeland Security (DHS) responds and issues warnings to an average of 70 incidents per month arising from more than 10,000 daily alerts. While no one has managed to seriously damage or disrupt critical U.S. infrastructure networks so far, DHS now plays a key role in helping the Federal Government, State and local governments, as well as the private sector, reinvent our network foundations so that we can become more resilient to attacks.

Unfortunately, the notable progress the Department has made will be hampered by sequestration. While I am pleased that a full-year DHS appropriations bill was included in the final continuing resolution, thereby providing funding certainty for your components, very damaging sequestration cuts have been locked in for all Federal agencies. As my letter to you earlier this month indicated, I am particularly concerned about the impacts of sequestration cuts on small businesses contracting with Federal agencies.

In 2013, we provided necessary funding increases for Customs and Border Protection salaries that were significantly underestimated in the request; restored proposed cuts to the Coast Guard's acquisition program to replace aging and decrepit assets and military housing; appropriated a 70-percent increase in cybersecurity technology and education programs; and restored critical funding for advanced research and State and local preparedness grants, all of which were at historic lows in 2012. Coupling these increases with supplemental appropriations enacted for Hurricane Sandy in January, the Department should have been in good standing to support its essential frontline employees, State and local responders, and disaster victims for the remainder of this fiscal year. However, many of the increases I just

highlighted will be eaten away by the 5-percent reduction across every program, project, and activity this year. While I recognize that you are still finalizing how the impacts of sequestration will be felt, this is an area that deeply concerns me and one we will need to discuss more fully today.

For 2014, the discretionary request for the Department of Homeland Security is \$39 billion, 1.4 percent less than the full-year appropriation we enacted just last month. If we were to approve this request, it would be the fourth year in a row that the Department has faced reduced funding, down from its peak of \$42.4 billion in 2010.

In regards to the budget request before us, DHS, like all Federal agencies, have been asked to do more with less, and this has required some tough decisions. Your budget includes many examples where administrative and overhead costs have been reduced, and where programs have been trimmed, stretched out, or suspended to achieve cost savings without significantly degrading critical security requirements. By making these reductions, you were able to preserve most essential frontline security operations. But this budget calls for funding new facility construction at the expense of ongoing acquisition needs, which could delay recapitalizing the Coast Guard and the Customs Air and Marine fleets for years. It also funds investments in necessary cybersecurity technologies like Einstein and continuous monitoring of Federal networks through shortsighted cuts to training and educating the cyber warriors of the future. We need to do both.

Just last week, the Senate unveiled a bipartisan comprehensive immigration reform package, something that is urgently needed for the economic strength and security of our country, but also something that will have serious implications on how DHS directs personnel and resources over the next 5 to 10 years. As bipartisan efforts to craft this legislation continue, there is no doubt that security at the border will remain center stage. The budget before us today only contains a few proposals to fund these reforms and in some cases—such as detention resources—funding moves in the opposite direction. More will be required if not in 2014, certainly in the years to come, and I look forward to exploring these requirements in more detail as the comprehensive immigration reform package is developed.

I am pleased that the budget requests funding to hire 1,600 new Customs and Border Protection officers (a 7.3-percent increase). Many people complain—and rightly so—that inspection lines at our air and land ports of entry for international arriving passengers are too long. Studies and surveys indicate these long lines are a major reason why tourists chose to go countries other than the United States for their vacations. International arrivals to the United States finally rebounded in 2012 to their pre-9/11 level for the first time in over a decade, but during that same period, we have lost 40 percent of global market share of these important tourists. This problem has profound impacts on our economy in general. Adding new CBP officers will start to address this challenge. I am also pleased to see creative financing proposals in this budget for other ways in which the Department can address some of its staffing and facilities needs at our 101.5 land ports of entry. We will discuss this more during questioning.

Today, I look forward to exploring how this Department, one so critical to the safety and security of our Nation, is assessing risk and prioritizing funding in this era of calls for smaller and weaker government from some quarters. It is also time to reflect about where the Department of Homeland Security has been and what challenges lie ahead.

Since this subcommittee was established, we have striven to do our work professionally, collaboratively, and in a bipartisan fashion. I look forward to continuing this strong, bipartisan working relationship with Senator Coats and the Department this year. With that, I will turn to my Ranking Member, Senator Coats, for his opening statement.

Following Senator Coats' opening statement, I will turn to our full Committee Chairwoman Mikulski for opening remarks. After that, we will hear from Secretary Napolitano. Once the Secretary concludes her statement, each member will be recognized in order of arrival for up to 5 minutes for remarks and questions. I now recognize Senator Coats for any opening remarks he may wish to make.

Senator LANDRIEU. With that, let me turn it over to Senator Coats who, unfortunately, has a conflicting meeting, intelligence briefing, so he is going to give his opening statement and submit some questions for the record. Then I will turn to our full Committee chair, Chairwoman Mikulski, who is joining us today for her remarks.

Senator Coats.

## STATEMENT OF SENATOR DAN COATS

Senator COATS. Madam Chairman, thank you, and I appreciate your tolerance here in my trying to balance two essential Committee hearings at the same time.

Secretary Napolitano, you have had quite a week, and we have too. You have a lot of balls in the air and are juggling a lot of difficult issues. So with your acceptance here, let me name just a few of the issues that I would like to get some responses back from you, your staff, your Department, and excuse myself to run over and get to the briefing with the Federal Bureau of Investigation (FBI). It is all related to the Boston incident, and the chairman there, Diane Feinstein, is urging me to get there as quickly as possible.

Two or three things. First, I am still concerned about the poor resource decisions made by Immigration and Customs Enforcement (ICE) earlier this year relative to the release of immigrants from detention. Even though ICE was resourced adequately under the continuing resolution to fund 34,000 detention beds, they were operating at a significantly higher level, and as such, with what I think was unfortunate timing, there was a release of illegal aliens into surrounding communities. It raised a lot of concerns. And I have just learned that, once again, they are back over the 34,000 authorized level, with 36,000 or more. What do we expect relative to how we deal with that, how we pay for that? Is there going to be another release? That is question number one.

Second, related to the tragedy in Boston, there are too many facts, so-called facts, maybe facts, maybe corroborated, maybe not, that we gain from the media and not enough from the source that we ought to get that from. My understanding is that there has been a real mix-up here relative to the watchlisting of one of the individuals here, the relationship between shared information with the various agencies, including the FBI and Homeland Security. It could have just been a blip. It could have been a mistake. I think someone said there might have been a mistake in spelling and that's why it turned up in one place and not another place. But clearly, we have to work to coordinate these efforts so that we can prevent things like this, when one agency knows something that the other agency doesn't and something slips through. It reminds you a lot of 9/11 when we didn't have that kind of coordination. I know a lot has been done to address that in the last decade or so, but I would like to get your take from your perspective from Homeland Security relative to what might have happened there.

Finally, just some direct issues here related to the budget. I continue to be concerned about the aviation passenger security fees. I also have concerns about the impact of the budget on ICE investigations, Coast Guard missions, Customs and Border Protection, and air and marine operations, as well as drug interdiction.

As you know, the issue of immigration starts with border security, but we are still waiting for the Department to produce the measures by which the American people can judge both the current level of security and the goal and what it is going to cost to reach the intended level which at least the Gang of Eight immigration proposal has put forward. We need to have that information to better evaluate how we go forward.

So those are my questions. I am not asking you to answer those now. I hope to get back here. I don't want to hold you. I know you also have some engagements that are critical to the Boston situation. But, Madam Chairman, if the hearing is still going on, I will come back and we can talk about that directly. If not, if you or your staff would communicate with us, I would appreciate it.

Senator LANDRIEU. Thank you, Senator Coats.  
Chairwoman Mikulski.

STATEMENT OF SENATOR BARBARA A. MIKULSKI

Senator MIKULSKI. Thank you very much, Senator Landrieu. I, too, am a member of the Intelligence Committee and will be joining Senator Coats, and hopefully can return. I would like to compliment Senator Coats who, on a Sunday talk show, as everyone was responding, he presented his usual serious, sober, thoughtful commentary that I think really was very edifying, because there was a lot of second-guessing and chest pounding and so on that was going on. He really, I think, added an excellent dimension to it.

Madam Chair, I wanted to come by to talk to Secretary Napolitano for a very few minutes with both you and Senator Coats and members of the subcommittee. This subcommittee is going to be where the action is when we get ready to mark up our bill. It will be there because not only of its role to protect the border—excuse me—I mean to protect the homeland, but we will be hopefully working on immigration reform.

You already have the President's budget. You already have a framework. But we are going to need flexibility to be able to include whatever comes out of the authorizing to do this. So that is going to be a big issue and a big challenge.

Also, there is another dimension related to cybersecurity that I would hope, as full Committee chair, to conduct first a roundtable on the issue across Committee lines with everybody on the Committee learning about it and learning about directions and some of the challenges that the Nation is facing, and then to work with our subcommittee chairs, particularly you, Defense, me with FBI and National Institute of Standards and Technology (NIST), so that we are all going in the same direction with our funding and work in a kind of coordinated way to get the right resources in the Federal checkbook that are being asked of the people to coordinate on the ground.

But we have excellent members here who are on Armed Services, the vice chairman of the Armed Services Committee, you and Senator Coats, Senator Shelby and me, and I think if we focus and work together, we will be able to do a great job.

But you, Madam Secretary, first of all, we want to thank you for the job that Homeland Security did do. I note that 2 years before this awful, awful, awful event in Boston, that there was an exercise that helped Boston prepare, again practicing the three R's of emergency response—readiness and preparedness, response when an event happens, and then the difficult job of recovery. So we thank you for that.

Also, we salute once again the first responders not only in Boston but in West, Texas, who dashed into that burning factory because

it was so close to a school. Five firefighters died, four emergency technicians died from a very small, rural, volunteer fire department in West, Texas.

So we know that through Federal emergency management, the FIRE grants, the SAFER grants, they need that money in those rural communities and in those big-city fire departments. We love to give all praise and thanksgiving to our first responders, but they need help from their Federal Government, and I want to work with you and Senator Coats and the Committee to make sure that the President comes in at \$645 million for these grants, and I think we need to do more. It is a bipartisan support program, and whether you are from West, Texas or you are from the north end in Boston, we've got to be there to do that.

#### PREPARED STATEMENT

So to that end, Madam Secretary, and I say to you, Madam Chair, we hope to mark up our bill at \$1,058 trillion following the American Taxpayers Relief Act, which passed the Senate. That is what I hope to mark up the bill, noting that the House has marked up their bill at the sequester level. I think we have to find a solution to sequester if we are going to find a path forward because there is \$92 million. But this subcommittee, Madam Chair, along with Defense, as well as Federal law enforcement, our job is to protect the Nation, and I look forward to protecting your funding so that you, as the bipartisan framework of this bill, will be able to move forward.

We have to all think that we are all in this together. We are all Boston. We are all West, Texas. And we all have to be Americans that work together on this.

[The statement follows:]

#### PREPARED STATEMENT OF SENATOR BARBARA A. MIKULSKI

##### INTRODUCTION

Thank you, Chairwoman Landrieu and Ranking Member Coats for your leadership.

Thank you, Secretary Napolitano for your commitment to first responders and to our Nation's security.

The marathon bombings in Boston was a terrible tragedy. Our thoughts and prayers are with the families of those killed and everyone injured. And our thanks go to the first responders at the local level who were first to respond and State, local and Federal law enforcement who worked together to identify and capture suspects.

The resiliency and spirit of Boston shouldn't be underestimated and is felt by the whole Nation. When a disaster strikes, the American people expect their government to be there to help. The Boston bombing proved that the investments we made after 9/11 in law enforcement emergency medical capabilities and emergency planning have made a difference.

##### BUDGET STATEMENT

The resources provided in this bill are so important and touch the lives of American everyday, especially in times of disaster. That is why I support the President's budget request level—\$1.058 trillion, the same as the deal we made 3 months ago in the American Taxpayer Relief Act. The bill passed the Senate by a vote of 89-to-8. A deal should be a deal. In contrast, the Ryan budget and sequester level would be \$966 billion, \$92 billion less than the President's request, with all of the cuts coming from non-Defense programs, such as the Department of Homeland Security.

We need a balanced approach to end sequester, including revenues, targeted cuts.

## CONCLUSION

I look forward to working with Landrieu and Coats to move this bill in regular order. Need to support our first responders, anti-terrorism efforts, emergency preparedness initiatives, and cybersecurity.

Senator LANDRIEU. Thank you very much.

Let me acknowledge the Senator from Alaska and the Senator from Mississippi here, but I would like to go to the Secretary for her opening comments. Thank you, Senator Cochran and Senator—

## PREPARED STATEMENT

Senator COCHRAN. Madam Chairman, could I ask unanimous consent that my statement welcoming the Chairman be printed in the record?

Senator LANDRIEU. Absolutely, and without objection.  
[The statement follows:]

## PREPARED STATEMENT OF SENATOR THAD COCHRAN

Madam Chairman, I am pleased to join you in welcoming the Secretary of the Department of Homeland Security to review the annual budget request of the Department with her. We look forward to working to recommend appropriate funding levels for the important programs and activities of the Department. We appreciate the Secretary's leadership in responding to weather-related disasters in several areas around the country and in developing effective strategies for dealing with them in the future.

Senator LANDRIEU. Senator Murkowski.  
Senator MURKOWSKI. I'm waiting for the Secretary.  
Senator LANDRIEU. Thank you.  
Madam Secretary.

## SUMMARY STATEMENT OF HON. JANET NAPOLITANO

Secretary NAPOLITANO. Well, thank you, Chairman Mikulski, Chairman Landrieu, members of the subcommittee, for the opportunity to discuss the President's fiscal year 2014 budget for the Department of Homeland Security.

First, let me say a few words about the attack in Boston. Certainly, our thoughts and prayers remain with the victims, their families, and with the entire greater Boston community. We continue to support the ongoing investigation, working closely with the FBI, as well as other State and local partners. I know all of us here are committed to finding out why this happened, what more we can do to prevent attacks like this from occurring, and making sure that those responsible for this unconscionable act of terror are brought to justice.

We will learn many lessons from this attack, just as we have from past instances of terrorism and violent extremism. We will apply those. We will emerge even stronger.

Over the past week, as you have noted, we saw a very quick, coordinated, and cohesive response by the law enforcement community, as well as by our private-sector partners, citizens, and community members. Immediately after the attack, we saw people at the scene of the explosions, from first responders and trained medical staff to citizens and even marathoners, contribute to the triage operation. We saw a very orderly process of helping victims and se-

curing the area. Area hospitals were prepared to handle the surge of incoming patients, and as a result, lives were saved.

Law enforcement at all levels joined together and shared knowledge, expertise, and resources. Many had been specifically trained in improvised explosive device threats. Many had exercised for this type of scenario. The response was swift, effective, and in many ways will serve as a model for the future.

The public was enlisted to help identify the suspects, and within hours of the FBI releasing their photos, they were identified and located. In the ensuing manhunt, the public cooperated with shelter-in-place orders, public safety was maintained, and eventually a tip helped law enforcement bring the remaining suspect into custody. I think the people of Boston showed tremendous resilience over the past week, and so did America.

Today, after 10 years of investments in training and equipment and improved information sharing, our cities and communities and our Nation are stronger, more prepared and engaged, and better equipped to address a range of threats.

Of course, as you noted, this year marks the 10th anniversary of the creation of DHS, the largest reorganization of the Federal Government since the creation of the Department of Defense. After 10 years of effort, DHS has transformed 22 legacy agencies into a single integrated Department, building a strengthened homeland security enterprise and a more secure America, better equipped to confront the range of threats we face.

The President's fiscal year 2014 budget for DHS allows us to build on our progress over the past 10 years by preserving core frontline priorities. At the same time, given the current fiscal environment, this is the third straight year our budget request reflects a reduction from the previous year. Specifically, the budget request is 2.2 percent or more than \$800 million below the fiscal year 2013 enacted budget.

While our mission has not changed and we continue to face evolving threats, we have to become and have become more strategic in how we use limited resources, focusing on a risk-based approach. This is coupled with an unprecedented commitment to fiscal discipline, which has led to over \$4 billion in cost avoidances and reductions over the past 4 years through our efficiency review.

The recent full-year appropriations bill enabled DHS to mitigate, to some degree, the projected sequester impacts under the continuing resolution on our operations and workforce, but there is no doubt that these cuts, totaling more than \$3 billion across 6 months, will affect operations in the short and long terms. Sustained cuts at these sequester levels will result in reduced operational capacity, breached staffing floors, and economic impacts to the private sector through reduced and canceled contracts.

We continue to do everything we can to minimize the impacts on our core mission and on our employees consistent with the operational priorities in our 2014 budget. So let me, if I might, go ahead and identify a few of those.

First, to prevent terrorism and enhance security, the fiscal year 2014 budget continues to support risk-based security initiatives, including TSA PreCheck (Pre✓™), Global Entry, and other trusted

traveler programs. As a result, we expect one in four travelers to receive some form of expedited screening by the end of the year.

The budget supports administration efforts to secure maritime cargo and a global supply chain by strengthening efforts to interdict threats at the earliest point possible.

We continue our strong support for State and local partners through training, fusion centers, and information sharing on a wide range of critical homeland security issues. We also fund cutting-edge research and development to address evolving biological, radiological, and nuclear threats, including construction of the National Bio and Agro-Defense Facility known as NBAF.

Next, to secure and manage our borders, the budget continues the administration's robust border security efforts while facilitating legitimate travel and trade. It sustains historic deployments of personnel along our borders, as well as continued utilization of proven effective surveillance technologies along the highest trafficked areas of the southwest border.

To expedite travel and trade while reducing wait times at the ports of entry, the budget requests an additional 3,500 port officers, 1,600 paid for by appropriations and the remainder by an increase to the immigration user fees that have not been adjusted since 2001. To secure maritime borders, the budget invests in recapitalization of Coast Guard assets, including the seventh national security cutter and two fast response cutters.

The budget also continues the Department's focus on smart and effective enforcement of our Nation's immigration laws. It supports the administration's unprecedented effort to more effectively focus the enforcement system on public safety threats, border security, and the integrity of the immigration system through initiatives such as the deferred action for childhood arrivals, and greater use of prosecutorial discretion. At the same time, the budget makes significant reductions to inefficient programs like 287(g) task force agreements, while supporting more cost-effective initiatives like the nationwide implementation of Secure Communities.

The budget invests in monitoring and compliance, promoting adherence to worksite-related laws, form I-9 inspections, and enhancements to the E-Verify program, while continuing to support alternatives to detention, detention reform, and immigrant integration efforts.

Comprehensive immigration reform will help us continue to build on these efforts and strengthen border security by enabling DHS to further focus existing resources on criminals, human smugglers and traffickers, and national security threats.

Next, to safeguard and secure cyberspace, the budget makes significant investments to strengthen cybersecurity, including funds to secure our Nation's information and financial systems and defend against cyber threats to private-sector and Federal systems, the Nation's critical infrastructure, and our economy; to support the President's Executive order on improving critical infrastructure cybersecurity and a Presidential policy directive on critical infrastructure and security resilience; and to expedite the deployment of Einstein 3 to prevent and detect intrusions on Government computer systems.

Finally, to ensure continued resilience to disasters, the President's budget focuses on a whole-of-community approach to emergency management. It includes resources for the Disaster Relief Fund, the DRF, to support Presidentially Declared Disasters or emergencies. The administration is again proposing the consolidation of 18 grant programs into one national preparedness grant program to create a robust national response capacity while reducing administrative overhead.

This competitive risk-based program will use a comprehensive process to assess gaps, identify and prioritize deployable capabilities, put funding to work quickly, and require grantees to regularly report progress. It is precisely this kind of funding that has enhanced preparedness and response capabilities in cities like Boston.

Since 2002, the Boston urban area has received nearly \$370 million in Federal grant funding, which has been used to equip and train tactical and specialized response teams specifically in improvised explosive device (IED) detection, prevention, response, and recovery. Importantly, grants have supported increased coordination, particularly with respect to joint exercises and training, including more than a dozen exercises involving the city of Boston over the past several years. This includes a large-scale, mass-casualty exercise with more than 1,800 first responders that was conducted just this past November.

Because of the investments we have made with the help of this subcommittee and the Congress over the past 10 years, our State and local jurisdictions now have greater capabilities to prevent and respond to incidents. We must continue this support.

#### PREPARED STATEMENT

In conclusion, the fiscal year 2014 budget proposal reflects this administration's strong commitment to protecting the homeland and the American people through the effective and efficient use of DHS resources. Madam Chairman, members of the subcommittee, thank you for the opportunity to testify with you this afternoon, and I will be pleased to answer your questions.

[The statement follows:]

#### PREPARED STATEMENT OF HON. JANET NAPOLITANO

Chairman Landrieu, Ranking Member Coats, and members of the subcommittee: Let me begin by saying thank you to this subcommittee for the strong support you have provided me and the Department over the past 4 years. I look forward to continuing to work with you in the coming year to protect the homeland and the American people.

I am pleased to appear before the subcommittee today to present President Obama's fiscal year 2014 budget request for the Department of Homeland Security (DHS).

This year marks the 10th anniversary of the creation of DHS, the largest reorganization of the U.S. Government since the formation of the Department of Defense. After 10 years of effort, DHS has transformed 22 agencies from across the Federal Government into a single integrated Department, building a strengthened homeland security enterprise and a more secure America better equipped to confront the range of threats we face.

Our workforce of nearly 240,000 law enforcement agents, officers, and men and women on the frontlines put their lives at risk every day to protect our country from threats to the homeland, securing our land, air, and maritime borders; enforcing our immigration laws; and responding to natural disasters. Our employees are stationed in every State and in more than 75 countries around the world, engaging with State, local, and foreign partners to strengthen homeland security through coopera-

tion, information sharing, training, and technical assistance. Domestically, DHS works side by side with State and local<sup>1</sup> law enforcement (SLLE) and emergency responders in our communities, along our borders, and throughout a national network of fusion centers. The Department also collaborates with international partners, including foreign governments, major multilateral organizations, and global businesses to strengthen the security of the networks of global trade and travel, upon which our Nation's economy and communities rely.

DHS employs a risk-based, intelligence-driven approach to help prevent terrorism and other evolving security threats. Utilizing a multi-layered detection system, DHS focuses on enhanced targeting and information sharing, and on working beyond our borders to interdict threats and dangerous actors at the earliest point possible. Each day, DHS screens 2 million passengers at domestic airports; intercepts thousands of agricultural threats; expedites the transit of nearly 100,000 people through trusted traveler and known crewmember programs; and trains thousands of Federal, State, local, rural, tribal, territorial, and international officers and agents through more than 550 basic and advanced training programs available at the Federal Law Enforcement Training Center (FLETC). We conduct vulnerability assessments of key infrastructure, disseminate intelligence regarding current and developing threats, and provide connectivity to Federal systems to help local law enforcement and homeland security agencies across the country in reporting suspicious activities and implementing protective measures.

Our borders and ports are stronger, more efficient, and better protected than ever before. At the southwest border, apprehensions have decreased to the lowest point in more than 30 years. We have significantly invested in additional personnel, technology, and infrastructure, leading to historic progress along the border. We have deepened partnerships with Federal, State, local, and international law enforcement to combat transnational threats and criminal organizations to help keep our border communities safe. We have strengthened entry procedures to protect against the use of fraudulent documents and the entry of individuals who may wish to do us harm. And we have made our ports of entry (POEs) more efficient to expedite lawful travel and trade. Each day, almost 1 million people arrive at our POEs by land, sea, and air. In fiscal year 2012, DHS processed more than 350 million travelers at our POEs, including almost 100 million international air travelers and \$2.3 trillion of trade, while enforcing U.S. laws that welcome travelers, protect health and safety, and facilitate the flow of goods essential to our economy.

DHS has focused on smart and effective enforcement of U.S. immigration laws while streamlining and facilitating the legal immigration process. We have established clear enforcement priorities to focus the enforcement system on the removal of individuals who pose a danger to national security or a risk to public safety, including aliens convicted of crimes, with particular emphasis on violent criminals, felons, and repeat offenders, while implementing a comprehensive worksite enforcement strategy to reduce demand for illegal employment and protect employment opportunities for the Nation's lawful workforce. DHS has implemented major reforms to the Nation's immigration detention system to enhance security and efficiency and protect the health and safety of detainees while expanding nationwide the Secure Communities program, which uses biometric information to identify criminal aliens in State and local correctional facilities. Over the past 4 years, the Department has also improved the legal immigration process by streamlining and modernizing immigration benefits processes; strengthening fraud protections; protecting crime victims, asylees, and refugees; updating rules to keep immigrant families together; and launching new initiatives to spur economic competitiveness.

Today, our borders are more secure and our border communities are among the safest communities in our country. We have removed record numbers of criminals from the United States, and our immigration laws are being enforced according to sensible priorities. We have taken numerous steps to strengthen legal immigration and build greater integrity into the system. We are using our resources smartly, effectively, responsibly.

Despite these improvements, however, our immigration system remains broken and outdated. That is why the Department stands ready to implement common-sense immigration reform that would continue investments in border security, crack down on companies that hire undocumented workers, improve the legal immigration system for employment-sponsored and family-sponsored immigrants, and establish a responsible pathway to earned citizenship. Comprehensive immigration reform will help us continue to build on this progress and strengthen border security by providing additional tools and enabling DHS to further focus existing resources on

<sup>1</sup>Local law enforcement includes all law enforcement at the municipal, tribal, and territorial levels.

preventing the entry of criminals, human smugglers and traffickers, and national security threats.

Our Nation's critical infrastructure is crucial to our economy and security. DHS is the Federal Government's lead in securing unclassified Federal civilian government networks as well as working with owners and operators of critical infrastructure to secure their networks and protect physical assets through risk assessment, mitigation, forensic analysis, and incident response capabilities. In 2012, DHS issued warnings and responded to an average of 70 incidents per month arising from more than 10,000 daily alerts. The President also issued an Executive order on cybersecurity and a Presidential policy directive on critical infrastructure security and resilience to strengthen the security and resilience of critical infrastructure against evolving threats through an updated and overarching national framework that acknowledges the interdependencies between cybersecurity and securing physical assets.

In support of these efforts, DHS serves as the focal point for the U.S. Government's cybersecurity outreach and awareness activities and is focused on the development of a world-class cybersecurity workforce as well as innovative technologies that sustain safe, secure, and resilient critical infrastructure. We work hand-in-hand with our private-sector partners, recognizing the importance of public-private partnerships to build resilience through a whole-of-community approach. In addition to these responsibilities, DHS combats cybercrime by leveraging the skills and resources of the law enforcement community and interagency partners to investigate and prosecute cyber criminals.

DHS has fundamentally changed how we work with our State and local partners to prepare for, respond to, recover from, and mitigate the effects of disasters. Through the Federal Emergency Management Agency (FEMA), we have implemented innovative practices to transform our disaster workforce through the creation of FEMA Corps and the DHS Surge Capacity Workforce. Working closely with State and local officials, we preposition resources before disasters hit and have 28 national urban search and rescue teams on standby in addition to dozens of State and local teams to support response efforts. We train more than 2 million emergency management and response personnel annually at the Emergency Management Institute, National Fire Academy, and through Community Emergency Response Teams to improve capabilities across all hazards. Additionally, we have deployed new capabilities to help disaster survivors recover and communities rebuild.

#### MAXIMIZING EFFICIENCY AND EFFECTIVENESS

The fiscal year 2014 budget for DHS is \$60.0 billion in total budget authority and \$48.5 billion in gross discretionary funding. These two amounts include \$5.6 billion in Disaster Relief Fund (DRF) appropriations for recovery from major disasters, pursuant to the Budget Control Act. Excluding the \$5.6 billion funding within the DRF, the net discretionary total is \$39 billion.

##### *Realizing Efficiencies and Streamlining Operations*

The Department has implemented a variety of initiatives to cut costs, share resources across components, and consolidate and streamline operations wherever possible. In fiscal year 2014, these initiatives will result in \$1.3 billion in savings from administrative and mission support areas, including contracts, information technology (IT), travel, personnel moves, overtime, directed purchasing, professional services, and vehicle management.

Through the Department-wide, employee-driven Efficiency Review (ER), which began in 2009, as well as other cost-saving initiatives, DHS has identified more than \$4 billion in cost avoidances and reductions, and redeployed those funds to mission-critical initiatives across the Department.

##### *Strategic Sourcing*

Through ER and component initiatives, DHS has used strategic sourcing initiatives to leverage the purchasing power of the entire Department for items such as language services, tactical communications services and devices, intelligence analysis services, and vehicle maintenance services. In fiscal year 2012, we achieved \$368 million in savings, and we project \$250 million in savings for fiscal year 2013. We expect a comparable level of savings as we continue forward with this approach in fiscal year 2014.

##### *Travel and Conferences*

In support of the administration's Campaign to Cut Waste, DHS strengthened conference and travel policies and controls to reduce travel expenses, ensure conferences are cost-effective, and ensure both travel and conference attendance is driv-

en by critical mission requirements. During 2012, DHS issued a new directive that establishes additional standards for conferences and requires regular reporting on conference spending, further increasing transparency and accountability. The Department's fiscal year 2014 budget projects an additional 20-percent reduction in travel costs from fiscal years 2013–2016.

#### *Real Property Management*

DHS manages a real property portfolio of approximately 38,000 assets, which spans all 50 States and 7 U.S. territories. The Department has adopted strategies to achieve greater efficiencies in the management of its real property portfolio that includes expediting the identification and disposal of under-utilized assets as well as improving the utilization of remaining Department inventory. These efforts will result in reductions in the size of our civilian real estate inventory, annual operating and maintenance costs, and energy usage. DHS anticipates that the amount of space and cost per full-time equivalent employee will continue to decline as spaces are reconfigured or new space is acquired on the basis of new workplace planning assumptions. DHS is committed to continuing to improve the management and alignment of its real property with advances in technology, mission, and work requirements.

#### *Management and Integration*

Over the past 4 years, DHS has significantly improved departmental management, developing and implementing a comprehensive, strategic approach to enhance Department-wide maturation and integration. We have improved acquisition oversight, ensuring full consideration of the investment lifecycle in cost estimates, establishing procedures to thoroughly vet new requirements and alternative solutions, and supporting full funding policies to minimize acquisition risk. The fiscal year 2014 budget includes key investments to strengthen the homeland security enterprise, increase integration, address challenges raised by the U.S. Government Accountability Office (GAO), and continue to build upon the management reforms that have been implemented under this administration.

Modernization of the Department's financial management systems has been consistently identified as critical by the Office of Management and Budget, the GAO, and Congress, and is vital to our ability to provide strong stewardship of taxpayer dollars. Over the past several years, we have made significant progress improving financial management practices and establishing internal controls. In 2012, DHS earned a qualified audit opinion on its balance sheet, a significant milestone and a pivotal step toward increasing transparency and accountability for the Department's resources. This full-scope audit opinion is a result of DHS's ongoing commitment to instituting sound financial management practices to safeguard taxpayer dollars.

Although DHS continues to maximize cost efficiencies and savings wherever possible, new investment must be made to improve our outdated financial systems and tools. The fiscal year 2014 budget supports financial system modernization at the U.S. Coast Guard (USCG), which also provides financial management services to two other DHS components.

DHS is also implementing a coordinated management approach for strategic investments and resource decisions involving multiple components through the Integrated Investment Life Cycle Model. This initiative will help the Department enhance mission effectiveness while achieving management efficiencies by providing a broader, enterprise-wide perspective and ensuring DHS investments address the greatest needs of the Department.

#### *Strategic Re-Organizations*

In today's fiscal environment, the Department has challenged its workforce to fundamentally rethink how it does business, from the largest to the smallest investments. To help reduce costs, DHS conducted a formal base budget review, looking at all aspects of the Department's budget to find savings and better align resources with operational requirements.

#### *United States Visitor and Immigrant Status Indicator Technology (US-VISIT)*

To better align the functions of US-VISIT with the operational components, the budget re-proposes the transfer of US-VISIT functions from the National Protection and Programs Directorate (NPPD) to U.S. Customs and Border Protection (CBP), consistent with the President's fiscal year 2013 budget. Currently, CBP operates numerous screening and targeting systems, and integrating US-VISIT within CBP will strengthen the Department's overall vetting capability while also realizing operational efficiencies and cost savings.

### *State and Local Grants*

Given the fiscal challenges facing the Department's State and local partners, DHS is also approaching these partnerships in new and innovative ways. The budget re-proposes the National Preparedness Grant Program (NPGP), originally presented in the fiscal year 2013 budget, to develop, sustain, and leverage core capabilities across the country in support of national preparedness, prevention, and response, with appropriate adjustments to respond to stakeholder feedback in 2012. While providing a structure that will give grantees more certainty about how funding will flow, the proposal continues to utilize a comprehensive process for assessing regional and national gaps; support the development of a robust cross-jurisdictional and readily deployable State and local assets; and require grantees to regularly report progress in the acquisition and development of these capabilities.

### *Land Port of Entry (LPOE) Delegation*

Beginning in fiscal year 2013, the General Services Administration (GSA) will work with DHS to delegate the operations of LPOE facilities to CBP. The distinctive nature of LPOEs as mission-oriented, 24/7 operational assets of CBP, as well as national trade and transportation infrastructure, differentiates this part of the portfolio from other Federal buildings managed by GSA. The delegation facilitates faster delivery of service tailored to the specific needs of CBP's mission and will be more responsive to changing priorities and critical operations.

### *DHS Commonality Efforts*

The successful integration of 22 legacy agencies into DHS was an important and ambitious undertaking that has increased the Department's ability to understand, mitigate, and protect against threats to the Nation. Further integration of the Department and of the development of a "One-DHS" culture will strengthen effectiveness, improve decisionmaking to address shared issues, and prioritize resources in an era of fiscal constraint. The fiscal year 2014 budget continues this emphasis and supports ongoing efforts aimed at furthering integration, some of which are highlighted as follows.

#### *Common Vetting*

It is estimated that DHS spends approximately \$1.8 billion annually on information-based screening. Consequently, DHS has established a Common Vetting Initiative to improve the efficiency and effectiveness of vetting operations within the Department. Although this work is ongoing, it is expected that this effort will identify opportunities for streamlining operations and strengthening front-end assessment of requirements as part of an integrated investment lifecycle.

Additionally, DHS is leveraging existing capabilities and its research and development (R&D) capabilities at the Science and Technology Directorate (S&T) to enhance the Department's exit program, and to identify and sanction those who overstay their lawful period of admission to the United States. This initiative is focused on aggregating information within existing data systems, enhancing review of potential overstays, increasing automated matching, and incorporating additional biometric elements to provide the foundation for a future biometric exit solution. The transfer of US-VISIT functions to CBP and U.S. Immigration and Customs Enforcement (ICE) supports this effort and better aligns mission functions.

#### *Aviation Commonality*

The Department is projected to spend approximately \$1.2 billion over fiscal years 2014–2018 on procurement of aviation assets. In 2011, DHS stood up an aviation commonalities working group to improve operational coordination in acquisition, facilities, maintenance, and logistics between CBP and USCG. The Department also launched an Aviation and Marine Commonalities Pilot Project in the fall of 2012 to test the unified command and control of departmental aviation and marine forces. Complementing this effort, DHS recently began an ER initiative, which will increase cross-component collaboration for aviation-related equipment and maintenance by establishing excess equipment sharing, maintenance services, and contract teaming agreements, as well as other opportunities for aviation-related efficiencies.

#### *Investigations*

A recent partnership between ICE's Homeland Security Investigations and the U.S. Secret Service (USSS) demonstrates the Department's commitment to leveraging capabilities across components and finding efficiencies. Both ICE and USSS are expanding participation in the existing Secret Service Electronic Crimes Task Forces (ECTFs), which will strengthen the Department's cybercrimes investigative capabilities and realize efficiencies in the procurement of computer forensic hardware, software licensing, and training. This collaboration will integrate re-

sources devoted to investigating transnational criminal organizations; transnational child exploitation; financial crime, including money laundering and identity and intellectual property theft; and network intrusions by domestic and international threats. This will further enhance the response capability of the Department to a cyber event by leveraging the assets of the Secret Service's 31 ECTFs, which bring together more than 2,700 international, Federal, State, and local law enforcement partners; 3,100 private-sector members; and 300 academic partners.

*CBP Staffing and Mission Integration*

Given the administration's strong and continued focus on border security, DHS has undertaken a series of initiatives to ensure that CBP's operations are integrated and that Border Patrol agents (BPAs) and CBP officers (CBPOs) are optimally deployed. As part of its mission integration efforts, CBP has applied complementary BPA and CBPO deployments to enhance mission sets both at and between the POEs. Toward this goal, CBP has identified numerous mission areas where BPAs can substantially support: port operations, including canine detection operations for drugs and concealed humans; outbound operations that target currency, firearms, and fugitives; port security, counter-surveillance, and perimeter enforcement operations; inbound secondary conveyance inspections for narcotics and human smuggling. CBP has also identified mission areas where BPAs secure and transport seized contraband.

CBP is realizing significant operational and force-multiplying benefits from deploying BPAs to support POE requirements. Over the last year, these efforts have augmented POE operations, enabling CBP to more effectively address the threat of money and weapons being smuggled southbound into Mexico for use by transnational criminal organizations. In 2013, CBP is expanding these efforts by synchronizing mission integration efforts across the four key southwest border operational corridors: South Texas, El Paso/New Mexico, Arizona, and southern California. The harmonization of current efforts will increase rapid response capability, develop unified intelligence and targeting approaches, and identify additional areas for on-the-ground operational collaboration.

*Supporting Economic Growth and Job Creation*

In support of the President's Executive order on travel and tourism and to continue building upon the administration's significant investments in border security, the fiscal year 2014 budget includes several proposals to invest in the men and women on the frontlines of our 329 POEs along the border and at airports and seaports across the country. Processing the more than 350 million travelers annually provides nearly \$150 billion in economic stimulus, yet the fees that support these operations have not been adjusted in many cases for more than a decade. As the complexity of our operations continues to expand, the gap between fee collections and the operations they support is growing, and the number of workforce hours fees support decreases each year. Accordingly, the budget supports 3,477 new CBPOs to reduce growing wait times at our POEs and increase seizures of illegal items (guns, drugs, currency, and counterfeit goods). This includes appropriated funding for 1,600 additional CBPOs and, with congressional approval, 1,877 new CBPOs through adjustments in immigration and customs inspections user fees to recover more of the costs associated with providing services. These fee proposals will also help address the staffing gap outlined in CBP's Resource Optimization at Ports of Entry, fiscal year 2013 Report to Congress, submitted with the President's budget. In addition, CBP and the U.S. Department of Agriculture are evaluating financial models to achieve full cost recovery for agricultural inspectional services provided by CBP.

Beyond the additional frontline positions, the President's budget also provides direct support for thousands of new jobs through major infrastructure projects such as the National Bio and Agro-Defense Facility (NBAF) and a consolidated departmental headquarters at the St. Elizabeths Campus. Investment in USCG recapitalization projects supports more than 4,000 jobs as well in the shipbuilding and aircraft industries. Through our grant programs we will continue helping local communities to create and maintain jobs, while strengthening the resiliency of important economic sectors and infrastructure. The budget additionally supports CBP and ICE efforts to combat commercial trade fraud, including intellectual property law infringement, estimated to cost the economy up to \$250 billion each year.

Continued investment in Coast Guard frontline operations and recapitalization of its aging fleet helps to protect the Nation's Exclusive Economic Zone, a source of \$122 billion in annual U.S. revenue, and to secure 361 ports and thousands of miles of maritime thoroughfares that support 95 percent of trade with the United States. Through CBP and the Transportation Security Administration (TSA), we continue to promote safe and secure travel and tourism, supporting a \$2.3 trillion tourism

industry. These programs, among others, enhance our Nation's safety and security while fostering economic growth and job creation.

#### BUDGET PRIORITIES

The fiscal year 2014 budget prioritizes programs and activities within the homeland security mission areas outlined in the Department's 2010 Quadrennial Homeland Security Review, the 2010 Bottom-Up Review, and the fiscal year 2012–2016 DHS Strategic Plan, undertaken by the Department to align its DHS resources with a comprehensive strategy to meet the Nation's homeland security needs.

The budget builds on the progress the Department has made in each of its mission areas while strengthening existing capabilities, enhancing partnerships across all levels of government and with the private sector, streamlining operations, and increasing efficiencies.

*Mission 1: Preventing Terrorism and Enhancing Security.*—Protecting the United States from terrorism is the cornerstone of homeland security. DHS's counterterrorism responsibilities focus on three goals: preventing terrorist attacks; preventing the unauthorized acquisition, importation, movement, or use of chemical, biological, radiological, and nuclear materials and capabilities within the United States; and reducing the vulnerability of critical U.S. infrastructure and key resources, essential leadership, and major events to terrorist attacks and other hazards.

*Mission 2: Securing and Managing Our Borders.*—The protection of the Nation's borders—land, air, and sea—from the illegal entry of people, weapons, drugs, and other contraband while facilitating lawful travel and trade is vital to homeland security, as well as the Nation's economic prosperity. The Department's border security and management efforts focus on three interrelated goals: effectively securing U.S. air, land, and sea borders; safeguarding and streamlining lawful trade and travel; and disrupting and dismantling transnational criminal and terrorist organizations.

*Mission 3: Enforcing and Administering Our Immigration Laws.*—DHS is focused on smart and effective enforcement of U.S. immigration laws while streamlining and facilitating the legal immigration process. The Department has fundamentally reformed immigration enforcement, focusing on identifying and removing criminal aliens who pose a threat to public safety and targeting employers who knowingly and repeatedly break the law.

*Mission 4: Safeguarding and Securing Cyberspace.*—DHS is responsible for securing unclassified Federal civilian government networks and working with owners and operators of critical infrastructure to secure their networks through risk assessment, mitigation, and incident response capabilities. To combat cybercrime, DHS leverages the skills and resources of the law enforcement community and interagency partners to investigate and prosecute cyber criminals. DHS also serves as the focal point for the U.S. Government's cybersecurity outreach and awareness efforts to create a more secure environment in which the private or financial information of individuals is better protected.

*Mission 5: Ensuring Resilience to Disasters.*—DHS coordinates the comprehensive Federal efforts to prepare for, protect against, respond to, recover from, and mitigate a terrorist attack, natural disaster, or other large-scale emergency, while working with individuals; communities; the private and nonprofit sectors; faith-based organizations; and Federal, State, local, territorial, and tribal (SLTT) partners to ensure a swift and effective recovery. The Department's efforts to help build a ready and resilient Nation include fostering a whole community approach to emergency management nationally; building the Nation's capacity to stabilize and recover from a catastrophic event; bolstering information sharing and building unity of effort and common strategic understanding among the emergency management team; providing training to our homeland security partners; and leading and coordinating national partnerships to foster preparedness and resilience across the private sector.

In addition to these missions, DHS strives to maximize the effectiveness and efficiency of its operations while strengthening the homeland security enterprise. The collective efforts of Federal, SLTT, non-governmental, and private-sector partners, as well as individuals and communities across the country are critical to our shared security. This includes enhancing shared awareness of risks and threats, building capable, resilient communities and fostering innovative approaches and solutions through cutting-edge science and technology.

The following are highlights of the fiscal year 2014 budget.

#### *Preventing Terrorism and Enhancing Security*

Guarding against terrorism was the founding mission of DHS and remains our top priority. To address evolving terrorist threats and ensure the safety of the traveling public, the budget safeguards the Nation's transportation systems through a

layered detection system and continues to support risk-based security initiatives, including TSA Pre✓™, Global Entry, and other trusted traveler programs. The budget supports administration efforts to secure maritime cargo and the global supply chain by strengthening efforts to prescreen and evaluate high-risk cargo. Investments in DHS's intelligence and targeting programs coupled with the expansion of the National Targeting Center, supported by the budget, will increase operational efficiencies and enhance our ability to interdict threats and dangerous people before they reach the United States.

Funding is included for cutting-edge R&D to address evolving biological, radiological, and nuclear threats. Among the important research investments is the construction of NBAF, a state-of-the-art bio-containment facility for the study of foreign animal and emerging zoonotic diseases that will replace the inadequate facility at Plum Island. The budget funds the Securing the Cities (STC) program to protect our highest risk cities from radiological or nuclear attack and continues national bio-preparedness and response efforts. The budget also continues strong support for State and local partners through the NPGP, training, fusion centers, and intelligence analysis and information sharing on a wide range of critical homeland security issues.

- Strengthening Risk-Based Aviation Security.*—The fiscal year 2014 budget supports DHS's effort to employ risk-based, intelligence-driven operations to prevent terrorist attacks and to reduce the vulnerability of the Nation's aviation system to terrorism. These security measures create a multi-layered system to strengthen aviation security from the time a passenger purchases a ticket to arrival at his or her destination. The fiscal year 2014 budget:
  - Continues expansion of trusted traveler programs, such as TSA Pre✓™ and Global Entry, which are pre-screening initiatives for travelers who volunteer information about themselves before flying in order to potentially expedite screening at domestic checkpoints and through customs. By 2014, TSA anticipates that one in four members of the traveling public will be eligible for expedited domestic screening.
  - Continues enhanced behavior detection in which interview and behavioral analysis techniques are used to determine if a traveler should be referred for additional screening at the checkpoint. Analyses from pilots in fiscal year 2013 will inform the next steps on how larger scale implementation in fiscal year 2014 could improve capabilities in a risk-based security environment.
  - Expands Secure Flight to perform watch list matching for passengers before boarding large general aviation aircraft. An estimated 11 million additional Secure Flight Passenger Data sets are expected to be submitted by general aviation operators per year.
  - Supports, as part of its multi-layered security strategy, the Federal Flight Deck Officer and Flight Crew program as a fully reimbursable program under FLETC's existing authorities.
  - Prioritizes TSA's mission-critical screening functions, and proposes the transfer of all exit lane staffing to local airports pursuant to Federal regulatory authorities. Airports will be responsible for integrating exit lane security into their perimeter security plans, which are assessed regularly by TSA.
- Enhancing International Collaboration.*—To most effectively carry out our core missions, DHS continues to engage countries around the world to protect both national and economic security. The fiscal year 2014 budget supports DHS's strategic partnerships with international allies and enhanced targeting and information-sharing efforts to interdict threats and dangerous people and cargo at the earliest point possible. The Secretary's focus on international partnerships includes elevating the Office of International Affairs to a stand-alone office and a direct report. The fiscal year 2014 budget:
  - Supports the Immigration Advisory Program and the continued growth of the Pre-Departure Vetting, which have experienced a 156-percent increase in the number of no board recommendations since 2010. Through these programs, CBP identifies high-risk travelers who are likely to be inadmissible into the United States and makes recommendations to commercial carriers to deny boarding.
  - Continues to modernize the IT capability for screening visa applications to support the expansion of Visa Security Program (VSP) coverage at existing overseas high-risk visa adjudication posts. The VSP represents ICE's front line in protecting the United States against terrorists and criminal organizations by preventing foreign nationals who pose as a threat to national security from entering the United States. In fiscal year 2014, VSP will enhance visa vetting by increasing automated data exchange with the Department of State and CBP's National Targeting Center. ICE will leverage modernization to in-

- crease investigations of visa applicants who pose a potential high risk for terrorism and are attempting to travel to the United States.
- Supports the bilateral Beyond the Border Action Plan with Canada, including CBP's pre-inspection efforts in rail, land, and marine environments. Pre-inspection is a precursor to preclearance, which supports DHS's extended border strategy through the identification and prevention of terrorists, criminals, and other national security threats before they enter the United States. Pre-inspection/preclearance also helps protect U.S. agriculture from the spread of foreign pests, disease and global outbreaks.
  - Supporting Surface Transportation Security.*—The surface transportation sector, due to its open access architecture, has a fundamentally different operational environment than aviation. Accordingly, DHS helps secure surface transportation infrastructure through risk-based security assessments, critical infrastructure hardening, and close partnerships with SLLE partners. The fiscal year 2014 budget supports DHS's efforts to bolster these efforts. Specifically, the budget:
    - Includes the NPGP, described in more detail on the following pages. This proposal focuses on building national capabilities focused on preventing and responding to threats across the country, including the surface transportation sector, through urban search and rescue teams, canine explosives detection teams, and HAZMAT response as well as target hardening of critical transit infrastructure.
    - Funds surface transportation security inspectors and canine teams who work collaboratively with public and private-sector partners to strengthen security and mitigate the risk to our Nation's transportation systems.
    - Supports compliance inspections throughout the freight rail and mass transit domains, critical facility security reviews for pipeline facilities, comprehensive mass transit assessments that focus on high-risk transit agencies, and corporate security reviews conducted in multiple modes of transportation to assess security.
    - Funds 37 Visible Intermodal Prevention and Response (VIPR) teams, including 22 multi-modal Teams. VIPR teams are composed of personnel with expertise in inspection, behavior detection, security screening, and law enforcement for random, unpredictable deployments throughout the transportation sector to prevent potential terrorist and criminal acts.
    - Helps secure critical infrastructure and key resources located on or near the water through patrols, enforcing security zones and security escorts of certain vessels (e.g., vessels containing hazardous cargo) in key U.S. ports and waterways.
  - Strengthening Global Supply Chain Security.*—The fiscal year 2014 budget continues to support the administration's Global Supply Chain Security Strategy, which provides a national vision for global supply chain security that is secure, efficient, and resilient across air, land, and sea modes of transportation. The budget:
    - Supports increased targeting capability through enhanced automated systems providing CBP with real-time information to focus its enforcement activities on higher risk passengers and cargo.
    - Supports the consolidation of CBP's separate cargo and passenger targeting locations, which will promote increased targeting efficiencies and reduced delays of travelers and cargo.
    - Strengthens the Container Security Initiative, enabling CBP to prescreen and evaluate high-risk containers before they are shipped to the United States.
    - Continues support to improve the coordination of international cargo security efforts, accelerate security efforts in response to vulnerabilities, ensure compliance with screening requirements, and strengthen aviation security operations overseas.
    - Supports ongoing assessments of anti-terrorism measures in the ports of our maritime trading partners through the Coast Guard International Port Security Program.
    - Supports enhanced system efficiency through continued development and deployment of the International Trade Data System. This important resource provides a single automated window for submitting trade information to the Federal agencies responsible for facilitating international trade and securing America's supply chain.
  - Research, Development, and Innovation (RD&I) at S&T.*—The fiscal year 2014 budget includes \$467 million for RD&I, a \$200 million increase from fiscal year 2012 enacted levels. This funding includes support for unclassified cybersecurity research that supports the public and private sectors and the global Internet

infrastructure. It also allows S&T to resume R&D in areas such as land and maritime border security; chemical, biological, and explosive defense research; disaster resilience; cybersecurity; and counterterrorism.

—*Support to SLLE.*—The fiscal year 2014 budget continues support for SLLE efforts to understand, recognize, prevent, and respond to pre-operational activity and other crimes that are precursors or indicators of terrorist activity through training, technical assistance, exercise support, security clearances, connectivity to Federal systems, technology, and grant funding. The budget supports efforts to share intelligence and information on a wide range of critical homeland security issues. The budget continues to build State and local analytic capabilities through the National Network of Fusion Centers, with a focus on strengthening cross-Department and cross-government interaction with fusion centers. It also elevates the Office of State and local law enforcement to a stand-alone office. The budget:

—Enables DHS to continue to assess capability development and performance improvements of the National Network of Fusion Centers through an annual assessment, collection of outcomes-based performance data, and targeted exercises. Resources also enable the Office of Intelligence and Analysis, in partnership with the Office for Civil Rights and Civil Liberties and the Privacy Office, to provide privacy and civil rights and civil liberties training and technical assistance support for fusion centers and their respective liaison officer programs. Additionally, unique partnerships with FEMA, NPPD, USCG, and ICE have facilitated additional analytic training for fusion center analysts on a variety of topics.

—Continues to support SLTT efforts to counter violent extremism, including the delivery of Building Communities of Trust initiative roundtables, which focus on developing trust between community leaders and law enforcement officials so they cooperatively address the challenges of crime and terrorism.

—Expands, in partnership with the Departments of Justice (DOJ), Education, and Health and Human Services, ongoing efforts to prevent future mass casualty shootings, improve preparedness, and strengthen security and resilience in schools and other potential targets while working with partners at all levels of government.

—*Biological, Radiological, and Nuclear Threat Detection.*—Countering biological, nuclear, and radiological threats requires a coordinated, whole-of-government approach. DHS, through the Domestic Nuclear Detection Office (DNDO) and the Office of Health Affairs, works in partnership with agencies across Federal, State, and local governments to prevent and deter attacks using radiological and nuclear (rad/nuc) weapons through nuclear detection and forensics programs and provides medical and scientific expertise to support bio-preparedness and response efforts.

The fiscal year 2014 budget supports the following efforts:

—*Global Nuclear Detection Architecture (GNDA).*—DNDO, in coordination with other DHS components, the Attorney General, and the Departments of State, Defense, and Energy, leads the continued evolution of the GNDA. This comprehensive framework incorporates detector systems, telecommunication, and personnel, with the supporting information exchanges, programs, and protocols that serve to detect, analyze, and report on rad/nuc materials that are not in regulatory control.

—*STC.*—\$22 million is requested for the STC program to continue developing the domestic portion of the GNDA to enhance the Nation's ability to detect and prevent a radiological or nuclear attack in our highest risk cities.

—*Transformational R&D.*—Funding is requested to develop and demonstrate scientific and technological approaches that address gaps in the GNDA and improve the performance of rad/nuc detection and technical nuclear forensic capabilities. R&D investments are made on the basis of competitive awards, with investigators in all sectors—government laboratories, academia, and private industry—encouraged to participate.

—*Rad/Nuc Detection.*—Supports the procurement and deployment of Radiation Portal Monitors and Human Portable Radiation Detection Systems, providing vital detection equipment to CBP, USCG, and TSA to scan for rad/nuc threats.

—*BioWatch.*—Continues operations and maintenance of the federally managed, locally operated, nationwide bio-surveillance system designed to detect the release of aerosolized biological agents.

—*NBAF.*—The budget provides full funding for the construction of the main laboratory at NBAF when coupled with the increased cost share from the State of Kansas. This innovative Federal-State partnership will support the first Bio Level 4 lab facility of its kind, a state-of-the-art bio-containment facility for the

study of foreign animal and emerging zoonotic diseases that is central to the protection of the Nation's food supply as well as our national and economic security.

In partnership with the State of Kansas, DHS is committed to building a safe and secure facility in Manhattan, Kansas. The main laboratory facility includes enhanced safety and security features to ensure research conducted within the facility will be contained, ultimately protecting the surrounding region and the Nation's food supply. These features, which are incorporated into the current NBAF design and address safety recommendations of the National Academies of Sciences, include specialized air and water decontamination systems, new technologies to handle solid waste on site, and structural components to strengthen the laboratory against hazardous weather conditions.

Funding is also provided for life and safety infrastructure repairs at Plum Island Animal Disease Center while NBAF is being built, to ensure an appropriate transition of research from Plum Island, New York, to Manhattan, Kansas.

#### *Securing and Managing Our Borders*

The budget continues the administration's robust border security efforts, while facilitating legitimate travel and trade. It sustains historic deployments of personnel along U.S. borders as well as the continued utilization of proven, effective surveillance technology along the highest trafficked areas of the southwest border to continue achieving record levels of apprehensions and seizures. In support of the President's Executive order on travel and tourism, the budget funds a record number of CBPOs through appropriated funds and proposed increases to user fee rates, to expedite travel and trade while reducing wait times at more than 300 POEs along the border and at airports and seaports across the country. Increased POE staffing of 1,600 CBPOs funded through appropriations and 1,877 CBPOs funded through user fee increases will have a direct impact on the economy. On the basis of a study conducted by the National Center for Risk and Economic Analysis of Terrorism Events—University of Southern California, initial estimates indicate that for every 1,000 CBPOs added, the United States can anticipate a \$2 billion increase in gross domestic product. That research indicates that these additional CBPOs may result in approximately 110,000 more jobs and a potential increase of \$6.95 billion in gross domestic product.

To secure the Nation's maritime borders and 3.4 million nautical square miles of maritime territory, the budget invests in recapitalization of USCG assets and provides operational funding for new assets coming on line, including national security cutters (NSCs), fast response cutters (FRCs), response boats-medium, maritime patrol aircraft, and command and control systems.

—*Law Enforcement Officers.*—The budget supports 21,370 BPAs and a record 25,252 CBPOs at POEs who work with Federal, State, and local law enforcement to target illicit networks trafficking in people, drugs, illegal weapons, and money and to expedite legal travel and trade. This includes funds from proposed increases to inspection user fees.

—*Travel and Trade.*—In 2012, President Obama announced new administrative initiatives through Executive Order 13597 to increase travel and tourism throughout and to the United States, and DHS plays an important role in this work. As discussed in the highlights section, DHS is continuing to develop new ways to increase the efficiency of our port operations and to make international travel and trade easier, more cost-effective and more secure.

—*Technology.*—Funding is requested to support the continued deployment of proven, effective surveillance technology along the highest trafficked areas of the southwest border. Funds will be used to procure and deploy commercially available technology tailored to the operational requirements of the Border Patrol, the distinct terrain, and the population density within Arizona.

—*Tethered Aerostat Radar System (TARS).*—DHS will take over operations of TARS beginning in fiscal year 2014. TARS is a multi-mission capability that supports both the counterdrug and air defense missions, providing long-range detection and monitoring of low-level air, maritime, and surface narcotics traffickers.

—*Targeting and Analysis.*—The budget includes additional investments in CBP's targeting capabilities, which will enable CBP to develop and implement an enhanced strategy that more effectively and efficiently divides cargo and travelers according to the potential threat they pose.

—*POE Infrastructure.*—CBP, working with its various partners including GSA, continues to modernize and maintain border infrastructure that both facilitates trade and travel, and helps secure the border. In fiscal year 2014, CBP will

work with GSA to complete the last phase of the Nogales-Mariposa inspection facility and initiate the site acquisition and design for the southbound phase of the San Ysidro modernization project. Additionally, CBP will work with GSA to initiate construction of a new bus processing terminal at the Lincoln-Juarez Bridge and renovation of the passenger and pedestrian processing facility at the Convent Street inspection facility in Laredo, Texas. Beginning in late fiscal year 2013 and continuing in fiscal year 2014, CBP will assume responsibility for the building operations, maintenance, and repair of the land port inspection facilities from GSA to streamline administrative processes and improve the responsiveness to CBP mission requirements. Finally, CBP proposes legislative authority in the fiscal year 2014 budget to accept donations from the private sector.

- CBP Air and Marine Procurement.*—Funding is requested for two KA-350CER Multi-Role Enforcement Aircraft (MEA), which provide direct support to CBP efforts to secure our Nation's borders. Unlike the older, less-capable aircraft they are replacing, MEA has the capabilities to detect, track, and intercept general aviation threats; detect and track maritime threats over a wide area; and support ground interdiction operations through a variety of sensors and advanced data and video down-link.
- Collect Customs Revenue.*—Funds are requested to support CBP's role as a revenue collector for the U.S. Treasury; customs revenue remains the second largest source of revenue for the Federal Government. CBP relies on bonds to collect duties owed when importers fail to pay and efforts to collect from the importer are not successful. This funding will support improvements to increase the efficacy of CBP's bonding process, including the delegation to a centralized office the responsibility for developing and implementing Single Transaction Bond (STB) policy, approving bond applications, reporting on activities, and monitoring results. These resources will fund the automation of STB processing and record keeping and provide effective internal controls that protect the duties and taxes (more than \$38 billion in 2012) collected by CBP. Specifically, CBP will automate and centralize into one location processing of all STBs, resulting in enhanced program oversight, consistent processing, and reduced write-offs and delinquencies.
- Protect Trade and Intellectual Property Rights Enforcement.*—Funding is requested to support intellectual property and commercial trade fraud investigations within ICE's National Intellectual Property Rights Coordination Center (IPR Center). With 21 partners and the expertise of the Federal Government's largest law enforcement agencies, the IPR Center brings together the full range of legal authorities and law enforcement tools to combat intellectual property theft, including medical regulation; patent, trademark, and copyright protection; border enforcement; organized crime investigations; and undercover operations. ICE will also increase collaboration with CBP through a joint fraud enforcement strategy to coordinate commercial fraud enforcement operations. The fiscal year 2014 budget also supports CBP's enforcement programs to prevent trade in counterfeit and pirated goods, and to protect consumers and national security from harm from counterfeit goods through special enforcement operations to increase IPR seizures and referrals for criminal investigation. In addition, the fiscal year 2014 budget supports technology and training to increase the efficiency of targeting IPR infringing merchandise.
- USCG Recapitalization.*—The fiscal year 2014 request fully funds a seventh NSC; supports patrol boat recapitalization through the FRC acquisition; continues acquisitions of the offshore patrol cutter and a new polar ice breaker; and provides for critical upgrades to command, control, and aviation sustainment. The total request for USCG Acquisition, Construction, and Improvements is \$951 million.
- USCG Operations.*—The fiscal year 2014 request funds nearly 50,000 full-time personnel and nearly 7,000 reservists to maintain safety, security, and stewardship of our Nation's waters and maritime borders. Funds will support a full range of Coast Guard cutters, aircraft, and boats to address threats from inside the ports, within customs waters and out on the high seas.

#### *Enforcing and Administering Our Immigration Laws*

In the area of immigration, the budget supports the administration's unprecedented efforts to more effectively focus the enforcement system on public safety threats, border security, and the integrity of the immigration system while streamlining and facilitating the legal immigration process. Initiatives such as Deferred Action for Childhood Arrivals and greater use of prosecutorial discretion, where appropriate, support DHS efforts to focus finite resources on individuals who pose a

danger to national security or a risk to public safety, and other high-priority cases. At the same time, the budget significantly reduces inefficient 287(g) task force agreements, while supporting more cost-efficient initiatives like the Secure Communities program. Nationwide implementation of Secure Communities and other enforcement initiatives, coupled with continued collaboration with DOJ to focus resources on the detained docket, is expected to result in the continued increase in the identification and removal of criminal aliens and other priority individuals.

The budget provides the resources needed to address this changing population, while continuing to support Alternatives to Detention, detention reform, and immigrant integration efforts. Resources are also focused on monitoring and compliance, promoting adherence to worksite-related laws, form I-9 inspections, and enhancements to the E-Verify program.

*Secure Communities.*—In fiscal year 2013, the Department completed nationwide deployment of the Secure Communities program, which uses biometric information and services to identify and remove criminal and other priority aliens found in State prisons and local jails. Secure Communities is an important tool in ICE's efforts to focus its immigration enforcement resources on the highest priority individuals who pose a threat to public safety or national security, and the budget continues support of this program. ICE is committed to ensuring the Secure Communities program respects civil rights and civil liberties, and works closely with law enforcement agencies and stakeholders across the country to ensure the program operates in the most effective manner possible. To this end, ICE has issued guidance regarding the exercise of prosecutorial discretion in appropriate cases, including in cases involving witnesses and victims of crime, implemented enhanced training for SLLE regarding civil rights issues, and released new guidance that limits the use of detainers to the agency's enforcement priorities and restricts the use of detainers against individuals arrested for minor misdemeanor offenses such as traffic offenses and other petty crimes, among other recent improvements. The budget also includes \$10 million for 73 ICE attorney positions that will continue prosecutorial discretion reviews of new cases to ensure that resources at the Executive Office for Immigration Review and ICE are focused on priority cases.

—*Immigration Detention.*—Under this administration, ICE has focused its immigration enforcement efforts on identifying and removing priority aliens, including criminals, repeat immigration law violators, and recent border entrants. As ICE focuses on criminal and other priority cases, the agency continues to work to reduce the time removable aliens spend in detention custody, going from 37 days in fiscal year 2010 to fewer than 32 days in fiscal year 2012. Consistent with its stated enforcement priorities and guidance to the field, ICE will continue to focus detention and removal resources on those individuals who have criminal convictions or fall under other priority categories. For low-risk individuals, ICE will work to enhance the effectiveness of Alternatives to Detention, which provides a lower per-day cost than detention. To ensure the most cost-effective use of Federal resources, the budget includes flexibility to transfer funding between immigration detention and the Alternatives to Detention program, commensurate with the level of risk a detainee presents.

—*287(g) Program.*—The budget reflects the cancellation of inefficient task force officer model agreements, reducing the cost of the 287(g) program by \$44 million. The 287(g) jail model agreements, as well as programs such as Secure Communities, have proven to be more efficient and effective in identifying and removing criminal and other priority aliens than the task force officer model agreements.

—*Detention Reform.*—ICE will continue building on ongoing detention reform efforts in fiscal year 2014. In fiscal year 2013, ICE implemented its new Risk Classification Assessment nationwide to improve transparency and uniformity in detention custody and classification decisions and to promote identification of vulnerable populations. ICE will continue to work with DOJ to reduce the average length of stay in detention by working to secure orders of removal before the release of criminal aliens from DOJ custody. In addition, ICE will continue implementation of the new transfer directive, which is designed to minimize long-distance transfers of detainees within ICE's detention system, especially for those detainees with family members in the area, local attorneys, or pending immigration proceedings. ICE will also continue implementation of revised national detention standards designed to maximize access to counsel, visitation, and quality medical and mental healthcare in additional facilities. Finally, DHS anticipates that the rulemaking applying the Prison Rape Elimination Act to DHS confinement facilities will be finalized in fiscal year 2013 and implemented in fiscal year 2013 and fiscal year 2014.

- Worksite Enforcement*.—Requested funds will continue the Department’s focus to promote compliance with worksite-related laws through criminal prosecutions of egregious employers, form I–9 inspections, civil fines, and debarment, as well as education and compliance tools.
- E-Verify*.—The budget provides \$114 million to support the continued expansion and enhancement of E-Verify, the administration’s electronic employment eligibility verification system. This funding will also continue support for the expansion of the E-Verify Self-Check program, a voluntary, free, fast, and secure online service that allows individuals in the United States to confirm the accuracy of government records related to their employment eligibility status before formally seeking employment. These enhancements will give individuals unprecedented control over how their social security numbers are used in E-Verify and will further strengthen DHS’s ability to identify and prevent identity fraud. In fiscal year 2014, U.S. Citizenship and Immigration Services (USCIS) also plans to phase in an enhanced enrollment process for E-Verify that reduces the enrollment burden on the employer and the Federal Government, and that will provide more-detailed user information for compliance assistance activities. Additionally, USCIS will finalize the requirements for the electronic I–9 and its supporting processes for E-Verify. These enhancements will deploy in phases in fiscal year 2014 and subsequent years.
- Verification Information System (VIS)*.—The budget includes \$12 million to fund the VIS Modernization initiative, a major redesign of the system that supports E-Verify that will transform the current E-Verify system, and improve usability and overall ease of operations.
- Immigrant Integration*.—The budget includes \$10 million to continue support for USCIS immigrant integration efforts—a key element of the President’s immigration principles—through funding of citizenship and integration program activities including competitive grants to local immigrant-serving organizations to strengthen citizenship preparation programs for permanent residents.
- Systematic Alien Verification for Entitlements (SAVE)*.—The fiscal year 2014 budget continues support for USCIS SAVE operations and enhancements to assist local, State, and Federal agencies in determining the immigration status of benefit applicants. This effort is funded through the Immigration Examinations Fee Account.
- USCIS Business Transformation*.—The budget continues the multiyear effort to transform USCIS from a paper-based filing system to a customer-focused electronic filing system. This effort is funded through the Immigration Examinations Fee Account. In fiscal year 2013, USCIS will deploy additional functionality into the agency’s Electronic Immigration System (ELIS) to allow processing of 1 million customer requests annually. USCIS is committed to adding functionality and benefit types until all workload is processed through ELIS.

#### *Safeguarding and Securing Cyberspace*

The budget supports initiatives to secure our Nation’s information and financial systems and to defend against cyber threats to private-sector and Federal systems, the Nation’s critical infrastructure, and the U.S. economy. It also supports the President’s Executive order on improving critical infrastructure cybersecurity and the Presidential policy directive on critical infrastructure security and resilience. Taken together, the administration’s initiatives strengthen the security and resilience of critical infrastructure against evolving threats through an updated and overarching national framework that acknowledges the linkage between cybersecurity and securing physical assets.

Included in the fiscal year 2014 budget are enhancements to the National Cybersecurity Protection System (NCPS) to prevent and detect intrusions on government computer systems, and to the National Cybersecurity and Communications Integration Center to protect against and respond to cybersecurity threats. The budget also leverages a new operational partnership between ICE and USSS through the established network of USSS ECTFs to safeguard the Nation’s financial payment systems, combat cybercrimes, target transnational child exploitation including large-scale producers and distributors of child pornography, and prevent attacks against U.S. critical infrastructure.

- Federal Network Security*.—\$200 million is included for Federal Network Security, which manages activities designed to enable Federal agencies to secure their IT networks. The budget provides funding to further reduce risk in the Federal cyber domain by enabling continuous monitoring and diagnostics of networks in support of mitigation activities designed to strengthen the operational security posture of Federal civilian networks. DHS will directly support Federal civilian departments and agencies in developing capabilities to improve their

cybersecurity posture and to better thwart advanced, persistent cyber threats that are emerging in a dynamic threat environment.

- NCPS*.—\$406 million is included for Network Security Deployment, which manages NCPS, operationally known as EINSTEIN. NCPS is an integrated intrusion detection, analytics, information-sharing, and intrusion-prevention system that supports DHS responsibilities to defend Federal civilian networks.
- US-Computer Emergency Readiness Team (US-CERT)*.—\$102 million is included for operations of US-CERT, which leads and coordinates efforts to improve the Nation’s cybersecurity posture, promotes cyber information sharing, and manages cyber risks to the Nation. US-CERT encompasses the activities that provide immediate customer support and incident response, including 24-hour support in the National Cybersecurity and Communications Integration Center. As more Federal network traffic is covered by NCPS, additional US-CERT analysts are required to ensure cyber threats are detected and the Federal response is effective.
- SLTT Engagement*.—In fiscal year 2014, DHS will expand its support to the Multi-State Information Sharing and Analysis Center (MS-ISAC) to assist in providing coverage for all 50 States and 6 U.S. territories in its managed security services program. MS-ISAC is a central entity through which SLTT governments can strengthen their security posture through network defense services and receive early warnings of cyber threats. In addition, the MS-ISAC shares cybersecurity incident information, trends, and other analysis for security planning.
- Cybersecurity R&D*.—The fiscal year 2014 budget includes \$70 million for S&T’s R&D focused on strengthening the Nation’s cybersecurity capabilities.
- Cyber Investigations*.—The fiscal year 2014 budget continues to support ICE and USSS efforts to provide computer forensics support and training for investigations into domestic and international criminal activities, including computer fraud, network intrusions, financial crimes, access device fraud, bank fraud, identity crimes and telecommunications fraud, benefits fraud, arms and strategic technology, money laundering, counterfeit pharmaceuticals, child pornography, and human trafficking occurring on or through the Internet. USSS ECTFs will also continue to focus on the prevention of cyber attacks against U.S. financial payment systems and critical infrastructure.

#### *Ensuring Resilience to Disasters*

The Department’s efforts to build a ready and resilient Nation focuses on a whole community approach to emergency management by engaging partners at all levels to build, sustain, and improve our capability to prepare for, protect against, respond to, recover from, and mitigate all hazards. In the event of a terrorist attack, natural disaster, or other large-scale emergency, DHS provides the coordinated, comprehensive Federal response while working with Federal, State, local, and private-sector partners to ensure a swift and effective recovery effort.

To support the objectives of the National Preparedness Goal (NPG) and to leverage limited grant funding in the current fiscal environment, the administration is again proposing the NPGP to create a robust national response capacity based on cross-jurisdictional and readily deployable State and local assets, with appropriate adjustments to respond to stakeholder feedback received in 2012. While providing a structure that will give grantees more certainty about how funding will flow, the proposal continues to utilize a comprehensive process for assessing regional and national gaps, identifying and prioritizing deployable capabilities, and requiring grantees to regularly report progress in the acquisition and development of these capabilities.

The budget also funds initiatives associated with the NPG; FEMA’s continued development of catastrophic plans, which include regional plans for response to earthquakes and hurricanes and medical countermeasure dispensing; and training for 2 million emergency managers and first responders.

*State and Local Grants*.—The budget includes \$2.1 billion for State and local grants, consistent with the amount appropriated by Congress in fiscal year 2012. This funding will sustain resources for fire and emergency management programs while consolidating all other grants into the new, streamlined NPGP. In fiscal year 2014, the NPGP will:

- Focus on the development and sustainment of core national emergency management and homeland security capabilities.
- Utilize gap analyses to determine asset and resource deficiencies and inform the development of new capabilities through a competitive process.
- Build a robust national response capacity based on cross-jurisdictional and readily deployable State and local assets.

Using a competitive, risk-based model, the NPGP will use a comprehensive process for identifying and prioritizing deployable capabilities, limit periods of performance to put funding to work quickly, and require grantees to regularly report progress in the acquisition and development of these capabilities.

—*Firefighter Assistance Grants.*—The budget provides \$670 million for Firefighter Assistance Grants. Included in the amount is \$335 million for Staffing for Adequate Fire and Emergency Response (SAFER) Grants to retain and hire firefighters and first responders, and \$335 million for Assistance to Firefighter Grants, of which \$20 million is provided for Fire Prevention and Safety Grants. The administration re-proposes \$1 billion for SAFER grants as part of the First Responder Stabilization Fund, which was originally proposed in the American Jobs Act.

—*Emergency Management Performance Grants (EMPGs).*—Also included in the budget is \$350 million to support emergency managers and emergency management offices in every State across the country. EMPG supports State and local governments in developing and sustaining the core capabilities identified in the NPG and achieving measurable results in key functional areas of emergency management.

—*DRF.*—A total of \$6.2 billion is provided for the DRF. Of this, \$586 million is included in the Department's base budget with the remainder provided through the Budget Control Act budget cap adjustment. The DRF provides a significant portion of the total Federal response to victims in Presidentially declared disasters or emergencies. Because of recently passed legislation, Native American tribes can now request Presidential major or emergency declarations. Two tribes, the Eastern Band of Cherokee Indians and the Navajo Nation, have already received declarations in 2013.

—*National Flood Insurance Program (NFIP).*—The NFIP is fully funded by policy fees. This program helps to reduce the risk of flood damage to existing buildings and infrastructure by providing flood-related grants to States, communities, and tribal nations. The fiscal year 2014 budget reflects implementation of the Biggert-Waters Flood Insurance Reform Act of 2012. The act improves fiscal soundness by phasing out subsidies for structures built before their flood risk was identified on a Flood Insurance Rate Map. In addition, the act establishes a reserve fund to be used for the payment of claims and claims-handling expenses as well as principal and interest payments on any outstanding Treasury loans. The budget includes a \$3.5 billion mandatory budget authority, of which \$100 million will be used for three interrelated mitigation grant programs to increase America's resiliency to floods.

—*Training/Exercises.*—The budget includes \$165 million for training and exercise activities to support Federal, State, and local officials and first responders. In fiscal year 2014, the Department expects to train more than 2 million first responders and, under the revised National Exercise Program, will conduct more than a dozen exercises across the country to help improve national preparedness. The budget also supports conducting a Spill of National Significance exercise, and continues development of equipment and techniques that can be used to detect, track, and recover oil in ice-filled waters.

—*Emergency Management Oversight.*—The budget includes \$24 million in base resources for the Office of the Inspector General to continue its emergency management oversight operations.

—*Incident Management.*—The budget enables the Coast Guard to achieve full operational capability for the incident management assist team, providing an immediate, highly proficient, and deployable surge capacity to incident commanders nationwide for response to threats and other disasters.

*Maturing and Strengthening the Department and the Homeland Security Enterprise*

*St. Elizabeths Campus.*—The budget includes \$92.7 million to support construction at the St. Elizabeths Campus. Currently, the Department's facilities are scattered in more than 50 locations throughout the National Capital Region, affecting critical communication and coordination across DHS components. USCG will move to St. Elizabeths in fiscal year 2013. To support the incident management and command-and-control requirements of our mission, the Department will continue development of the DHS consolidated headquarters at St. Elizabeths Campus. The requested funding will support phase 2 renovation of the Center Building Complex for the Secretary's Office and key headquarters functions for command, control, and management of the Department.

*Data Center Consolidation.*—The fiscal year 2014 budget includes \$54.2 million for data center consolidation funding, which will be used to migrate FEMA, USCIS, TSA, and CBP to the enterprise data centers. A recent study performed by the De-

partment's Office of the Chief Financial Officer analyzed 10 of the first completed migrations to enterprise data centers and determined that an average savings of 14 percent, about \$17.4 million in annual savings, had been achieved.

#### CONCLUSION

The Department's fiscal year 2014 budget proposal reflects the administration's strong commitment to protecting the homeland and the American people through the effective and efficient use of DHS resources. As outlined in my testimony today, we will continue to preserve core frontline priorities across the Department by cutting costs, sharing resources across components, and streamlining operations wherever possible.

In general, the President's fiscal year 2014 budget demonstrates that we can make critical investments to strengthen the middle class, create jobs, and grow the economy while continuing to cut the deficit in a balanced way. The President believes we must invest in the true engine of America's economic growth—a rising and thriving middle class.

The President's budget invests in high-tech manufacturing and innovation, clean energy, and infrastructure, while cutting red tape to help businesses grow. As I outlined earlier, our budget submission accomplishes these goals with responsible investments in the NBAF, St. Elizabeths, USCG recapitalization, and in cybersecurity—all of which will create jobs and provide opportunities for local economies to grow. We also propose 3,400 new CBPOs, jobs which will reduce wait-times at our POEs, strengthening security and increasing trade and tourism.

Thank you for inviting me to appear before you today. I look forward to answering your questions and to working with you on the Department's fiscal year 2014 budget request and other homeland security issues.

#### VIOLENT EXTREMISM

Senator LANDRIEU. Thank you. Let me begin with a first 5-minute round, and then we'll go in order of appearance: Senator Cochran, Senator Begich, Senator Murkowski, and Senator Moran.

Madam Secretary, in 2011, the White House released a strategy to counter violent extremism “to prevent violent extremists and their supporters from inspiring, radicalizing, financing and recruiting individuals or groups in the United States to commit acts of violence.” What are your biggest domestic radicalization-related concerns, particularly post-Boston, and what new efforts will the administration pursue or step up existing efforts? I know some of this is classified, but I would like you to comment on the concerns people have about the radicalization of these particular suspects.

Secretary NAPOLITANO. Well, Madam Chair, I think stepping back from Boston, when we look at Boston and Aurora and Tucson and Newtown and other events, one thing that is more and more clear is that we really don't have a clear understanding of the path that leads someone to become not just radical but to act out in a violent way, motivated by a jihadist ideology or another type of ideology.

What we have been doing is focusing, working with the FBI and others on identifying the early behaviors and indicators that could provide a tip that someone along the continuum is moving to violence. We have prepared an extensive training curriculum that has been beta tested. It is now being used at the Federal Law Enforcement Training Center (FLETC), among other places. We have been providing a lot of support through training and exercise, as I mentioned in my testimony, and I think we're going to have to continue those, because one of the things that Boston makes clear is that you never can 100 percent know whether something is going to happen. You have to be prepared, and exercising makes a lot of difference.

## IMPROVISED EXPLOSIVE DEVICES

Senator LANDRIEU. Let me follow up. People are very shocked to see these improvised explosive devices. I want to note for the record that there were five such attempts recently that were blocked. This one, unfortunately, succeeded, an improvised device in a large crowd causing serious damage and injury to individuals, including the death of some.

Are there some better ways that we could act to try to detect these types of devices before they are detonated? I know that there is no substitute for a well-trained police force and that the streets were swept, but are there any new technologies are being developed or deployed that you may want to comment on at this time?

Secretary NAPOLITANO. Only to say that we are constantly looking for better detection equipment. Actually, our Science and Technology Director has several projects underway there. Obviously, we have also been doing that in relation to the air and the airport environment. We are working with the Department of Defense, seeing what technologies it has developed that may be appropriate for use in a domestic environment. So a lot of that work is and has been underway.

## CHEMICAL FACILITY ANTI-TERRORISM STANDARDS

Senator LANDRIEU. I am glad Senator Mikulski brought up West, Texas, and I want to add an addendum to my opening statement because our hearts go out to this community as well that suffered what looks like a man-made tragedy at a fertilizer plants, killing 14 people and injuring 260. Our prayers are with that community today.

But it was surprising to me, Madam Secretary, to find that 11 Federal Departments and Agencies have major roles in chemical security in this Nation, including this Department of Homeland Security. Yet, I understand that this particular facility was not known to DHS, although it held significant quantities of chemicals at risk. Can you comment briefly on this? I only have a few, about 1½ minutes left, but could you comment about what your Department did or didn't know and what actions you have taken to look further into this situation?

Secretary NAPOLITANO. My understanding, and I will correct this later if I'm wrong, my understanding is that the facility had not reported, as it was required to do, when it had crossed the threshold level of amount to be under the CFATS program. So we are following up on that and making sure that whatever needs to be done is done.

Senator LANDRIEU. Well, I hope so, and I will just follow up. I'm looking more into this myself, as are other committees. But for these small or large plants, when they report, to have that information shared appropriately at State and Federal levels so that reports that are given are shared and the burden does not necessarily unduly fall on the companies. However, they clearly have a responsibility, and I think that while it was overshadowed by Boston, this is going to be an important subject of attention by our subcommittee, and I'm sure others.

Let me go to Senator Cochran.

## COAST GUARD VESSELS

Senator COCHRAN. Madam Chairman, it's a pleasure to join you in welcoming the distinguished Secretary of Homeland Security to our hearing today. It's been a pleasure working with the distinguished Senator from Louisiana, particularly on the acquisition of vessels that are needed by the Coast Guard and other agencies in your Department. There have been some indication that the budget might request for the next fiscal year the eventual production of up to eight national security cutters, 58 fast response cutters, and 25 offshore patrol cutters. But the testimony submitted today for the subcommittee doesn't go into much detail beyond the next fiscal year and doesn't contain an actual request for funding any specific number of ships or vessels that I have described.

Could you give us some response indicating what the intentions of the Department are with respect to requests for funding for these activities?

Secretary NAPOLITANO. Yes, and I think we also have submitted the Capital Investment Plan (CIP), and I think it came in Friday. So if your staff doesn't have it, we will make sure that they do. With respect to the national security cutter, that is obviously a big investment. Those are expensive vessels. The budget provides for the acquisition of the seventh. The current CIP provides that ultimately we will have eight national security cutters.

We are working our way through the acquisition of the fast response cutters. We just got the fiscal year 2013 budget, as you know, about 1 month ago maybe. That had six FRCs in it. The President's budget for 2014 has two more. Our plan is to average four per year. So the budgets, when you put the two together, they meld together.

With respect to the other types of vessels, like I mentioned, I think the CIP will go into even greater detail.

Senator COCHRAN. Well, thank you very much. I presume, Madam Chairman, when we do receive the report and the request, that it will be made a part of our hearing record.

Senator LANDRIEU. Yes, it will.

[The information follows:]

[CLERK'S NOTE.—The Capital Investment Plan is for official use only (and is maintained in subcommittee files) and cannot be printed. The following table summarizes the plan:]

TABLE 1.—FISCAL YEAR 2014–2018 5-YEAR CAPITAL INVESTMENT PLAN (CIP)—ACQUISITION, CONSTRUCTION AND IMPROVEMENTS  
 [Thousands of dollars, budget year dollars]

	Fiscal year 2012 revised enacted	Fiscal year 2014 request	Fiscal year 2015	Fiscal year 2016	Fiscal year 2017	Fiscal year 2018	Total acquisition cost <sup>1</sup>	Estimated completion date <sup>1</sup>	Total quantity <sup>1</sup>
Vessels	\$642,000	\$743,000	\$935,000	\$512,000	\$723,500	\$739,500	Not Applicable	Not Applicable	Not Applicable
Survey and Design—Vessel and Boats	6,000	1,000	2,000	3,000	2,500	2,500	Not Applicable	Not Applicable	Not Applicable
In-Service Vessel Sustainment	14,000	21,000	36,000	57,000	57,000	50,000	Not Applicable	Not Applicable	Not Applicable
Response Boat-Medium (RB-M)	110,000	.....	.....	.....	.....	.....	610,000	2016	180
National Security Cutter (NSC)	77,000	616,000	710,000	38,000	.....	45,000	4,749,000	2018	8
Offshore Patrol Cutter (OPC)	25,000	25,000	65,000	200,000	530,000	430,000	10,523,000	2034	25
Fast Response Cutter (FRC)	358,000	75,000	110,000	110,000	110,000	110,000	3,928,000	2027	58
Cutter Boats	5,000	3,000	4,000	4,000	4,000	2,000	Not Applicable	Not Applicable	Not Applicable
Medium Endurance Cutter (MEC) Sustainment	47,000	.....	.....	.....	.....	.....	296,800	2017	27
Polar Icebreaker	.....	2,000	8,000	100,000	20,000	100,000	TBD	TBD	TBD
Aircraft	289,900	28,000	66,000	123,000	56,700	45,000	Not Applicable	Not Applicable	Not Applicable
CGNR 6017 Airframe Replacement	18,300	.....	.....	.....	.....	.....	Not Applicable	Not Applicable	Not Applicable
Maritime Patrol Aircraft (MPA)	129,500	.....	16,000	20,000	.....	.....	2,755,990	2025	36
HH-60 Conversion Projects	56,100	.....	.....	.....	1,700	5,000	466,581	2015	42
HH-65 Conversion/Sustainment Projects	24,000	12,000	35,000	40,000	40,000	25,000	1,150,400	2019	102
Long Range Surveillance Aircraft (C-130H/J)	62,000	16,000	15,000	15,000	15,000	15,000	2,761,000	2026	22
Unmanned Aircraft System (UAS)	.....	.....	.....	48,000	.....	.....	TBD	TBD	TBD
Other	161,140	59,930	59,000	89,000	81,500	81,500	Not Applicable	Not Applicable	Not Applicable
Program Oversight and Management	26,000	10,000	20,000	20,000	20,000	20,000	Not Applicable	Not Applicable	Not Applicable
Systems Engineering and Integration	17,140	204	1,000	1,000	1,000	1,000	Not Applicable	Not Applicable	Not Applicable
C4ISR	38,500	35,226	35,000	65,500	50,500	50,500	2,335,000	2025	Not Applicable
CG-LIMS	6,500	1,500	3,000	2,500	10,000	10,000	Not Applicable	Not Applicable	Not Applicable
Nationwide Automatic Identification System (NAS)	5,000	13,000	.....	.....	.....	.....	276,800	2014	58
Rescue 21	65,000	.....	.....	.....	.....	.....	1,066,200	2017	39
Interagency Operations Centers (IOCs)	3,000	.....	.....	.....	.....	.....	83,000	2017	35
Shore and ATON	200,692	5,000	20,000	60,000	45,000	45,000	Not Applicable	Not Applicable	Not Applicable
Major Shore, Military Housing ATON and S&D	112,900	2,000	10,000	30,000	20,000	20,000	Not Applicable	Not Applicable	Not Applicable
Major Acquisition Systems Infrastructure	81,500	.....	5,000	25,000	20,000	20,000	Not Applicable	Not Applicable	Not Applicable
Minor Shore	6,292	3,000	5,000	5,000	5,000	5,000	Not Applicable	Not Applicable	Not Applicable
Personnel and Management	110,192	115,186	115,729	117,042	118,127	119,302	Not Applicable	Not Applicable	Not Applicable
AC&I Core	600	439	518	679	600	600	Not Applicable	Not Applicable	Not Applicable

Direct Personnel Costs .....	109,592	114,747	115,211	116,363	117,527	118,702	Not Applicable	Not Applicable	Not Applicable
1,403,924	951,116	1,195,729	901,042	1,024,827	1,030,302				
63,500 <sup>2</sup>	(42,000) <sup>6</sup>								
(5,004) <sup>3</sup>	909,116								
(879) <sup>4</sup>									
1,328 <sup>5</sup>									
<u>1,462,869</u>									

<sup>1</sup>Total Acquisition Cost and Estimated Completion Date and Total Quantity are based on the Acquisition Program Baseline (APB) most recently approved by DHS, or alternatively, the 2007 Integrated Deepwater System APB.  
<sup>2</sup>The Coast Guard also received an additional \$63.5 million transfer in the Consolidated Appropriations Act, 2012. (Public Law 112-74), from the Air Force Aircraft Procurement appropriation for procurement of a C-130J aircraft.  
<sup>3</sup>Pursuant to Public Law 112-74, rescission of prior year unobligated balances.  
<sup>4</sup>Pursuant to Public Law 112-74, rescission of AC&I Direct Personnel funds.  
<sup>5</sup>Funds transfer from OE Appropriation to the MPA AC&I Subappropriation and 2012 (Public Law 112-74).  
<sup>6</sup>Proposed rescission and cancellation of \$42 million in unobligated prior year balances appropriated in 2010 through 2012 in Public Law 111-83, Public Law 112-10, and Public Law 112-74.

## BORDER SECURITY

Senator COCHRAN. Thank you.

Madam Secretary, there have been concerns about border protection. Recent reports from Customs and Border Protection indicate that arrests have increased over the last several years. But in March 2013, the Government Accountability Office (GAO) cited a study that found the number of apprehensions of illegals bore little relationship to border security effectiveness because agency officials did not compare apprehensions with the amount of cross-border illegal activity.

What is the status of improvements that we have heard were being planned for border security, and when can we expect to be able to celebrate the establishment of a secure border?

Secretary NAPOLITANO. Well, Senator, actually I testified at length about this this morning in the Judiciary Committee. But the chairwoman is absolutely correct, the border is more secure now than it has ever been. All the numbers are trending in the right direction. We continue to add not just manpower but, importantly, technology and aerial coverage to the border. I think that has been the last piece that we need to add.

So the border is divided into nine sectors. Each of them has a technology plan. We are trying to focus on off-the-shelf technology as opposed to R&D of new ones so that we can move as rapidly as possible. The way the bipartisan immigration bill is drafted, there is funding that is set aside that would provide for the continued funding for those technology plans. And with respect to aerial coverage, as you know, we now have drones over the border, but we also have regular fixed-wing aircraft that have platforms on them for radar and things of that sort.

So the whole aspect of the southwest border, compared to where it was 5 years ago even, is very, very different.

Senator COCHRAN. Thank you.

Senator LANDRIEU. Thank you.

Senator Begich.

## BORDER FEE STUDY

Senator BEGICH. Thank you very much, Madam Chairwoman.

Madam Secretary, good to see you again. Thank you very much for being here today. I had a hearing earlier this morning with the Ocean Subcommittee that I chair, and Admiral Papp was there. It was on the budget, so this will be kind of part two. Authorizing to appropriations, kind of an odd combo, but we like it. I want to follow up on a couple of things that we talked about with Admiral Papp.

But before I do that, I do want to say I think the work you all did, the local community and the citizens of Boston did an incredible job to move forward in a technology that was implemented and utilized. Some you can talk about, some you can't, but the end result was obviously apprehending the two individuals, one not living.

But at the end of the day, you guys did a great job, and it was amazing to me to see how fast it was moving, even though I think the press sometimes like to report facts that aren't facts because

they speculate about speculation. I know that is probably one of the biggest hassles that you have, trying to sort that out, but at the same time trying to keep focused on the mission you all have. So I want to say thank you for doing that, and to the people on the ground, they did a great job.

Let me, if I can, on a couple of things. One is I know in the budget you have a study, a border fee study that is going to be looking at issues of capability and revenue potential. I would ask you to look at another element of this that I think is very important. You can imagine in Alaska, down in southeast Alaska, down in Juneau, Ketchikan, that whole area, we sometimes are crossing the border a lot because we are moving from one community to the other, and this may have an impact of suddenly there is a fee now every time you move back and forth. Also for the commerce we do with Canada, it is pretty significant.

So as you are looking at that study, I would hope you would ensure that there is this other element which is unique to Canada. As you remember, just to get passports, we had to actually get folks in the cities to become authorized to do the passports because we couldn't get folks there to do it.

So if you can keep that in mind in your budget, I know you have a proposal and in 9 months the study might be completed. So if you can keep that on the list, that would be very important, from my perspective at least.

Secretary NAPOLITANO. Senator, yes. We understand the special circumstances. Alaska and Hawaii present some similar type of circumstances. So, yes, we will keep those in mind.

#### TRANSPORTATION WORKER IDENTIFICATION CREDENTIAL

Senator BEGICH. Very good. The other thing we worked on was the issue of a transportation worker identification credential (TWIC) card, the famous TWIC card, and we had problems with our coasties having to also get a TWIC card, when in reality they already meet a lot of standards. But put that aside for a second. The other issue for some of our remote areas in Alaska is the two trips that you would have to get to get a TWIC card to work on, say, Kodiak, for example.

At this point I understand there are a lot of efforts to get it down to one so there is not this double, because it is very costly to go back and forth. Can you just give me a sense, and if you don't have it now, maybe for the record, of how that is going because of our remoteness? And we know the value of the security on the ports, but going twice to get a card from Kodiak, as an example, is very expensive.

Secretary NAPOLITANO. Briefly, for those who are renewing their TWIC card as opposed to getting a new TWIC card, we do have a new proposal, a new procedure whereby you can get a 3-year extension as opposed to a 5-year extension, which only requires one visit. We are piloting, and we are using Alaska as the State where we are piloting a one-visit process, even for the new TWIC cards. So I am very optimistic about that, and I think Alaska was an ideal place to focus.

Senator BEGICH. Great, and as you get results, will you share them with us and let us know?

Secretary NAPOLITANO. Yes, absolutely.  
[The information follows:]

Answer. The OneVisit contractor for phase I (Alaska OneVisit manual solution) has been provided the authorization to proceed to set up and support the phase I manual process as we finalize the award. The Universal Enrollment Services contractor has added and transitioned Alaska enrollment sites all of which will be participating in the OneVisit phase I. We anticipate implementation in the June, July and August timeframe beginning with the Anchorage enrollment center. We have initiated contact with the stakeholders in Alaska to coordinate for a limited implementation at the end of June followed by the full capability in Anchorage in July and then roll out to all Alaska enrollment centers in July/August. In addition, the Government Printing Office (GPO) is on contract to support phase II (second location and semi-automated solution) and is conducting technical discussions as they begin to set up for phase II. Phase III, which will begin in the third quarter of fiscal year 2014, will implement a nationwide launch and a fully automated solution. TSA will keep the Committee apprised of the progress and results as we work to implement this new TWIC capability.

#### ICEBREAKERS: FUNDING

Senator BEGICH. Also, I know on the CIP, I've seen the schedule and kind of where you are going, and I know on the icebreaker issue, I know that Senator Murkowski has been a great lead on this before I even got here, on this issue to keep it moving. I understand in 2014 I think you have a \$2 million allocation, and then there is some more down the road.

Can you give us some reassurance that that is still moving forward at a pace that is acceptable? I know you've gotten one ship, one icebreaker renovated and back online, which is great. But can you just give me a sense there? Because when you see a \$2 million number, it's a very small amount on a \$700 million plus.

Secretary NAPOLITANO. Right. I think you have to combine it with what was ultimately put into our fiscal year 2013 appropriation, which was \$8 million for the icebreaker. As I said before, we just got that. So that \$8 million hasn't been available to us all year, but now we have it. If we pair it with the \$2 million, we've got \$10 million.

Senator BEGICH. Gotcha.

Secretary NAPOLITANO. And that will really, I hope, move us forward on design and examination of alternative types of design.

#### MILITARY HOUSING

Senator BEGICH. Very good. I'll end on that. I have some questions for the record. But one thing, at a later time, I would love to work with you in getting you the same authority that the Department of Defense has with regard to their military housing they do so you can do more public-private partnerships like the military has done very successfully with some of your housing stock around the country, obviously in Alaska too. So I would like to work with you on some ideas around that, that we could match up and create some synergy there.

Secretary NAPOLITANO. We would enjoy working with you on that.

Senator BEGICH. Great.

Thank you very much, Madam Chair.

Senator LANDRIEU. Thank you, Senator. I look forward to working with you and Senator Murkowski on the icebreaker, which is

a very important asset for our Nation. We're going to have to find a way to fund it. We've got \$10 million between this budget and last year's budget to begin. I want to make certain, Madam Secretary, that that is enough to begin the design, and then we'll have to figure out how to pay for it, which is a whole other subject. But I am committed to find a way.

Senator Murkowski.

#### ARCTIC POLICY

Senator MURKOWSKI. Thank you, Madam Chairman. I appreciate your commitment to work with us, and, Secretary, yours as well. As good as \$10 million is in this budget and my environment, we know that we need \$850 million, give or take a little bit. So, I made the flip comment, and didn't mean it to be flip, but \$8 million doesn't even get us a port hole. So how we move forward aggressively—we are an Arctic nation. We have responsibilities as such, and the fact that we are barely in the water in terms of our icebreaking capacity is something that I think we need to address.

Madam Secretary, I'm told that at the Commerce Committee hearing, the subcommittee hearing that Senator Begich referenced, that the Commandant stated that the Coast Guard's Arctic policy document is now sitting on your desk for approval. If you can give me some timing on its release, when we might be able to have a full brief on its implementation, and also then how the need for the icebreaker, and I believe we need more than just one icebreaker, can you tie the icebreaker into your comments on this policy that we are hopefully going to be given an opportunity to learn more about very shortly?

Secretary NAPOLITANO. Without tying myself to a firm deadline because events sometimes happen that get in the way, but I would hope within the next 30 days or so, we would be moving ahead with the policy. But we will follow up with your staff on that.

#### ICEBREAKERS: NUMBER NEEDED

Senator MURKOWSKI. And would you agree with me that as an Arctic nation we need more than one icebreaker?

Secretary NAPOLITANO. I think we are going to have to assess the total fleet needs that we're going to have to have as an Arctic nation. But the equities up there are very substantial.

#### NATIONAL SECURITY CUTTERS

Senator MURKOWSKI. And you know, you were there last summer. I appreciate your visit, the opportunity to be out on the *Bertholf* in the Bering Sea there. Just to experience what it is we are dealing with I think is incredibly important, and I appreciate you taking that time.

You have mentioned, in response to Senator Cochran, the discussion about the recapitalization plan for the Coast Guard. I'm happy to see that we've got the funding for the seventh national security cutter. You just need to know—I think I have told you privately; I am saying it to anybody that is interested—Alaska needs a national security cutter. We need to have a national security cutter homeported in the State of Alaska. We've got too much water

around us and not enough assets, and that is a vessel that can truly meet the growing needs, the growing demand in an area where we are only seeing traffic increase, and in incredible ways.

I want to mention the situation with our high endurance cutter, the *Munro*. We've got one up there in Alaska that is homeported. She is 40 years old, over 40 years old. There is no planned replacement. It's tough when you have a transit time of 20 to 30 days per patrol to not have the vessels that we need. It seems to me that there has been a decision made that we are going to be homeporting these vessels in California and Hawaii.

Can you tell me whether or not there has been a GAO study, or a business case analysis, as to compare the cost of a facility renovation to homeport in Alaska as opposed to this wasted transit time that we are going to see? And again, I'm talking about high endurance cutters, and also the benefits of homeporting a national security cutter within the State of Alaska.

Secretary NAPOLITANO. I'm unaware of a GAO study, per se, but we will be happy to look at the relative advantages and disadvantages of doing that, particularly with response to an NSC. I think the CIP ultimately provides for the decommissioning of some of these older high endurance cutters and their ultimate replacement with other types of vessels.

Senator MURKOWSKI. And our problem is that there is nothing in the queue to follow the *Munro*, which is a concern for us with that lapse of coverage. I think we recognize that in Kodiak we have facilities there that could homeport, I believe, a national security cutter, but there will have to be facility renovations that are made. So as we balance transit time versus renovations, I think that that would be an appropriate review, and I would look forward to discussing that more with you further.

Madam Chairman, I have a few more questions, but perhaps we will have a chance for a second round?

Senator LANDRIEU. Thank you. Yes, Senator, we will.

Senator Moran.

#### NATIONAL BIO AND AGRO-DEFENSE FACILITY: FUNDING

Senator MORAN. Madam Chairman, thank you very much.

Madam Secretary, thank you for being here. On behalf of Kansans and Americans, thank you very much for you and your Department's efforts to secure our country, to make us safer.

You and I have had conversations at many hearings, both in the authorizing committee and in the appropriations subcommittee and full Committee, in regard to the National Bio and Agro-Defense Facility, which is included in the President's budget request. I just wanted to take a moment and have you indicate why now that request is there, why it is important, and perhaps what the alternative is. The cost of Plum Island, I would like for you to explain to the subcommittee why that is an expensive proposition and why the administration decided to move forward in this request.

Secretary NAPOLITANO. Well, and I must say, Senator, I think you can tell from the other questions that the demands on the Department in our budget for large-scale capital investments, recapitalizing the fleet, another icebreaker and so forth, are very sub-

stantial, and with the sequester and the fiscal environment and the Budget Control Act, it is very, very tough out there.

But over the last 4-plus years that I have been Secretary, I have been reviewing the literature and the need for a new facility to protect the Nation's food supply, but also to help us protect the Nation on a security basis from the types of threats that require a so-called level 4 laboratory. It is also clear to me that Plum Island, the current facility, is neither big enough nor advanced enough where plowing \$1 billion into it ultimately makes any sense. You just simply can't. We can patch Plum Island enough while we are constructing a National Bio and Agro-Defense Facility (NBAF), and we're going to have to do that. But in the end, the country needs to make the decision that for our overall security, we need a major level 4 lab facility.

As you know, there was a competition. It has been peer reviewed. It has been sent back for re-review by a number of scientific bodies. Every step along the way, that has been complied with. The State of Kansas has now put in more money to help in a partnership with the Federal Government. Under the President's proposal, we can begin construction of the main lab in 2014 and be done hopefully by 2020. But in the end, Senator, in the midst of all the competing demands on our budget, and it is a tough, tough budget, it just seems to me we have just got to tackle this issue head-on.

Senator MORAN. Madam Secretary, thank you for your answer, and thank you for your leadership on this issue.

Chairman, thank you.

Senator LANDRIEU. Thank you. Let me add on this subject, and I guess it's just a little different vantage point, I do not disagree with your comments and testimony. I have read the reports that make clear that our country needs to have such an asset. There has been some issue about the placement, and I am well aware of what the State of Kansas has done on their own to support the effort.

The problem that I have, and it's going to be a challenge for the members of this subcommittee, who I am going to look to for guidance, is how to pay for such a facility. I'm not sure if taking \$1 billion from other needed capital assets, like the Coast Guard or border security, to pay for this facility is the smartest way to go.

Will you work with us to look for some additional funding mechanisms or new and innovative funding mechanisms to try to find a way to pay for this asset, as opposed to taking it out of other critical infrastructure for this Department? That is really the question. It's not whether we need it or not—the facts are pretty clearly in. The placement could be argued. But I'm just wondering—and this is also going to come up for the icebreaker, when we have to pay for \$1 billion for it—is whether we can continue to cut this budget and still find \$800 million or \$1 billion for this asset when this budget is being reduced year after year. I think it puts a tremendous strain on our homeland security effort.

Secretary NAPOLITANO. Madam Chair, we will work with you on this. Obviously, appropriated dollars are the most valuable. You also bump up against the caps, and that is another issue. So even if you don't appropriate the money or you find an additional source

of money, whether that actually frees up money in your budget, that is another set of questions.

We face this question every year. It is a young, growing Department. We have vital missions, and we have capital needs, and they are always juxtaposed against the operational needs. We need an icebreaker. We need an NBAF. We need a headquarters. These are all big items.

#### IMMIGRATION

Senator LANDRIEU. I would just remind the members that these top-line numbers have a direct impact on our ability to not only find the appropriation dollars but to fund the levels authorized. We need to be mindful as we move forward that these numbers have real consequences.

Let me go back to immigration reform for a minute, Madam Secretary. Given your work, and I'm sure you've been working closely with the Gang of Eight that is working very hard and has come up with a bipartisan bill that is being reviewed as we speak through Senator Leahy's Committee, is there a number that you are aware of in annual requirements to fund such a comprehensive immigration bill? I've seen numbers anywhere from a few billion to \$5 billion a year. Where will that money come from? Do we contemplate fees being raised by illegal immigrants on a path to citizenship to pay for some of it? Are we making sure that we are not double counting the revenues being requested in this budget to support current operations while we are laying a foundation for immigration reform in the future, which I generally support? But I am a little concerned about how we're going to pay for it.

Secretary NAPOLITANO. Right. As I shared with the Judiciary Committee this morning, we will work with them and with you on how the money actually flows in the bill, and the actual language that is used. The fees and the fines that are exacted under the bill we believe in the long term will be sufficient to meet the goals of the bill and our various missions under the bill.

The one area we want to be sensitive to is start-up funding for U.S. Citizenship and Immigration Services (USCIS), which will have the responsibility to set up the registration program and the like. There will probably need to be some money that can be repaid over the first couple of years of the bill, but we will need to work that out with you and with the authorizing committees.

#### CYBERSECURITY EDUCATION

Senator LANDRIEU. Let me follow up. I want to associate myself with Senator Cochran's remarks about the Coast Guard. Clearly, it is an important agency. I've made several comments about that. But my final would be on cyber education.

You were kind enough to come visit the Cyber Education Innovation Center in Shreveport, Louisiana and Bossier City. You got to see firsthand the innovation center there and some of the assets that it has brought to bear.

In the President's recent report on cybersecurity, it said we can invest all we want in new technologies, et cetera, but we have to have the people, the cyber warriors, and that there is a real skills

gap in America. That's why I was disappointed to see cyber education reduced in this budget.

Do you want to comment about why the reduction in cybersecurity education? I realize that the Department of Education and the Department of Labor have some responsibilities, but how do you justify a 43 percent cut?

Secretary NAPOLITANO. Well, there are two ways. One is there is carryover funding that will come from 2013 to 2014, and we will provide you the detail on that. And second, the administration as a whole is trying to centralize Science, Technology, Engineering, and Mathematics (STEM)-type education in one place. So some of those monies are going to where the STEM education is being centralized.

[The information follows:]

Answer. DHS supports several cybersecurity education initiatives with fiscal year 2013 funds and the execution of several projects carries into fiscal year 2014. For example, NPPD will award a grant in the 4th quarter of fiscal year 2013 with a 12-month period of performance for the Integrated Cybersecurity Education Communities project, intended to strengthen cybersecurity at the high school level and expanding the pipeline of cybersecurity professionals entering the workforce in the future. Additionally, NPPD partners with the National Science Foundation on grants supporting the CyberCorps Scholarship for Service pipeline, and these efforts are also anticipated to be funded in the 4th quarter of fiscal year 2013 and will continue to be executed through the majority of fiscal year 2014.

The Department is also extending the scope of cyber education beyond the Federal workplace through the National Initiative for Cybersecurity Education to include the public, as well as students in elementary through post-graduate school.

In February 2013, DHS launched the National Initiative for Cybersecurity Careers and Studies (NICCS), which is an online resource for cybersecurity career, education, and training information. NICCS makes research and training information available to Federal employees and the public on a single Web site through a robust, searchable catalog of cybersecurity training programs and certifications, which allow users to find trainings based on location, preferred delivery method, specialty area, or proficiency level.

The DHS Secretary's Honors Program Cyber Fellows Summer Student Intern Program offers current 2-year community college students majoring in a cybersecurity related field an unpaid internship position. The internship will provide an opportunity to develop and gain invaluable hands-on experience at an Immigration and Customs Enforcement's (ICE), Homeland Security Investigations forensics lab. The program is tailored to provide high-performing students with challenging work projects, real-life learning scenarios, and mentoring from cybersecurity professionals at ICE.

Lastly, DHS will continue the partnership with the National Security Agency in fiscal year 2014 supporting the DHS/NSA National Centers of Academic Excellence for colleges and universities across the Nation to continue the development of a pipeline of cybersecurity professionals to enter the workforce.

Senator LANDRIEU. Okay.

Senator Cochran, additional questions?

Senator COCHRAN. Madam Chairman, I don't have any other questions I will ask here, but I may have one or two to submit for the record.

Senator LANDRIEU. Please do. The record will remain open for 1 week.

Senator Murkowski.

Senator MURKOWSKI. Thank you, Madam Chairman.

And, boy, I love talking about the Coast Guard.

Secretary NAPOLITANO. I'm getting that idea.

## AVIATION SECURITY: PROHIBITED ITEMS LIST

Senator MURKOWSKI. And I feel just so privileged to be serving on this subcommittee where there is such attention, such focus on the need on understanding and appreciation of the role that the Coast Guard has. Whether it is drug interdiction or whether it is fisheries enforcement up north, they've got a lot to do. They need the assets to do it. The men and women that are serving us are phenomenal, and I just want to let the chairman of the subcommittee know that I will do everything that I can working with you and other members of this subcommittee to make sure that they have what they need. And it is expensive, but it is an investment in our security. It is an investment in our resources that I just don't think we can short-change. So I want to work with all of you in figuring out creative ways that we can help fund some of this.

I think, Madam Chairman, our revenue-sharing bill could be one of those ways that we could help with some of the infrastructure that we are going to need up north as we have an evolving Arctic region where we have more water that we now have responsibility for and yet have very little in terms of assets and infrastructure. So maybe that is an opportunity for us there.

I want to just note for the record, Madam Chairman, you were discussing with my colleague, Senator Begich, the TWIC program, and we just learned that a new part-time TWIC Enrollment Center is opening in Kodiak in May. This now joins the six other centers that are in the State. That's good. We're moving toward a one-stop process. We're moving toward the ability to only be making the trip once, which is critical for us.

But I would suggest to you that as good as \$8 million is, \$8 million is not enough. We are a State that is one-fifth the size of the United States, and 80 percent of the communities are not accessible by road. So you can't just hop in your car and go get there. So I want to continue working with you on that one, if I may.

I wanted to ask you, Secretary, about a decision that came out of the TSA. Administrator Pistole had suggested that there would be a policy change that was actually going to be implemented today that would allow passengers to carry certain knives through checkpoints and then onto planes. I think all of us spend a fair amount of time on airplanes, and I will tell you I have been buttonholed by no fewer than dozens and dozens of flight attendants who are saying, "What is going on? There is enough anxiety already in the air and what is happening within our country. Please don't make us feel more vulnerable as we are flying around."

I think it's fair to say that this is a pretty controversial policy change. As I say, the policy was supposed to go into place today. Last night there was a memo that came out from the Administrator, and he says he is going to incorporate the input from the Aviation Security Advisory Committee and to continue training requirements nationwide.

The question that I would like to ask you is, is the TSA actually revisiting this proposed policy? And if so, what will that reassessment of the policy entail? Or are they just delaying rolling this out until perhaps there is a more opportune time to do so? I think the

Nation is understandably nervous after the events, the tragedy in Boston. Where are we going with this, and can you just give me a better sense as to what we might expect?

Secretary NAPOLITANO. Well, I think in my conversations with the Administrator, what the delay is intended to do is to provide a greater opportunity to provide classified briefings to different stakeholder groups that belong to the aviation sector, the Advisory Council, which includes flight attendants and pilots, among others, and that is underway right now. I will share with you my own view, having looked at the situation, and it is this. Risk-based means risk-based, and little knives are not and have not been a risk where they are allowed on planes in the international environment.

When you look at what we really need to be concerned about, which are things like powder explosives and the increasing sophistication of our adversaries in trying to get an explosive onto a plane, we want to take out of the mix these things that, in the end, are not a danger to bringing down the aircraft. I think when we look at where the threats are coming from, the real risks, the decision made by the Administrator from a security basis is the right decision.

So I wouldn't say that he has re-opened the ultimate conclusion. Perhaps there will be some changes in implementation. That will remain to be seen.

#### TRANSPORTATION SECURITY ADMINISTRATION TRAINING

Senator MURKOWSKI. Well, I will be honest with you. I think that any diligent effort that might be made to enforce a new policy, if we are really going to be training these TSA agents in terms of what it is that they need to check for, what it is that they need to disallow or allow, I'm concerned that what we might see are further delays, thus defeating some of the rationale of this new policy.

I continue to be concerned about the training of the TSA folks just on the ground there. I understand what you're saying in terms of risk assessment there, but I am writing the DHS inspector general and asking him to closely scrutinize the issue, assess the training period that is being provided to the TSA officers before it is implemented.

This week, America is waking up to the fact that if we are traveling through seemingly any airport in the United States, we are to anticipate delays because of decisions made out of the Federal Aviation Administration (FAA). Folks aren't any too happy with that. If they feel that there has been this change in policy where TSA officers are not appropriately trained and that causes further delay, it just adds to some of the chaos that is seemingly coming our way with travel.

So I just put you on notice as to where I am coming from on this issue. I certainly understand the rationale as you have laid out. But again, I am concerned about what our TSA agents might be offered in terms of training and how it might be implemented.

Senator LANDRIEU. Thank you, Senator.

Senator Moran.

Secretary NAPOLITANO. If I might, Senator, I don't know if the inspector general is the one to review training ahead of time. I just

don't know the answer to that. But we want to make sure that there is education, preparation, and training as uniform through the system as we can make it. So I think that is one of the reasons the Administrator said let's take a pause here to make sure that it is done right.

With respect to travel in general, having been someone who said that sequester in the end will affect travel, I am not responsible. FAA is not in our shop, but sequester has real impacts, and that is really where the public will see it most immediately ultimately will be in travel.

Senator MURKOWSKI. Well, some of us have suggested that the FAA could have found some other means to control their costs. But again, that is not your shop, and I am not going to put that on your shoulders.

Thank you, Madam Chairman.

Secretary NAPOLITANO. Thank you.

Senator LANDRIEU. Senator Moran.

#### NATIONAL BIO AND AGRO-DEFENSE FACILITY: KANSAS CONTRIBUTION

Senator MORAN. Chairman, thank you.

Madam Secretary, a couple of questions again about NBAF. Would you inform the subcommittee about the original nature of the State of Kansas' contribution to the project and its more current, its more recent determination about assisting at a greater level? And if you have any thoughts about—the NBAF facility was called for 9 years ago in the report that followed the 9/11 Commission Report that followed 9/11. In a sense, for the associated costs with continued delay, do you have thoughts about that?

And second, would you outline for the subcommittee what the State of Kansas is doing to make this project more affordable for the Federal taxpayer?

Secretary NAPOLITANO. Well, the State of Kansas has increased its contribution to the NBAF. I think Kansas is now north of \$300 million that it is putting in. When you combine that with the Federal investment, you pay for a \$1 billion-plus facility.

With respect to delay, every delay in this project adds cost. Every one of the double checks and triple checks we've done to make sure that all the criteria are met—and I know this is a big-deal project, so we want to be very careful here—has added expense and cost to the project. We know we need it. We know we are not positioned for the long term to deal with these kind of biologic threats without it. Delay only, in the end, postpones the inevitable at cost.

#### NATIONAL BIO AND AGRO-DEFENSE FACILITY: VALIDATION

Senator MORAN. In your capacity as the Secretary of the Department of Homeland Security, do you have information that validates the belief that these threats exist, that they are real, they are not imaginary, and that they have the potential of having significant consequences to the health and safety of Americans, as well as significant economic consequences if we are unable to prevent and/or respond to those threats?

Secretary NAPOLITANO. Well, the threats in this area can be both from a human adversary and from Mother Nature, quite frankly. So without going into intelligence or anything like that, we can as-

certain that the risk is very much with us. It's with us now. We know that the existing facility we have is too small and too antiquated to take us where we need to be.

Senator MORAN. Secretary, thank you.

Chairman Landrieu, I would be willing to work, as you would expect, with you and the subcommittee and the full Committee in any way possible.

#### REIMBURSABLE AGREEMENTS

Senator LANDRIEU. Thank you.

I just have one final question and then wrap-up comments. I think this has been a very good hearing, and I think we have touched on most of the main points that are reflected in this budget, which is a policy document.

But one that I want to raise, cross-border trade is increasing while there are pressures to reduce the Federal budget. I understand those pressures, but people have to recognize the reality that cross-border trade is increasing, and all of our States benefit from more trade. We have a crisis, I believe, at our borders not just with illegal immigrants but with legal transportation of goods, et cetera, and our inability to keep up with the funding requirements necessary.

A Department of Commerce study was striking, Senator Cochran. It said that in 2008, the Nation's busiest ports of entry—there are 103 land ports—cost 26,000 jobs, \$1.4 billion in lost wages, and \$600 million in tax revenues lost every year. Now it is 2014, soon to be, and these numbers are increasing.

So because there is no money in this budget to do what needs to be done and to maintain the Coast Guard, and to try to put some additional money for even new facilities that we have talked about, you just can't wave a magic wand and it's going to get better. We've got to find a new way.

So I put language in our bill to maybe find public-private partnerships to look for additional revenues that could potentially come in. The industry is asking for some flexibility here. Can you give us just a 1-minute update on how you're doing with that and what is reflected in this budget to support bringing in some public-private partnerships to try to help where our bucket is empty?

Secretary NAPOLITANO. Madam Chair, the five pilot projects that you had put into the bill, we are in the process of making decisions about where those are going to be, and I would hope that that decisionmaking process is going to proceed with alacrity because there is a real need out there.

The President's budget includes language that would make public-private partnerships or reimbursability agreements or in-kind exchanges generally available for these ports, these big ports of entry that need to handle the increased trade we have. And again, the President's budget does request, either through funding or user fee increases, 3,500 more CBP officers to staff these ports. We have made our staffing model available because, in the end, we need more trained port officers to carry out the responsibilities we have.

## COAST GUARD'S CAPITAL INVESTMENT PLAN

Senator LANDRIEU. Okay. Thank you, and I am going to follow up on that because it is an important priority for our subcommittee. But I will end with this. Earlier we discussed the trade-offs of this budget presented to us, the trade-offs it makes between constructing a new National Bio and Agro-Defense Facility. Even with the contribution that the State of Kansas is willing to make, it still is a huge cost in this budget, at the expense of Coast Guard acquisition. That is the way that this budget pays for that facility, out of the Coast Guard acquisition budget, primarily.

Last week we received the Coast Guard's 5-year capital investment plan, which calls for radical change to its capitalization efforts. If enacted, the plan would delay offshore patrol cutter, decrease the number of fast response cutters to a level that, in my view, jeopardizes the program, ends acquisition of the marine patrol aircraft prematurely, defers several cutter and aviation sustainment projects, and, of course, does not even support the development of the icebreaker.

Within 2 weeks, I would like a white paper from your Department describing the impacts this investment plan will have on Coast Guard missions offshore such as interdicting drugs in the transit zone, managing mass migration, oil spill response, fisheries enforcement, and, of course, our requirements in the Arctic, so ably mentioned by the Senators from Alaska. The impact statement should take a near-term and long-term look at Coast Guard operational capabilities if this investment plan were enacted.

[The information follows:]

Answer. The fiscal year 2014 budget sustains the most critical frontline operations, including maintaining search and rescue coverage, protecting critical infrastructure and key resources, supporting safe navigation, safeguarding natural resources, protecting the environment, detecting and interdicting drugs and individuals attempting to enter the United States illegally, and supporting the Nation's foreign policy objectives.

Timely and affordable recapitalization of aging assets is essential for the long term viability of the Coast Guard. The condition and serviceability of the Coast Guard's in-service surface fleet, the aging of fixed and rotary wing air assets, and the projected timelines to replace these assets require continued investment in surface and air recapitalization programs to maintain the capability to operate. To strengthen DHS' layered security approach offshore, the fiscal year 2014 budget provides for the acquisition of a seventh national security cutter (NSC) and two more fast response cutters (FRC), and continues pre-acquisition activities for the offshore patrol cutter (OPC) and polar icebreaker. The budget also continues sustainment and conversion work on fixed wing and rotary wing aircraft, procurement of cutter boats, and investment in command, control, communications, computers, intelligence, surveillance, and reconnaissance (C4ISR) systems.

The fiscal year 2014 budget continues initial work to acquire an affordable replacement for the medium endurance cutter (MEC) class. The planned OPC will conduct missions on the high seas and coastal approaches, and will bridge the capability between the NSC and the FRC.

The fiscal year 2014 budget will deliver two more FRCs. These new assets, coupled with robust interagency and international coordination will enable the United States and partner nations to best mitigate threats throughout the maritime domain. These assets replace the aging fleet of 110-foot patrol boats, and provide the coastal capability to conduct search and rescue operations, enforce border security, interdict drugs, uphold immigration laws, protect against terrorism, and support resiliency to disasters.

The fiscal year 2014 budget continues funding for a new Coast Guard Polar Icebreaker. This cutter will provide continued icebreaking capability to the Nation for missions in the Arctic following the projected end of service life of the *Polar Star* on or about 2022.

*Mission Impacts.*—Coast Guard operational commanders allocate operational resources to meet the highest threats and operational priorities to secure our maritime borders. The fiscal year 2014 budget funds the Coast Guard's highest priorities in combating the most significant threats to the Nation. Specifically, assets supported by the budget are deployed to address the following highest priority missions and offshore threat areas.

*Near-Term.*—The delivery of new, more capable assets such as NSC and FRC vessels and MPA and LRS aircraft are projected to increase mission performance due to improved capability and reliability over the legacy assets they replace. Specifically, the primary missions/areas impacted by the delivery of NSCs are counter drug (CD), alien migrant interdiction operations (AMIO), living marine resources (LMR), ports waterways and coastal security (PWCS), other law enforcement missions (OLE) and defense readiness. The primary missions/areas impacted by the delivery of FRCs and aircraft are CD, AMIO, LMR, PWCS, and search and rescue (SAR).

*Long-Term.*—Recapitalization remains a top Coast Guard priority. The fiscal years 2014–2018 CIP continues acquisition of major cutters and aircraft, as well as sustainment of in-service cutters, boats, and aircraft, along with shore infrastructure. These investments support all Coast Guard missions.

I plan to have a special hearing on this. I know that these are tough decisions, but these are important decisions. I think the results of some people in some quarters pressing down the numbers of these budgets so tightly that we have to make not just difficult but impossible trade-offs between whether we protect ourselves at our ports with the Coast Guard or we protect ourselves from agriculture attacks, potential agriculture attacks. In my view, it does not make our country stronger. It puts us in an untenable position, so new resources are going to have to be found from somewhere.

#### ADDITIONAL COMMITTEE QUESTIONS

I thank you. The record will stay open for 1 week, and if anyone wants to submit additional questions, this subcommittee will receive them.

[The following questions were not asked at the hearing, but were submitted to the Department subsequent to the hearing:]

#### QUESTIONS SUBMITTED BY SENATOR MARY L. LANDRIEU

##### COAST GUARD FAST RESPONSE CUTTERS

*Questions.* A major component of the Coast Guard's modernization effort is the fast response cutter (FRC), which I'm proud to say is being built in Lockport, Louisiana. I took part in dedicating the FRC fleet last year with the commandant and, since that time, five boats have been delivered and are contributing to drug interdiction and other Coast Guard missions off the coast of Miami. FRCs are replacing aging patrol boats that are well beyond their service life expectancy, can no longer meet Coast Guard mission demands, and are expensive to maintain. There is also a patrol boat hour gap. In fiscal year 2012, Coast Guard patrol boats completed just 71,400 mission hours, 28,000 hours short (28 percent) of annual requirements. In both fiscal year 2012 and 2013, we funded six FRCs to address this gap and to maximize the production line, saving taxpayers \$30 million per year.

Last year's budget request indicated that another six FRCs were necessary in fiscal year 2014. But the budget before us requests \$75 million for two FRCs, which we believe does not fully support two fully missionized cutters. First, what do you believe is the amount needed in fiscal year 2014 to procure two fully missionized FRCs, including spares? Will you work with me to find the necessary resources in your budget to adequately fund six FRCs in fiscal year 2014?

*Answers.* The fiscal year 2014 budget proposes to use prior year carryover, in combination with \$75 million in fiscal year 2014 to procure two FRCs.

The administration's fiscal year 2014 request supports the Coast Guard's highest priority recapitalization needs and maintains funding for critical frontline personnel. The Coast Guard received sufficient funding in the fiscal year 2013 appropriation to award a contract for four FRCs in fiscal year 2013 and, when combined with the President's fiscal year 2014 request, award a contract for another four in fiscal year 2014. The base order under the current contract is four FRCs per year.

## STAFFING INITIATIVE AT THE PORTS AND FEE INCREASE PROPOSALS

*Question.* I am pleased to see that your request includes appropriations to hire 1,600 new CBP officers. For many years, airport and land port authority owners among others have called for increased officers to more rapidly process arriving passengers and commercial goods. I also agree that we need to do more to modernize our ports to respond to expanded trade and tourism. Now that you have an independently verified study—the workload staffing model—that more than justifies the staffing increases at many ports, it is important that the Department actually puts its money where its mouth is. In fact, this study states that hiring 1,000 additional Customs officers would create 33,000 new jobs and increase the gross domestic product by \$2 billion. At the same time, your request also asks this subcommittee to increase certain immigration and customs fees—which have not been adjusted for more than a decade in most instances—to hire an additional 1,877 officers. I understand the proposed increase is well below what it would be if you used a simple inflationary adjustment, but as we know, fee increases are unpopular.

How important is it that these fees be increased?

*Answer.* The President's fiscal year 2014 budget requests \$210 million in appropriated funding for 1,600 additional U.S. Customs and Border Protection (CBP) officers. While this is a significant contribution to the CBP officer staffing needs, it does not address the full requirement. The increase in user fees is essential to CBP's ability to hire the full cadre of approximately 3,500 officers. The increase in user fees will provide the funding to hire an additional 1,877 officers, which will enable CBP to close the staffing shortfall identified by the workload staffing model, alleviate existing wait times, and enable CBP to process the growing volume of international travelers. A significant increase in CBP officers in the air environment will mean greater security, lower wait times, and increased services for those traveling to the United States. Increased CBP officers at our land and sea ports will reduce wait times and transaction costs for cross border travel and trade, improve cargo release timeframes, and increase enforcement effectiveness.

The extent to which wait times affect the local and national economy was most recently studied by the National Center for Risk and Economic Analysis of Terrorism Events (CREATE), a DHS Center of Excellence. CREATE provided a preliminary draft report titled "The Impact on the U.S. Economy of Changes in Wait Times at Ports of Entry" in February 2013. Their analysis found that an increase or decrease in staffing at the POEs has an impact on wait times and, therefore, on the U.S. economy. The impacts begin with changes in tourist and business travel expenditures and with changes in freight costs. These changes, in turn, translate into ripple, or multiplier, effects in port regions and the overall U.S. economy. In summary, CREATE found that the impacts on the U.S. economy of adding 33 CBPOs (their baseline) are a \$65.8 million increase in gross domestic product (GDP), \$21.2 million in opportunity cost savings, and 1,094 annual jobs added. While the U.S. Travel Association found that every 33 overseas travelers creates one new American job (Travel Means Jobs, 2012), CREATE's findings equate to 33 new American jobs per CBPO added.

*Question.* Can you hire and pay for additional CBP officers in the absence of these increased fees?

*Answer.* The increased user fees would allow U.S. Customs and Border Protection (CBP) to hire an additional 1,877 CBP officers. In the absence of fee increases, CBP would not be able to hire the proposed 1,877 officers. The fee increase and the resultant user fee supported positions are proposed to address the existing staffing gap detailed in the workload staffing model and meet the anticipated level of effort required by 2014.

Additionally, the COBRA statute, 19 U.S.C. 58c, specifies a list of activities in priority order for which the fees can be used, known as the COBRA hierarchy. The COBRA hierarchy limits the hiring of CBP officers. Overtime, preclearance, premium pay and other activities take precedence over adding new officer positions. The recommended adjustment to the COBRA statute would alleviate the current limitations and authorize CBP to fund additional salaries and benefits costs for CBP officers.

*Question.* What would be the impact on trade and tourism if these additional officers were not hired?

*Answer.* U.S. Customs and Border Protection (CBP) has experienced a 12-percent growth in air arrivals since 2009, and projects a 4- to 5-percent continued growth over each of the next 5 years. Every year, more than \$2 trillion worth of goods enter the United States through our ports of entry. The additional CBP officers, as identified by the workload staffing model, will address existing staffing needs at the ports of entry, thereby helping to alleviate increasing wait times at many of the busiest

airports and land borders, and would allow CBP to address the increasing volume of trade and travel.

The extent to which wait times affect the local and national economy was most recently studied by the National Center for Risk and Economic Analysis of Terrorism Events (CREATE), a DHS Center of Excellence. CREATE provided a preliminary draft report titled “The Impact on the U.S. Economy of Changes in Wait Times at Ports of Entry” in February 2013. Their analysis found that an increase or decrease in staffing at the POEs has an impact on wait times and, therefore, on the U.S. economy. The impacts begin with changes in tourist and business travel expenditures and with changes in freight costs. These changes, in turn, translate into ripple, or multiplier, effects in port regions and the overall U.S. economy. In summary, CREATE found that the impacts on the U.S. economy of adding 33 CBPOs (their baseline) are a \$65.8 million increase in gross domestic product (GDP), \$21.2 million in opportunity cost savings, and 1,094 annual jobs added. While the U.S. Travel Association found that every 33 overseas travelers creates one new American job (Travel Means Jobs, 2012), CREATE’s findings equate to 33 new American jobs per CBPO added.

Without the additional officers, CBP’s ability to accommodate requests for increased services or expanded hours of operation will be hampered. The resultant increase in wait times may deter international travelers and potentially increase the costs passed on to the consumer by cross-border trade partners. It will also negatively impact the National Travel and Tourism Strategy’s key goal of increasing American jobs by attracting and welcoming 100 million international visitors, who are estimated to spend \$250 billion annually by the end of 2021. Should CBP continue at the current workforce levels, denials of service to international air carriers could become more frequent and hours of operations could be reduced at low-volume ports.

*Question.* Some would argue this is not the appropriate committee from which to seek these fee increases. Do you agree?

*Answer.* U.S. Customs and Border Protection is looking to work with its authorization and appropriations committees on its fiscal year 2014 legislative proposals as submitted in the President’s budget request.

*Question.* Will you commit to me that you will make the case to the authorizers that these fees need to be increased and, if they are willing, to indicate to the Ranking Member and me that they would support our taking this action through appropriations legislation?

*Answer.* Yes, we are happy to brief authorizing committees on these proposals. U.S. Customs and Border Protection worked with Office of Management and Budget to simultaneously provide authorization proposals to these committees for user fee increases. We look forward to working with the Congress on our legislative initiatives.

#### FEMA—DISASTER RELIEF FUND

*Question.* In 2013, we appropriated a total of \$18 billion for FEMA disaster relief, including \$11.5 billion for Hurricane Sandy recovery. Through the Budget Control Act, Congress created a responsible funding mechanism for the Disaster Relief Fund (DRF) and I am pleased that the White House is using that authority for fiscal year 2014. I do note that in comparison to fiscal year 2013, the fiscal year 2014 request for the DRF is \$6.2 billion. This request assumes \$3 billion for future disaster needs based on a 10-year average excluding disasters over \$500 million. It also assumes \$2.6 billion for the on-going recovery from previous disasters, including \$799 million for Hurricanes Katrina, Rita, and Wilma; and \$1.2 billion for Hurricane Sandy. And finally, this amount assumes FEMA will maintain a balance of \$500 million at the end of the year to address unexpected disasters without having to stop recovery projects. FEMA expects to obligate \$10.8 billion for Hurricane Sandy in 2013, but only \$1.2 billion in 2014. I am concerned that the amount requested for on-going recovery is low, particularly if we have several major disasters that push costs above an average year. While I recognize that disaster costs are difficult to predict, let me be clear, I do not want to return to the days of stopping recovery projects during the summer to protect funding for unknown emergencies. As you will recall, this happened in both 2010 and 2011. This decision acts like a one-two punch to local economies who have been hit hard by both a disaster and tough economic times.

Is \$6.4 billion a responsible request for disaster relief in 2014?

*Answer.* The President’s 2014 Disaster Relief Fund requests:

—Estimates for the known catastrophic disasters, such as Hurricane Sandy, that encompass bottom-up cost estimates developed by FEMA staff working with State and local governments;

- No funding for new catastrophic events that could occur during fiscal year 2014. For budgeting purposes only, FEMA defines a catastrophic event to be a disaster or a grouping of disasters (i.e., a disaster event) resulting in a total projected cost to the Federal Government in excess of \$500 million. As in prior years, the budget assumes that future catastrophic events during the budget year will require supplemental funding;
- Estimates for the non-catastrophic costs which are based on a rolling average—in this case, a 10-year average of prior-year non-catastrophic obligations;
- Anticipated recoveries estimated at \$800 million, a decline of \$400 million from the previous year's estimate. This is a result of a lower potential of available recoveries due to a shrinking pool of unliquidated obligations from prior catastrophic events and tighter funds control practices implemented by the agency; and
- A reserve of \$500 million for a no-notice event at any time during the fiscal year.

*Question.* Will you require FEMA to review the request as we move through this process and commit to sending a formal budget amendment if costs need to be refined?

*Answer.* As was the case with Hurricane Sandy, the Department will work with Congress in the event that a catastrophic event necessitates additional resources in fiscal year 2014.

*Question.* Your request is based in part on a historical average that excludes disasters over \$500 million because they are considered rare. Based on recent experience, is that realistic? (Note: in 2011, for example, we had 99 major disasters and 14 of those were over \$1 billion, and last year, we had Hurricane Sandy which is the second most costly storm on record).

*Answer.* Yes, it is still realistic. In 2011, only four individually exceeded the \$500 million estimate, which was comprised of only two events. For fiscal year 2012 there were 46 declarations and only 1 exceeded the \$500 million estimate. Provided below is a 10-year breakout of total disaster declarations and those exceeding the \$500 million threshold:

- Fiscal year 2003: 0 out of 62 (1 event collectively was over \$500 million);
- Fiscal year 2004: 4 out of 65;
- Fiscal year 2005: 5 out of 45;
- Fiscal year 2006: 1 out of 58;
- Fiscal year 2007: 0 out of 68;
- Fiscal year 2008: 3 out of 58;
- Fiscal year 2009: 0 out of 63;
- Fiscal year 2010: 1 out of 79;
- Fiscal year 2011: 4 out of 99; and
- Fiscal year 2012: 1 out of 46.

*Question.* When was the last fiscal year without a single event that exceeded \$500 million?

*Answer.* Fiscal year 2009 had no declarations over \$500 million in estimated cost to FEMA.

#### FUNDING INNOVATIVE TECHNOLOGIES

*Question.* I have heard from many technology companies and entrepreneurs that they apparently have no clear path to bring innovative security technologies they are developing—or have even developed already—to the attention of Department decisionmakers. I am very concerned that creative, cost-effective security and other technologies are being missed by DHS procurement officials.

Who makes the decision about what technologies your Department tests, researches, and ultimately procures?

*Answer.* The Department of Homeland Security Science and Technology (S&T) Directorate identifies technologies developed by industry, other Federal agencies, and universities that could improve the effectiveness, efficiency, and safety of DHS missions. Leveraging other companies' or organizations' investments in technology is integral to S&T's goal of rapidly moving new technologies to operational use, and to S&T's need to achieve high returns on its research and development (R&D) investments. S&T focuses largely on late stage technology development. However, the Directorate also supports fundamental to applied scientific research through its university Centers of Excellence and the Department of Energy (DOE) National Labs. Many of these research projects evolve into technologies that are eventually used by DHS components and State and local partners, after appropriate test and evaluation. The end users ultimately make the decisions about what they need, with S&T's advice and support. There are several ways by which S&T forages for existing tech-

nology that might be adapted, evolved, or applied to DHS needs, and several means through which technology developers might investigate S&T's interest in particular products.

S&T's work covers an extremely broad and diverse set of missions—mirroring the breadth and diversity of DHS' responsibilities. S&T's R&D investments are determined in collaboration with DHS operational components and with representatives from State, local, tribal, and territorial first responder officials. The specific criteria used to evaluate particular projects are described by the R&D portfolio review process and are selected to reflect S&T goals of high likelihood of transitioning to use (which incorporates customer interest) and high operational impact.

Evaluation of projects is conducted annually by teams that include senior component officials and non-DHS technical experts. Every proposed new start project is required to present evidence of technology foraging—that is, the program manager must demonstrate that the project has not already been done somewhere else and a new technology effort is needed to achieve the desired purpose. S&T has established a technology foraging effort that offers several different intensity levels of technology foraging, to assist project managers in searching for particular technologies or capabilities across the global research community. Toward this end, our researchers also maintain strong ties to scientists and engineers in other Federal agencies, universities, the private sector, and internationally. The S&T R&D Partnerships Group exists to connect HSARPA and First Responders Group project managers with the ongoing, dynamic flow of research across the world and to match S&T research interests with possible collaborators in industry, government, and academia.

In addition to S&T's continuous efforts to scan and reach out to technology developers, there are several ways in which companies and organizations can reach in and present S&T with potential technologies for investment. For example, the most recent Broad Agency Announcement by S&T's Cyber Security Division received more than 200 full proposals, of which 33 were funded. These funded proposals included five international collaborators from other countries: Australia, the United Kingdom, Sweden, the Netherlands, and Canada. S&T is evaluating the possibility of funding additional proposals due to the increase in funding provided in fiscal year 2013.

The Directorate is also broadcasting webinars targeted at private industry that describe the operational goals of HSARPA's R&D efforts to provide industry another venue from which they can learn about the Directorate's technological needs. The most recent webinar held by S&T was focused on the joint R&D strategy between S&T, the Federal Protective Service, and the General Services Administration. The webinar had more than 160 attendees from large and small businesses, national labs, and universities.

*Question.* Is there a one-stop shop in the Science and Technology Directorate or elsewhere in the Department that these individuals can reach out to directly?

*Answer.* Information about S&T solicitations can be found on the DHS Broad Agency Announcements Program Portal Web site (<https://baa2.st.dhs.gov>). In addition to targeted Broad Agency Announcements, the DHS Web site offers alternative methods for industry to connect with S&T, Small Business Innovation Research (SBIR), and the Long Range Broad Agency Announcement, which cover a wide variety of R&D topic areas. The DHS SBIR Program is specifically designed to assist small businesses with developing new R&D projects.

The Support Anti-Terrorism by Fostering Effective Technologies Act of 2002 (SAFETY Act) office, within S&T, works with applicant companies to determine if the company's products or services are eligible for liability protections as qualified anti-terrorism technologies. Information on the SAFETY Act can be found at <http://www.safetyact.gov>.

*Question.* I'd also like to understand how DHS seeks out innovative technologies from the private sector with potential security value.

Do program staff sit back and await formal responses to contract solicitations, or do they get out of Washington, attend trade shows, and conduct proactive outreach to businesses in Silicon Valley and other parts of the country where technology solutions may already exist?

*Answer.* The S&T Directorate is active in the tech community, attending key conferences and trade shows and hosting industry days, as well as meeting with innovative companies, investors, and traditional R&D partners. These activities occur through a number of efforts within the Directorate.

For example, S&T's Research and Development Partnerships (RDP) group is active in several research communities and is engaged through partnerships with the private sector to identify, monitor, and connect relevant technologies and capabilities based on the strategic and programmatic needs of the Directorate and Depart-

ment. RDP manages a set of core competencies and spheres of influence that reach into various academic, interagency, national laboratory, and private sector groups both domestically and internationally. RDP then facilitates connections between these stakeholders and S&T's research portfolio in order to ensure that the Directorate is leveraging the best capabilities available, whether they come from industry, academia, or other parts of the U.S. Government. One critical function that RDP provides the Directorate is a technology foraging capability that leverages the many areas of expertise within RDP to seek information on technologies that address specific challenges faced across DHS. Technology foraging is designed to research and evaluate activity in specific technology landscapes by collecting and analyzing global data sources on environments for research, technology, and market and to provide unbiased analysis and recommendations on viable technologies, products, and services to advance homeland security capabilities. The goal of technology foraging is to provide project managers with knowledge to plan and execute projects that capitalize on existing and developing technology markets in order to achieve mission-critical capabilities and to ensure that the Directorate is not duplicating existing capabilities.

S&T has also made a concerted effort to reach out to nontraditional government performers through its investment with In-Q-Tel, which primarily works with small businesses and startup companies in Silicon Valley that are not traditional U.S. Government partners. The Directorate has been broadcasting webinars targeted at private industry that describe the operational goal of HSARPA's R&D efforts to provide industry another venue from which they can learn about the Directorate's technology needs. These webinars have been well received by industry. S&T also hosts the Transition to Practice program, which partners with other Federal agencies (i.e., DOE and the Department of Defense) to bring cybersecurity solutions to bear on DHS and industry problems, thus leveraging their research dollars to solve pressing homeland security mission needs.

Another important aspect of the Directorate's outreach to industry is S&T's SBIR Program. Since its inception in 2004, 3,083 proposals have been submitted to S&T's SBIR program from every State in the United States, including Washington, DC, and Puerto Rico. Awards have been made to 345 small businesses in 42 States. Of note, small businesses in California have submitted 39 percent of the proposals and received 23 percent of the awards.

The DHS SBIR Program conducts its outreach through participation in national conferences, as well as in regional, State, and local events. In addition, the Program Office is actively involved in webinar series with the National Council of Entrepreneurial Technology Transfer. In fiscal year 2012, SBIR outreach was conducted in 10 States (including DC), consisting of 25 events (including webinars). These activities inform our solicitation process, ensuring that we craft our competitive award process with the latest innovations and solutions in mind, regardless of where they originated.

#### STATE, LOCAL, TRIBAL, AND TERRITORIAL GOVERNMENT PREPAREDNESS GRANTS AND TRAINING

##### *Funding*

*Question.* Securing our homeland is a partnership between the Federal Government, State, local, tribal, and territorial entities—one we must continue to support and strengthen. Just like training to run a marathon requires substantial time and commitment before you reach the finish line, our country must also take a long view with regular and routine investments in local, State, and Federal homeland security assets. Yet the budget request we are discussing today has a 15-percent cut to State and local preparedness grants, which if adopted, would revert funding levels back to the historic low of 2012. It also includes a 50-percent cut to training, including the specialized courses taught through the National Domestic Preparedness Consortium.

With a 50-percent reduction in training, how will we ensure first responders are trained for new threats but also keep their skills sharp on traditional threats?

*Answer.* The fiscal year 2014 request streamlines training by creating Training Partnership Grants (TPG). This competitive process will build on the solid foundation that exists by developing new training venues and vehicles to educate the State and local first responder community. The TPG will enable training partners to focus on emerging threats and continue training in traditional threat areas—based on local, State, regional, and National Threat and Hazard Identification Risk Assessments (THIRA) and capability estimation processes. Through the TPG competition, FEMA plans to infuse the training program with greater efficiencies while encouraging new and innovative approaches to training.

*Measuring Performance*

*Question.* For years Congress has called for putting a measure in place so that we can better understand the Nation's risks and capabilities and then refine the level of support needed for State and local partners instead of having funding levels ebb and flow with crisis and economic times. I understand we are as close as we have ever been to finalizing such a process with the release of the National Preparedness Report last year, and an update coming in months. In addition, State and local governments are now required to complete comprehensive threat and hazard assessments.

When will Congress see a complete picture of the Nation's risk and the specific gap in capabilities to address that risk?

*Answer.* FEMA's strategy is to base assessments on the principles that the Nation needs to understand the risks it faces, use those risks to determine the capabilities it needs, assess its current capability levels against those requirements, and track its progress in closing capability gaps. Developing and maintaining an understanding of the variety of risks faced by communities and the Nation, and how this information can be used to build and sustain preparedness, are essential components of the National Preparedness System.

Each State and territory is required to annually complete a State Preparedness Report (SPR) that assesses their ability to meet and deliver the core capabilities outlined in the National Preparedness Goal. These core capabilities and the identified gaps in each core capability are assessed against targets that are derived from each State and territory's Threat and Hazard Identification and Risk Assessment (THIRA). Taken together, the THIRA results and the SPR identify capability needs. These products allow the Nation to look holistically across all capabilities and whole community partners to gauge areas of strength and areas for improvement. FEMA reports the results of the capability assessments in the National Preparedness Report, sent to the President annually on March 30.

*Consolidation*

*Question.* The budget proposal again consolidates the grant program structure. Last year the proposal lacked sufficient detail and stakeholder input. I understand a comprehensive legislative proposal is coming from the administration to the authorizing committees of jurisdiction for consideration.

When do you anticipate submitting this grant reform package?

*Answer.* The grant reform package is being finalized and we expect to submit it to Congress in the very near future.

*Question.* We plan on regular order for appropriations bill this year, which means completion of the Senate bill by July and a conference agreement with the House in September.

Do you plan on working aggressively with the authorizing committees so that any resolution for reform is enacted in time for fiscal year 2014?

*Answer.* Yes, the administration looks forward to engaging Congress proactively to enact the proposal outlined in the President's budget.

## DETENTION BEDS VS. ALTERNATIVE METHODS OF DETENTION

*Question.* Given the fact that there are more than 11 million undocumented individuals in this country and this administration has achieved records levels of removal of criminal aliens—more than 225,000 in the last fiscal year alone—Congress has mandated that ICE maintain 34,000 detention beds in order to detain and then expeditiously remove aliens judged to be deportable. Your budget request for fiscal year 2014 cuts the level of beds by 2,200 to 31,800 beds. The argument could be made that you are seeking flexibility in how you determine which individuals should be detained and which should be placed on alternative methods of supervised release. However, you also are requesting a \$24 million reduction in the alternatives to detention account.

Why are you cutting both detention beds and funding for alternatives to detention?

*Answer.* U.S. Immigration and Customs Enforcement (ICE) requested that the level of detention beds be cut by 2,200 to continue priority operations in a manner consistent with current fiscal constraints. ICE continues to implement efficiencies that assist with identifying, detaining, and removing those individuals who are an enforcement priority, while exercising discretion appropriately. Examples of this includes the nationwide implementation of the Risk Classification Assessment and a pilot program in which ICE works with the Executive Office for Immigration Review (EOIR) to expedite priority cases that are not subject to detention.

ICE is also committed to aligning the Alternatives to Detention (ATD) program to the agency's immigration enforcement priorities. ICE's request for fiscal year 2014 ATD funding is consistent with fiscal year 2012 levels. The President's fiscal year 2013 budget included additional money for the ATD program that was not reflected in ICE's fiscal year 2014 request. Therefore, while it may appear that the requested fiscal year 2014 ATD budget reflects a decrease over the fiscal year 2013 enacted budget, it is consistent with fiscal year 2012 enacted funding levels and will adequately support the ATD mission based on current projections.

To meet the increased demands for ATD monitoring, while still maintaining a consistent funding level, ICE has developed the expedited docket in conjunction with EOIR and the Multi-Aspect Removal Verification Initiative (MARVIN). ICE believes that by expediting priority cases it will decrease the length of time in program for ATD participants, thus leading to an increased number of participants overall. ICE officially implemented the de-escalation concepts of MARVIN on December 6, 2012. This high-low-high approach to supervision requires a higher level of monitoring and case management until participants demonstrate their compliance with their release conditions. During the course of proceedings, and after participants demonstrate their compliance, their monitoring, case management, and associated costs, are greatly reduced. When participants are preparing to depart the United States their monitoring and case management are again increased to ensure compliance with the removal order. This approach affords ICE the ability to add more participants to the program.

*Question.* Does this mean the administration intends to reduce its commitment to enforcement of existing immigration laws?

*Answer.* U.S. Immigration and Customs Enforcement remains committed to a smart, effective and balanced approach to enforcing our Nation's immigration laws by making use of our limited resources, including detention and alternatives to detention, in a manner consistent with established agency priorities. Rather than funding an arbitrary minimum average daily number of costly detention beds, limited resources should be targeted to detain only mandatory and priority detainees, while non-mandatory and non-priority individuals could be placed in less costly alternatives to detention programs on a case-by-case basis.

#### TRUSTED TRAVELERS

*Question.* In 2011, the Transportation Security Administration launched an initiative called PreCheck (Pre✓™) that pre-screens passengers who volunteer information about themselves in exchange for expedited screening at airports. Pre✓™ is currently at 40 airports with five participating airlines. TSA also instituted expedited screening procedures for the elderly, children, and military employees. Moving away from a one-size-fits-all screening approach is a smart policy, but we need to further populate TSA's trusted traveler programs to improve wait times and achieve both a financial and security benefit. Your budget indicates that 25 percent of the traveling public will be enrolled in Pre✓™ or some other risk-based screening program by the end of 2013. That is a very ambitious goal, and I salute your efforts to expand enrollment and participation.

What is your plan to capture a wider pool of travelers into the Pre✓™ program and can you describe the Department's plans to leverage the private sector to make it easier for passengers to sign up and participate in the program?

*Answer.* Currently, the Transportation Security Administration's (TSA) expedited screening initiative, TSA Pre✓™, operates at 40 U.S. airports under five participating airlines and recently passed the critical milestone in the Agency's efforts to move toward a more intelligence-driven, risk-based form of security by reaching the 10 million passengers screened under TSA Pre✓™. In addition, TSA has expanded TSA Pre✓™ to international flights on participating airlines, enabling TSA Pre✓™ participants to be eligible for expedited screening on select international travel itineraries in addition to domestic travel. This encompasses passengers flying internationally out of the 40 participating TSA Pre✓™ airports, and eligible passengers with connecting domestic flights who have arrived in the United States on an international flight after being cleared by U.S. Customs and Border Protection (CBP).

TSA currently has nine locations where Active Duty military can use their Common Access Card to enter TSA Pre✓™ lanes. TSA is working closely with the Department of Defense (DOD) to implement a list-based solution whereby TSA Secure Flight receives a real-time list of eligible Active Duty military, National Guard, Reserve, and DOD civilians who will become eligible for TSA Pre✓™ on all participating airlines and at all TSA Pre✓™ locations.

These initiatives support TSA's overall efforts to enable a wider pool of travelers to participate in the TSA Pre✓™ program, and improve passengers' airport security screening experience via TSA's expedited screening processes.

*Question.* A common complaint by those participating in Pre✓™ is that it's not transportable from one airline to another. In other words, if you're a frequent traveler of United Airlines, you can't receive the Pre✓™ benefit if you take a flight on American Airlines. Are you working with the airlines to make Pre✓™ transportable between air carriers?

*Answer.* The Transportation Security Administration (TSA) continues to encourage TSA Pre✓™ participating airlines to provide reciprocal recognition of eligible frequent flyers.

One successful example of airline collaboration is between United Airlines and US Airways. These airlines currently recognize each organization's eligible travelers that have opted to participate in TSA Pre✓™.

In addition to reciprocity, travelers with a Known Traveler Number, such as U.S. citizens who are members of U.S. Customs and Border Protection's Global Entry, SENTRI, and NEXUS programs, are eligible for TSA Pre✓™ expedited screening on all participating airlines at the 40 TSA Pre✓™ airports.

*Question.* What is being done to counter the risk of a terrorist becoming a frequent flyer and enrolling in the Pre✓™ program?

*Answer.* All travelers including those in the Transportation Security Administration (TSA) Pre✓™ program currently receive a name-based check against the no fly and selectee lists of the Terrorist Screening Database. In addition, no travelers, including those in the TSA Pre✓™ program, are guaranteed to receive expedited screening. All travelers are subject to additional security layers through the random, unpredictable screening measures that TSA employs.

#### TRADE ENFORCEMENT

*Question.* I have been very concerned about the continued reports of foreign seafood, especially shrimp, being dumped on the U.S. market by unscrupulous companies who claim their product is produced in one country when in fact it is mislabeled and comes from a different country entirely. This has a direct impact on food safety as well as the domestic seafood industry. This subcommittee held a hearing on the issues of antidumping and countervailing duties investigations and enforcement where officials from Customs and Border Protection and Immigration and Customs Enforcement testified that they would strengthen their efforts in this regard. I am pleased that enforcement actions were taken last year against mislabeled shrimp imports and that DHS appears to be taking this issue more seriously.

Your budget includes \$3 million to begin centralizing single transaction bond processes which should increase collections of customs revenues. Expanded use of this concept was raised at our trade enforcement hearing.

What other efforts is the Department taking to more robustly enforce our trade laws and protect American industries from unfair trade practices?

*Answer.* ICE and U.S. Customs and Border Protection (CBP) work together throughout the international supply chain to identify, disrupt, and dismantle criminal organizations engaged in trade crime. For example, ICE's Los Angeles's Trade Fraud Group, co-located alongside CBP personnel, attached to the Port of Los Angeles in 2012, established the Trade Enforcement Coordination Center (TECC). The TECC merges ICE and CBP resources to promote seamless information sharing among all entities involved in trade enforcement. The TECC proactively identifies trade schemes and facilitates threat assessments, which are used to form investigative and interdiction operation teams alongside industry. ICE and CBP are developing additional TECCs at major ports-of-entry in the United States to enhance commercial fraud enforcement nationwide.

ICE and CBP also work jointly to produce post-investigative analysis reports (PIARs) during commercial fraud and intellectual property rights investigations. These PIARs analyze lessons learned from investigations to ensure successful methods and techniques are repeatable for potential national use by ICE and CBP personnel. Similarly, ICE and CBP are developing a Commercial Fraud Modular Training program to foster communication and collaboration between prosecuting attorneys and CBP and ICE personnel to enhance joint investigations. Finally, ICE and CBP are engaged in ongoing outreach efforts with industry and law enforcement partners to coordinate capacity building programs and raise public awareness of U.S. trade laws.

CBP is committed to protecting American industries from unfair trade practices, and ensuring that antidumping/countervailing duty (AD/CVD) laws are vigorously enforced. CBP increased its agency-wide efforts in fiscal year 2012 to enforce AD/

CVD laws in coordination with U.S. Immigration and Customs Enforcement, Homeland Security Investigations (HSI). In fiscal year 2012, CBP and HSI seized 57 shipments of AD/CVD commodities with a domestic value of more than \$13 million for violations of AD/CVD and related laws. CBP also levied over 50 monetary penalties assessed at more than \$24 million on importers for AD/CVD violations, and completed over 50 AD/CVD audits of importers through which CBP identified discrepancies totaling approximately \$41 million.

#### SEQUESTRATION IMPACT ON SMALL BUSINESSES

*Question.* DHS has consistently achieved an “A” on its small business contracting scorecard, routinely awarding between 29 and 32 percent of its contracts to small businesses. However, I recently sent a letter to DHS raising concern that sequestration will hit America’s small businesses especially hard. As the chairman of the Senate Small Business Committee, I have heard of a number of instances in which funding under small business contracts has been reduced significantly or put on hold indefinitely.

What impact will sequestration have on your Department’s ability to contract with small businesses?

*Answer.* DHS has a robust small business program and has received an “A” on the Small Business Administration (SBA) scorecard for 3 consecutive years beginning in fiscal year 2009. DHS is anticipating another favorable score for fiscal year 2012 when SBA releases the scorecard later this year. The success of the program has been dependent on eight key areas which include: the small business Web site; small business specialists in each buying activity; annual forecast of contract opportunities; listing of large business prime contractors with subcontracting opportunities; mentor-protégé program; annual small business awards ceremony; small business review form; and outreach activities. On average, the DHS Office of Small and Disadvantaged Business Utilization staff participates in 75 to 100 small business outreach events annually, reaching an estimated 10,000 small businesses.

As a result of sequestration, participation in local and out-of-town small business outreach events with industry and trade associations has been significantly reduced. To mitigate the impact on the small business community, field personnel have increased the use of teleconferences and video conferences as a primary form of outreach.

*Question.* What mechanisms are in place to monitor any impact and what action is being taken to mitigate the impact of these cuts?

*Answer.* A letter from the DHS chief procurement officer to DHS industry partners has been posted under the Small Business Assistance portion of the DHS Web site. The letter explains that the Budget Control Act of 2011 requires sequestration of certain DHS funds which may result in certain planned procurements being canceled or reduced in scope and certain existing contracts being reduced in scope, terminated, or partially terminated. The letter also states, unless provided with formal notification to the contrary, all DHS contractors must continue to comply with all terms, conditions, requirements, and deliveries specified in their contract.

The DHS component heads of the contracting activities submit a weekly report to the DHS chief procurement officer detailing the list of affected contracts. The Department is continually monitoring the status and remains committed to mitigating the effects of sequestration on the small business community to the greatest extent possible.

#### WORKSITE ENFORCEMENT

*Question.* U.S. Immigration and Customs Enforcement (ICE) broke records last year in the number of worksite investigations initiated (3,904), arrests made (240), inspections conducted (3,004), and fines imposed (\$12.5 million). And most of those records broke highs that were set the previous year. That’s a strong record of performance in the area of worksite enforcement and an encouraging upward trend. There’s a perception among many that immigration enforcement is targeted disproportionately at unskilled laborers instead of the unscrupulous employers who knowingly hire them, and in some cases, provide them with fraudulent documents, traffic them, and exploit them. Some have argued that reducing the demand for illegal labor through stricter worksite enforcement will eventually shrink the supply of illegal aliens and reduce the number of illegal entries.

What can we do to further prevent employers from hiring people who aren’t legally authorized to work in the United States?

*Answer.* ICE supports potential statutory amendments, as part of common sense immigration reform, that will provide deterrence to willful or repeat violators. Currently, criminal penalties are provided for any person or entity that engages in a

pattern or practice of violations of the prohibition against hiring, recruiting, or referring for a fee an unauthorized alien, or continuing to employ such unauthorized alien; however, this provision is a misdemeanor and carries lower penalties (8 U.S.C. section 1324a(f)). The term “pattern or practice” is defined as regular, repeated, and intentional activities, but does not include isolated, sporadic, or accidental acts (8 CFR section 274a.1(k)). ICE welcomes current proposals that increase criminal penalties for such pattern or practice violators. A similarly difficult provision under the current statutes relates to the criminal penalties provided for knowingly hiring at least 10 individuals within a 12-month period with actual knowledge that the individuals are unauthorized aliens and were brought into the United States in violation of law (8 U.S.C. section 1324(a)(3)(A)). Using this statute in criminal investigations or prosecutions can be difficult, as knowledge of the unauthorized aliens’ manner of entry is required on the part of the employers and may be difficult to establish.

*Question.* How can you reassure employers that E-Verify will help them to detect fraudulent documents that may otherwise appear legitimate?

*Answer.* USCIS has continued to expand the types of documents for which the E-Verify system provides photo confirmation. The photo matching tool allows the employer to match the photo displayed in E-Verify to the photo on the employee’s permanent resident card, employment authorization document, U.S. passport or U.S. passport card to determine whether the card was fraudulently produced. E-Verify users rate the photo tool very highly as a method for reducing fraud. The 2012 American Customer Satisfaction Index (ACSI) rating of E-Verify found that the photo tool scored 95 points on a scale of 1 to 100. Employers found the photo tool to be easy to use (score of 95) and thought it was helpful in preventing fraud (score of 94).

USCIS is also working on a new initiative that will allow employers to check the authenticity and validity of driver’s licenses and State identification cards. Mississippi and Florida are currently participating in this initiative, with opportunities for other States to participate as the program expands.

USCIS is developing other methods for reducing fraud in E-Verify, such as monitoring Social Security numbers (SSNs) to identify potential fraudulent use and developing an enhancement to allow individuals to lock their SSNs in E-Verify so they cannot be used by others who work for E-Verify employers.

*Question.* Should we also look at increasing civil or criminal penalties as a deterrent against willful violations or repeat offenses?

*Answer.* U.S. Immigration and Customs Enforcement (ICE) supports increased civil and criminal penalties to deter willful or repeat violations. Currently, criminal penalties are provided for any person or entity that engages in a pattern or practice of violations of the prohibition against hiring, recruiting, or referring for a fee an unauthorized alien, or continuing to employ such unauthorized alien. (8 U.S.C. section 1324a(f)). However, this provision is a misdemeanor and carries relatively modest penalties. Moreover, the term “pattern or practice” is defined as regular, repeated, and intentional activities, and does not include isolated, sporadic, or accidental acts). ICE would welcome increasing criminal penalties for such pattern or practice violators.

Also, with the increase in technology, such as E-Verify, used to identify and prevent the use of false identification documents by unauthorized employees, there will likely be a corresponding increase in instances of identity fraud and theft. ICE would welcome increased criminal penalties for those who provide or use fraudulently obtained identification documents to circumvent immigration laws.

Another possibility for statutory change involves the existing provision relating to the criminal penalties provided for knowingly hiring at least 10 individuals within a 12-month period with actual knowledge that the individuals are unauthorized aliens and were brought into the United States in violation of law (8 U.S.C. section 1324(a)(3)(A)). Using this statute in criminal investigations or prosecutions is difficult as employers are required to have knowledge about the unauthorized aliens’ manner of entry. Conceivably, a statutory amendment removing this particular knowledge element would allow for more prosecutions of unscrupulous employers that knowingly hire unauthorized employees.

ICE also supports efforts to criminalize abusive employment practices committed against unauthorized employees based on the vulnerable nature of this population. Such provisions would allow ICE to target employers that rely on these unlawful practices as part of their business model, thereby giving them an unfair advantage over law abiding employers.

*Question.* Louisiana's seafood community relies heavily on the H-2B visa program for temporary workers to handle the most labor-intensive tasks required in these businesses, such as shucking oysters and picking crabs. Without this temporary worker program, Louisiana's seafood industry would come to a halt as American workers are simply unable or unwilling to fill these demanding positions. It has come to my attention that the United States Citizenship and Immigration Services (USCIS) has halted its processing of H-2B worker petitions from companies using private wage surveys as a result of a recent court ruling which calls into question the Department of Labor's (DOL) wage methodology. While we need to ensure workers are being adequately compensated, bringing such an important program to a standstill while the agencies determine a new wage methodology is simply unacceptable. There are a lot of small business owners, in Louisiana and across the country, trying to make ends meet, who are counting on you to continue processing H-2B applications in an expeditious manner. I encourage you to immediately resume processing H-2B applications with completed DOL labor certifications.

During the 30-day suspension, how many petitions have been impacted?

*Answer.* On April 2, 2013, USCIS issued an alert on its Web site, notifying the public that adjudication of most H-2B petitions had been suspended because of a court ruling that invalidated the use of the four-tier Occupational Employment Statistics (OES) survey as part of the temporary labor certification process, which is the first step in obtaining an H-2B petition. Because of the court's decision, this alert also indicated that USCIS would stop accepting new premium processing requests for H-2B petitions until further notice. On April 3, 2013, USCIS issued updated guidance on its Web site regarding the suspension. This posting informed the public that USCIS would issue a notice to all petitioners with pending H-2B petitions. The notice notified the petitioner that adjudication would be suspended unless the petitioner could show that the basis for the prevailing wage determination was something other than the four-tier Occupational Employment Statistics (OES) survey that had been enjoined by the court. If the petitioner provided evidence that a different method was used, USCIS released the case from hold and processed the case.

On April 24, 2013, the Department of Homeland Security (DHS) and Department of Labor (DOL) jointly published the Interim Final Rule (IFR), Wage Methodology for the Temporary Non-Agricultural Employment H-2B Program, part 2. See 78 Fed. Reg. 24047 (April 24, 2013). The IFR revised the prevailing wage methodology by which DOL calculates certain prevailing wages to be paid to H-2B workers and U.S. workers recruited in connection with an H-2B application for temporary labor certification. Once the IFR was issued, USCIS resumed processing all H-2B petitions. As noted in the IFR, approximately 682 H-2B petitions were affected as of April 10. As of May 6, 2013, an adjudicative action (approval, request for evidence, denial) has already taken place on all the cases affected by the suspension.

*Question.* What are the Department's plans to resume processing H-2B applications and to ensure that seasonal employers get their H-2B workers as soon as possible?

*Answer.* On April 25, 2013, USCIS issued an alert on its Web site, indicating that USCIS had resumed processing of all form I-129 H-2B petitions. This means that all H-2B petitions that were placed on hold could be adjudicated (approved, denied, issued a request for evidence, etc.). As of May 6, 2013, an adjudicative action (approval, request for evidence, denial) already had taken place on the cases affected by the suspension. USCIS also resumed accepting requests for premium processing for H-2B petitions on May 1, 2013.

*Question.* When DHS re-starts processing, how will the Department account for the applications that were received in the last days of premium processing to ensure timely processing?

*Answer.* USCIS processed all H-2B petitions as quickly as possible to alleviate potential hardship on employers. As previously indicated, an adjudication action (approval, request for evidence, denial) has already taken place on all the cases affected by the suspension.

*Question.* What is the Department's plan for H-2B administration in the future?

*Answer.* USCIS understands the importance of temporary non-agricultural workers and the need for prompt adjudication of H-2B petitions. USCIS has resumed processing of all form I-129 H-2B petitions for temporary non-agricultural workers. The processing goal for an H-2B petition that does not have a premium processing request is generally 1 month. If a petitioner requests premium processing, USCIS will issue a decision (approval, request for evidence, notice of intent to deny, or denial) within 15 calendar days.

*Question.* Are there any substantial changes to the program that DHS is considering?

Answer. DHS does not anticipate proposing any substantial changes to the H-2B program at this time.

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QUESTIONS SUBMITTED BY SENATOR FRANK R. LAUTENBERG

*Question.* I remain concerned about the Department's fiscal year 2014 budget proposal to once again attempt to consolidate preparedness grants into one national program. Efforts to consolidate these grants could shift critical grant funds away from the areas most at-risk for a terror attack, like my State of New Jersey, and leave rail and port systems in populated areas without needed security funds. Congress explicitly prohibited the Department from carrying out this type of consolidation last year without authorization.

Why is the Department once again proposing to consolidate preparedness grants into one program if it does not have the authorization to do so?

Answer. Federal investments in State, local and tribal preparedness capabilities have contributed to the development of a significant national-level capacity to prevent, protect against, respond to, and recover from disasters of all kinds. As we look ahead, to address evolving threats and make the most of limited resources, the proposed National Preparedness Grant Program (NPGP) will focus on building and sustaining core capabilities associated with the five mission areas within the National Preparedness Goal (NPG) that are readily deployable and cross-jurisdictional, helping to elevate nationwide preparedness.

The administration's fiscal year 2014 budget re-proposes the NPGP, originally presented in the fiscal year 2013 President's budget, to create a robust national preparedness capability, with some adjustments made to respond to broad stakeholder feedback solicited and received during 2012. In particular, the fiscal year 2014 NPGP provides grantees and other stakeholders greater certainty regarding the sources and uses of available funding while maintaining the core priorities of the administration's fiscal year 2013 grants vision.

Similar to the fiscal year 2013 NPGP, the fiscal year 2014 proposal consolidates current State and local preparedness grant programs into one overarching program (excluding emergency management performance grants and fire grants) to enable grantees to build and sustain core capabilities outlined in the NPG collaboratively. As a single, comprehensive grant program, the NPGP eliminates the redundancies and requirements placed on both the Federal Government and the grantees resulting from the current system of multiple individual, and often disconnected, grant programs.

The fiscal year 2014 NPGP prioritizes the development and sustainment of core capabilities as outlined in the NPG. Particular emphasis will be placed on building and sustaining capabilities that address high consequence events that pose the greatest risk to the security and resilience of the United States and can be utilized to address multiple threats and hazards. The NPGP continues to utilize a comprehensive process for assessing regional and national capability requirements through the Threat and Hazard Identification and Risk Assessment (THIRA) and capability estimation processes, prioritize capability needs and invest in critical national capabilities.

The NPGP draws upon and strengthens existing grants processes, procedures and structures, emphasizing the need for greater collaboration and unity among Federal, State, local and tribal partners. This is particularly important as stakeholders work together to make smarter investment decisions, develop shared or deployable capabilities, and share resources through Emergency Management Assistance Compacts (EMAC) or other mutual aid/assistance agreements. In many ways, the NPGP structure mirrors the collaboration and decisionmaking process that occurs during disasters, when various stakeholders and jurisdictions come together to plan, build, and execute capabilities.

NPGP grantees will be required to align their proposed investments to core capabilities, incorporate effectiveness measures, and regularly report progress on the acquisition and development of identified capabilities. These measures will enable all levels of government to collectively demonstrate how the proposed investment will build and sustain core capabilities necessary to strengthen the Nation's preparedness.

*Question.* The recent terrorist attack in Boston highlighted the critical importance of providing Federal support to first responders, so they are prepared for emergencies and can respond quickly when terror attacks occur. The Department's request of \$1.043 billion for a National Preparedness Grant Program represents a cut

from the fiscal year 2013 pre-sequestration enacted amount for these grant programs (not including emergency management performance grants or fire grants).

In light of the recent Boston attack, is the Department willing to reevaluate its fiscal year 2014 request for these grant programs to determine whether the requested amount meets current risk needs?

Answer. The tragic events in Boston underscore the importance of coordinated preparedness capabilities among cross-jurisdictional agencies. It was Boston's preparedness efforts such as training and exercising as a cohesive emergency response unit that supported the coordinated and effective response.

The proposed National Preparedness Grant Program (NPGP) will emphasize building and sustaining capabilities that address high consequence events that pose the greatest risk to the security and resilience of the United States. Funding will address multiple threats and hazards, while utilizing a comprehensive process for assessing regional and national capability gaps through the Threat and Hazard Identification and Risk Assessment (THIRA) process in order to prioritize and invest in key national capabilities.

*Question.* If sequestration remains in effect, what impact will these across-the-board cuts have on DHS's ability to provide the areas most at-risk of a terror attack with the resources they need to prevent and respond to terror attacks?

Answer. The administration believes sequestration is bad policy and has detrimental impacts on the economy and operations of the agencies. Sequestration affects the development and sustainment of local and State preparedness capabilities to adequately and efficiently respond to threats, terror attacks, and disasters.

The Department's fiscal year 2012 UASI allocation cut funding for the Jersey City/Newark area by nearly 42 percent from fiscal year 2011. However, the fiscal year 2012 allocation did not cut any funding for the New York region, and the next three top risk areas received substantially smaller cuts than the Jersey City/Newark area.

*Question.* Given that the top four risk areas received disproportionately smaller cuts, or no cut at all, why didn't the remaining high-risk regions in tier I also receive special consideration to ensure the smallest cuts possible?

Answer. In fiscal year 2012, the total amount of available grant funding for the Urban Areas Security Initiative (UASI) was 26 percent lower than the funding available in fiscal year 2011. As is the case each year, the final fiscal year 2012 UASI allocations were informed by a comprehensive risk methodology based on threat, vulnerability, and consequence factors.

*Question.* How will DHS's future UASI allocations take into account the substantial cut the Jersey City/Newark area faced in fiscal year 2012 to ensure the area is not put at risk because of these cuts?

Answer. The UASI program addresses the unique planning, organization, equipment, training, and exercise needs of high-threat, high-density urban areas, and supports building an enhanced and sustainable capacity to prevent, protect against, mitigate, respond to, and recover from acts of terrorism. UASI allocation decision process will continue to be risk-informed, as required by section 2007 of the Homeland Security Act of 2002. In addition, FEMA will continue to administer an annual risk validation process with the top 100 Metropolitan Statistical Areas (MSAs) and 56 States and territories, as required by the Homeland Security Act. The Department will continue to prioritize funding to support the highest threat needs.

*Question.* While full details of the attacks are not yet known, the recent bombings in Boston have highlighted dangerous loopholes in our explosives laws. Today, anyone can buy up to 50 pounds of black powder and unlimited quantities of smokeless and black powder substitute without a background check or permit. And for those explosives that can only be purchased with a permit, a known or suspected terrorist is not prohibited from being issued a permit and purchasing these explosives today.

Do you think these loopholes in our explosives laws put Americans' safety in danger?

Answer. I would defer to DOJ regarding explosives laws.

A whole-of-government approach that integrates Federal, State, local, tribal, territorial, private sector, and global participation in counter-IED activities will best position the United States to discover plots to use IEDs in the United States, or against U.S. persons abroad, before those threats become imminent.

The Joint Program Office for Countering IEDs (JPO C-IED), administered by the Attorney General through the Federal Bureau of Investigation (FBI), is an inter-agency group that coordinates and tracks progress across the departments and agencies toward building and maintaining counter-IED capabilities. The DHS Office for Bombing Prevention (OBP) within the National Protection and Programs Directorate serves as the Deputy Administrator of the JPO C-IED and leads the development and implementation of national counter-IED policy within DHS.

OBP provides the Nation a focused portfolio of counter-IED capability development programs to State, local, tribal, territorial, and private sector partners. For example, OBP raises awareness of the illicit use of black and smokeless powders through voluntary measures such as the Bomb-Making Materials Awareness Program, which encourages inventory control and suspicious activity reporting.

*Question.* We also know that terrorists have been encouraged to exploit loopholes in our gun laws. In June 2011, Adam Gadahn, an American-born Al Qaeda member, urged terrorists in a video to exploit weaknesses in U.S. gun laws to carry out terrorist attacks. Gadahn said, "America is absolutely awash with easily obtainable firearms. You can go down to a gun show at the local convention center and come away with a fully automatic assault rifle, without a background check, and most likely, without having to show an identification card. So what are you waiting for?" And even when a background check is conducted, being a known or suspected terrorist does not disqualify a person from purchasing a gun. While we don't yet know the origins of the firearms used by the Boston bombing suspects, we do know they procured an arsenal of firearms that they used to kill one police officer and seriously injure another.

Are you concerned that terrorists could exploit our gun laws in order to purchase firearms in the United States and harm Americans?

*Answer.* We would be happy to provide a briefing on this based on current intelligence.

*Questions.* The Port Security Grant Program provides crucial funding for improving security at our Nation's ports. In addition, the performance period for grants was shortened from 3 years to 2 years. How will the decrease in the performance period change the types of projects that Port Security grantees can undertake? Will this impact their ability to address high-risk projects?

*Answers.* The Port Security Grant Program has the high levels of unobligated balances among the State and local grant programs. PSGP priorities have expanded over the years as a result of the stakeholder input, to give applicants more flexibility when applying for funds. Applicants must take into consideration the ability to complete a project within the 2-year performance period and are required to provide timelines and milestones with their application. FEMA has taken steps to make funding available at the time of award to include pre-award budget reviews and timely environmental and historic preservation (EHP) reviews to give grantees the maximum amount of time possible to complete their projects.

No. Large, complex, capital security projects may be phased over the grant period of performance years to allow high-risk projects to be completed.

*Question.* What can FEMA do to ensure that their internal review process does not inhibit grantees from completing projects within the mandated project completion period?

*Answer.* FEMA has taken steps to make funding available at the time of award to include pre-award budget reviews and timely environmental and historic preservation reviews, as required under present law, to give grantees the maximum amount of time possible to complete their projects. FEMA has also emphasized the importance that grantees have a clear plan for spending grant awards from the beginning of the period of performance.

*Question.* To ensure that customs inspections do not impede tourism, Customs and Border Protection aims to process arriving international passengers within 30 minutes. According to reports from Newark Liberty Airport, arriving passengers are experiencing wait times of up to two hours at customs due to inadequate staffing. At the same time, DHS is funding a preclearance checkpoint at the Abu Dhabi International Airport and not increasing investments at customs checkpoints at busy domestic airports.

How will this new Abu Dhabi checkpoint affect Customs and Border Protection staff in the United States?

*Answer.* Pre-clearance will provide much needed relief to wait times at highly congested U.S. gateway airports, such as Chicago O'Hare, New York-John F. Kennedy, and Washington Dulles, by providing domestic-style arrivals and connections when flights land from the location.

*Question.* Can you commit that the new Abu Dhabi checkpoint will not decrease Customs and Border Protection staffing at Newark Liberty?

*Answer.* The port of entry at Newark Liberty Airport is a major gateway to the United States for trade and travel and will continue to be a high-priority location for Department of Homeland Security and CBP. CBP is committed to making every effort to ensure that all locations, including Newark Liberty Airport, have adequate staffing.

*Question.* Will you commit to working with me to provide adequate staffing at Newark Liberty?

Answer. An administration priority in the fiscal year 2014 budget is to expand frontline operational capabilities through increased staffing at our ports of entry. The fiscal year 2014 budget supports 25,252 U.S. Customs and Border Protection (CBP) officers, including 1,600 additional CBP officers through appropriations and 1,877 additional CBP officers funded by CBP's proposed increase to the Consolidated Omnibus Budget Reconciliation Act (COBRA) and immigration inspection user fee fees.

*Question.* A German security consultant recently claimed to have developed technology that could be used to remotely hijack an airplane, alleging that current security systems do not have adequate authentication methods to ensure commands are from a legitimate source. The FAA released a statement saying it is aware of this claim and has said it does not pose a threat on actual commercial flights.

Will you commit to reviewing the potential threat and updating me on steps being taken to address any deficiencies in our security systems that could leave an aircraft open to an attack of this nature?

Answer. While the Transportation Security Administration (TSA) does not have authority to regulate the security vulnerabilities within aircraft avionics or aircraft flight simulator equipment, TSA works to acquire and analyze information to understand and actively respond to the cybersecurity threats that target transportation. These efforts include collaborating with TSA's partners to analyze the German security consultant's claim. We will continue to work with the U.S. Department of Transportation (DOT) and the Federal Aviation Administration (FAA) on this issue.

*Question.* On March 26, a FEMA spokesperson said the Advisory Base Flood Elevation (ABFE) maps in New Jersey are likely to be revised, and that some properties in V zones could be moved back to A zones. Residents and businesses in New Jersey are currently deciding—based on the ABFE maps—whether to elevate their properties, relocate, or pay higher flood insurance premiums.

Will DHS set up a specific mechanism—such as a telephone hotline—for homeowners to learn how likely it is that their property will be put into a different flood zone when FEMA releases updated flood maps?

Answer. Yes. Homeowners can log onto [www.Region2Coastal.com](http://www.Region2Coastal.com) and use the "What is my BFE?" tool within the Web site to perform an address specific look-up tool to determine the flood zone impacting their property. This was the same process utilized during the release of the advisory BFE map data. Property owners can enter their street address or location by latitude/longitude coordinates to obtain flood hazard information that will be depicted on the Preliminary Flood Insurance Rate Map. If homeowners have additional questions about the Preliminary Flood Insurance Rate Map and the regulatory map process, they can call the FEMA Map Information Exchange at 1-877-FEMA-MAP.

*Question.* I signed a letter to FEMA Administrator Fugate on March 20 requesting that FEMA conduct an expedited study into how Army Corps of Engineers flood mitigation structures would affect the Advisory Base Flood Elevation (ABFE) maps in New Jersey. The letter requested that the study identify areas where the completion of the structures could lead to flood map revisions. I have not yet received a response to this letter.

What is the status of this study, and when will it be complete?

Answer. FEMA has engaged with the U.S. Army Corps of Engineers (USACE) on this matter and is working to develop a technical scope for the project that meets the request while working to ensure resources are available. A response to the referenced letter will be provided in the coming weeks, and FEMA will engage with its USACE counterparts and the offices of Senators Lautenberg and Menendez to develop a process for communicating regular staff updates as project milestones are completed.

*Question.* Has FEMA requested data and information from the Army Corps of Engineers about planned flood control structures in New Jersey?

Answer. Yes. USACE has provided design data for each of the beach projects on the NJ shoreline. USACE remains the authoritative source of information on the design and construction of beaches. FEMA will work with the USACE to ensure that it remains informed on the status of these USACE projects as work to complete FEMA mapping projects continues.

*Question.* Given that FEMA is planning to release updated flood maps this summer, which will be before the Army Corps completes Superstorm Sandy flood control projects, what process will FEMA establish to coordinate these maps with anticipated Army Corps projects?

Answer. FEMA has engaged with the USACE through its standing open coordination points, and this engagement will continue to ensure that FEMA is aware of the details of progress on USACE projects. It is important to note that FEMA maps produced under the National Flood Insurance Program (NFIP) must be based on exist-

ing conditions, and future conditions cannot be reflected by virtue of statute. However, FEMA has a map revision mechanism that allows communities to request changes, seek FEMA comment on the potential effects of proposed projects, and incorporate warranted changes in flood hazard mapping based on completed projects.

*Question.* I am encouraged that FEMA has expressed a willingness to accept input from communities to address any shortcomings in the Advisory Base Flood Elevation (ABFE) maps. However, in order for a community to challenge the maps, FEMA is requiring that data be submitted in a form meeting detailed technical standards. Many small communities in New Jersey do not have the means to hire the technical experts needed to prepare a submission in the requested form. I signed a letter to FEMA Administrator Fugate on March 20th encouraging the agency to enlist experts at New Jersey's institutes of higher education to assist communities by providing an independent opinion on map accuracy and preparing submissions if needed. I have not yet received a response to this letter.

Will DHS and FEMA enlist experts at New Jersey's colleges and universities to help New Jersey communities understand and, if necessary, submit proposed improvements to the ABFE maps?

*Answer.* FEMA has actively sought statewide and local input since the inception of the ongoing study of coastal flood hazards in the State of New Jersey. In the early stages of the study, FEMA established a Technical Advisory Panel comprised of representatives from academia and nonprofit agencies, State and local governments, and other Federal agencies. Individuals from some of these institutions also have participated on the Coastal Outreach Advisory Team FEMA established around the same time. FEMA briefed the Technical Advisory Panel on the ABFE map development methodology and presented a prototype map to the panel prior to issuance of the maps. The consensus of the panel was that the ABFE mapping methodology was based on sound engineering practices, including the wave estimation methodology that FEMA employed. The detailed wave analysis that will replace the estimation used in the ABFE maps was recently completed. FEMA is in the process of coordinating with State officials, as part of the ongoing disaster recovery process, to plan issuance of work maps in the coming weeks that will eventually supersede the ABFE maps as best available data for rebuilding. FEMA engages and assists communities in understanding the flood hazards shown on the work maps, including the incorporation of the detailed wave analysis. The overall study will continue to involve the participation of both the Technical Advisory Panel and the Coastal Outreach Advisory Team.

The Biggert Waters Flood Insurance Reform Act required FEMA to conduct a study and issue a report by April 6, 2013, on the affordability of NFIP premiums, the effects of increased premiums on low-income homeowners, and ways to increase affordability through targeted assistance. This study has not yet been released. In addition, FEMA has not yet replied to a letter I signed on March 15, 2013, requesting that this affordability study be released as soon as possible, and urging that no premium rate increases be noticed until this report has been released and adequate time has been made available for Congress and the public to study it.

*Question.* What is the status of this study and when will it be complete?

*Answer.* FEMA has been working collaboratively with the National Academy of Sciences (NAS) to assess what can be accomplished with authorized funding and the timelines for completing the study. The NAS has estimated that scoping an approach to the study would take 9–12 months and could be done for the \$750,000 outlined in the act. Implementing the study could cost \$400,000 to \$1 million or more. Once the scoping is complete, the NAS will have a better estimate of time required to complete the study.

*Question.* How will DHS and FEMA address affordability issues and insurance premium rates?

*Answer.* In addition to statutory requirements on affordability and insurance payment studies, FEMA is actively encouraging individuals and communities to consider ways to decrease their risk and thereby reduce their flood premiums. For example, individuals can decrease their risk and premiums by electing higher deductibles. Communities can address their risk and reduce premiums by joining the Community Rating System (CRS), a program that offers communities discounts in flood insurance rates for areas that exceed the NFIP's minimum floodplain management requirements. Communities receive discounts ranging from 5 percent to 45 percent depending on the extent to which they exceed the NFIP minimum standards.

*Question.* As the planet continues to warm, extreme weather events like Superstorm Sandy will become more frequent. In addition to storm damage, New Jersey's coastline is also particularly vulnerable to sea level rise.

How do the new FEMA Advisory Base Flood Elevation maps in New Jersey account for the expected impacts of climate change?

Answer. The new Advisory Base Flood Elevation (ABFE) maps in New Jersey (and New York) only account for current conditions flooding and do not account for future flood conditions associated with the effects of climate change—for example, sea level rise. However, FEMA has been collaborating with the National Oceanic and Atmospheric Administration, the U.S. Army Corps of Engineers, the U.S. Global Change Research Program, and other entities in the development of sea level rise tools that can be used with FEMA Preliminary Flood Insurance Rate Maps. FEMA is coordinating with New Jersey officials on the timing for the release of these tools in connection with the rollout of Preliminary Flood Insurance Rate Maps.

*Question.* The 9/11 Commission characterized the Federal emphasis on aviation security as “fighting the last war” and noted that “opportunities to do harm are as great or greater in maritime and surface transportation.” Since 2001, terrorist attacks against mass transit, buses, and passenger rail have resulted in 3,900 deaths and 14,000 injuries worldwide. Most recently, on April 22, 2013, a plot to attack the Canadian Via transit agency was uncovered. Despite this growing threat, the overwhelming majority of TSA’s resources are directed to aviation; the fiscal year 2014 budget request for surface transportation security is only \$109 million, or less than 2 percent of the security budget. In addition, DHS has completed only 60 percent of the security requirements from the 2007 9/11 Act and General Accountability Office (GAO) has cited deficiencies in TSA’s surface transportation security plans.

How many of the 9/11 Act security requirements have not been completed?

Answer. Please find the Department’s progress report on the 9/11 Commission recommendations here: <http://www.dhs.gov/xlibrary/assets/implementing-9-11-commission-report-progress-2011.pdf>

*Question.* What specific actions has TSA taken to address the deficiencies in TSA’s comprehensive risk management assessment for surface transportation security plan that were identified by GAO?

Answer. The Transportation Security Administration (TSA) has issued recommended security practices in all surface transportation modes, and measures adherence by industry to these security practices, by conducting enhanced Corporate Security and Baseline Assessment for Security Enhancement reviews. TSA enforces rail transportation security regulatory requirements (49 CFR part 1580) by conducting compliance inspections. The inspectors’ roles and missions have been fully defined, and training is provided to the inspectors on how to conduct compliance inspections. In addition, agreements (MOUs and MOAs) have been negotiated with the Department of Transportation (DOT) to ensure that there is no duplication of these inspections.

The transit sector, due to its open access architecture, has a fundamentally different operational environment than aviation. Accordingly, DHS helps secure surface transportation infrastructure through risk-based security assessments, critical infrastructure hardening, and close partnerships with State and local law enforcement partners. The fiscal year 2014 budget supports DHS’s efforts to bolster these efforts through:

- Funds 37 VIPR teams, which are comprised of personnel with expertise in behavior detection, security screening, and law enforcement for random, unpredictable deployments throughout the transportation sector to prevent potential terrorist and criminal acts.
- Funds surface transportation security inspectors and canine teams who work collaboratively with public and private sector partners to strengthen security, identify vulnerabilities, and mitigate the risk to our Nation’s transportation systems.
- Supports compliance inspections throughout the freight rail and mass transit domains, critical facility security reviews for pipeline facilities, comprehensive mass transit assessments that focus on high-risk transit agencies, and corporate security reviews conducted in multiple modes of transportation to assess security.

*Question.* Given the recent bombings in Boston and plots to attack a passenger rail system in Canada, is the fiscal year 2014 funding level sufficient to address the continuing threats to our surface transportation system? If not, what funding level is needed?

Answer. The reduction in fiscal year 2014 funding taken in the surface appropriation reflects a streamlining of resources in the visible intermodal prevention and response (VIPR) teams which will not reduce the number of teams or operations.

The fiscal year 2014 request for the surface transportation security appropriation will meet the planned mission, goals and objectives, consistent with prior appropriations.

## QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

*Question.* Madam Secretary, your Department has led the Federal Government in finding cost savings through the consolidation of data centers. During the fiscal year 2013 budget cycle, you testified the Department might save nearly \$3 billion by 2030 through these efforts. I also noted your recent conclusion that ten of the first data migration activities within your Department have resulted in annual savings of more than \$17 million already.

Can you elaborate on the other benefits that data center consolidation provides to DHS, its component agencies, and your mission effectiveness? Are you receiving enough assistance from the Congress and is there a way for us to be more helpful on this initiative?

*Answer.* Data center consolidation provides many benefits to DHS and its component agencies, some of which include enhanced cybersecurity, disaster recovery, improved enterprise shared services, improved system performance, and a more standardized technology architecture. Specific benefits include:

- Cybersecurity:
  - Reduces Internet connections;
  - Increases network security;
  - Establishes inherited common controls for certification and accreditation process; and
  - Consolidates, standardizes, and improves system security monitoring capabilities consistent with Federal Information Security Management Act goals.
- Continuity of operations/disaster recovery (DR):
  - Improves response to emerging threats and requirements;
  - Provides redundancy capabilities;
  - Satisfies component disaster recovery requirements;
  - Primary service provider coordinates DR services at the secondary site; and
  - Infrastructure available to support active/active environment.
- Enterprise shared services:
  - Offers common, standardized platforms for server, network, and storage;
  - Ordering services efficiencies through bundled contract line item numbers;
  - Standardized processes for operations and maintenance;
  - Standardize configuration and change control processes and monitoring metrics;
  - Enables private cloud services for sensitive data;
  - New capabilities in “as a service” offerings are available for all components; and
  - Allows for maximum efficiencies, scalability, and redundancy for all enterprise services.
- Cost reduction and improved system performance:
  - Ensures competitiveness of cost of services;
  - Reduces component carbon footprint and energy consumption costs; and
  - Reduces system maintenance, management, and administration costs, according to recent DHS chief financial officer independent study:
    - Migrations from commercial data centers resulted in annual cost savings on the order of 43 percent.
- Standardized architecture, common technology:
  - Simplifies deployment of new applications and capabilities across the Department;
  - Improves automation for server management and provisioning;
  - Standardizes IT resource acquisitions across components;
  - Streamlines maintenance and support contracts; and
  - Expedites response times in the event of an emergency.

We appreciate congressional support for DHS’s data center migration activities since 2010 and look forward to working with Congress to secure the migration funds requested in the President’s fiscal year 2014 budget.

*Question.* Madam Secretary, I understand the cybersecurity threats that our Nation faces and recognize the important role that cyber research and development plays into protecting our Nation’s civilian computer systems. I noted that you’ve requested funds to support the DHS Science and Technology Directorate for such initiatives including experimental research test bed projects.

Could you elaborate on what this program entails and how similar programs might serve to better protect our Nation’s infrastructure?

*Answer.* The Experimental Research Testbed project (formerly the Cyber Defense Technology Experiment Research Testbed Program, or DETER) began in 2004 as a joint effort between the DHS Science and Technology (S&T) Directorate and the National Science Foundation to address the need to research and understand new

cybersecurity risks and threats in a safe environment. This project improves attack mitigation and confinement strategies and the quality of new cybersecurity technologies by providing a secure virtual Internet environment to run large-scale, repeatable tests and experiments.

Currently, the testbed has more than 3,500 active users from 29 countries and is comprised of nearly 500 PC-based nodes in both California and Virginia. DETER is also being used by other government agencies as a platform to develop and evaluate defensive mechanisms against attacks on infrastructure. For example, the Defense Advanced Research Projects Agency (DARPA) is currently using the testbed as a consolidated evaluation platform for one of its programs, saving DARPA time and expense of constructing individual testbeds while adding value to the DETER program through hardware upgrades to the testbed.

In addition, the project provides hands-on security education to a wide range of colleges and universities. As a learning facility, the testbed fills a significant gap in security and networking instruction and provides educators worldwide with facilities and materials for security lab exercises that complement existing courses delivered in a classroom setting. This shared resource provides institutions with an efficient way to develop and share coursework, regardless of resources. To date, more than 30 educational institutions in six countries have benefited from educational use of DETER.

Going forward, the project is exploring new testing and experimentation capabilities. Recently, the DETER Enabled Federated Testbeds consortium came together as a collaborative effort to build a shared, distributed capability for cyber-physical experimentation. The partnership consists of DHS, the Pacific Northwest National Laboratory, the University of Illinois—Urbana Champaign, and the University of Southern California—Information Sciences Institute. In November 2012, the consortium successfully demonstrated an integrated model that simulated power systems equipment and outages at different federated locations. This work allows scientists access to realistic settings for experimentation, gives industry the assurance that devices will behave as expected, and enables the Government to ensure that the Nation's critical infrastructure is secure and reliable while understanding how to manage interconnected cyber-physical infrastructure during a crisis.

*Question.* How well are we able to model the potential effects of large scale disruptions to our electric grid?

*Answer.* While tools are available to model aspects of large-scale power distribution disruptions, the Department is developing additional capabilities to analyze the cascading effects of large scale disruptions in the electric grid to critical infrastructure, such as water, finance, and transportation. In addition to research carried out by DHS S&T, the National Protection and Programs Directorate's Homeland Infrastructure Threat and Risk Analysis Center (HITRAC) oversees the National Infrastructure Simulation and Analysis Center (NISAC), which conducts modeling, simulation, and analysis of the Nation's critical infrastructure. NISAC analysts assess infrastructure risks, vulnerabilities, interdependencies, and event consequences.

For example, HITRAC/NISAC is developing an electric power capability that will enhance DHS's capacity to analyze electric power system outages and their cascading impacts on other infrastructure sectors. The project will focus on refreshing the electric power modeling capability by building off of previously developed algorithms that focused on other hazards. This project will improve the accuracy of predictive tools by enhancing our ability to provide rough estimates for power restoration times.

*Question.* Do we need to invest more in this type of research?

*Answer.* DHS S&T is developing capabilities to analyze the cascading effects of disruptions to critical infrastructure. This work requires significant investment and research to develop a comprehensive methodology that integrates various models, accounts for risk, and tests an integrated system in multiple regions using a variety of scenarios. Complementing S&T's activities, NPPD/IP/HITRAC manages the NISAC modeling and simulation activities related to the electric grid. These capabilities currently include sophisticated modeling of the transmission elements of the electric grid, which are used to predict the extent and severity of power outages due to disasters or incidents. As most of this country's critical infrastructure is privately owned, it is increasingly important that we foster close relationships with the owners/operators of critical infrastructure.

Additional investment in these tools, which are essential to modeling impacts of events on critical infrastructure, would extend this capability to the distribution of networks while improving fidelity and specificity of results. To further enhance infrastructure security and resilience as well as response and recovery efforts from natural disasters, cyber threats, or other incidents, the fiscal year 2014 President's budget requests an organizational realignment of HITRAC from the Office of Infra-

structure Protection to a newly proposed Office of Cyber and Infrastructure Analysis (OCIA). OCIA's mission is to assess all-hazards risk to the Nation's critical infrastructure by evaluating the potential consequences of disruption to infrastructure, including dependencies, interdependencies, and cascading impacts from physical or cyber threats or incidents.

*Question.* Madam Secretary, you've stated on several occasions throughout the year that the U.S. border has never been more secure and you've cited reductions in illegal migrant apprehensions over the years as a basis for that claim. However, some question whether or not those numbers tell the whole story regarding how successful we are at stopping illegal border crossings.

Can you elaborate on the specific measurements the Department has used to determine that the border is more secure?

*Answer.* Over the past 4 years, this administration has undertaken an unprecedented effort to secure our border and transform our Nation's immigration enforcement system into one that focuses on public safety, national security, and on the integrity of the immigration system. The Department of Homeland Security (DHS) has deployed historic levels of personnel, technology, and infrastructure to our borders to reduce the illicit flow of people, drugs, cash, and weapons and to expedite legal trade and travel through trusted traveler and trader initiatives.

DHS uses a number of indicators and outcomes to evaluate security efforts at our borders, including such factors as resource deployment, crime rates in border communities, and apprehensions. While enforcement statistics and economic indicators point to increased security and an improved quality of life, no single metric can define the state of border security. Rather than focus on any individual metric, DHS has focused on enhancing its capabilities, ensuring that it has the tools required that will lead to a high probability of interdiction in high activity areas along our Nation's borders.

The security of our borders is a responsibility shared by our Federal, State, local, tribal, and international partners. DHS efforts, combined with those of our partners, have continued to keep our citizens safe, defend our country from attack, and promote economic prosperity. Border security efforts must focus on building an approach to position DHS's greatest capabilities to combat the highest risks that exist today while preparing for those that are new and emerging. DHS must continue to tailor its efforts to meet the challenges of securing a 21st century border. Passing a comprehensive immigration reform bill that will allow DHS and its partners to focus available resources on the most serious threats is critical in being able to effectively manage the security of our borders. Comprehensive immigration reform will only further enhance our Nation's ability to focus its limited border enforcement resources on the most serious criminal actors threatening our borders.

#### NATIONAL PROTECTION AND PROGRAMS DIRECTORATE

*Question.* Madam Secretary, during the fiscal year 2013 budget cycle, this Committee recommended a \$2 million increase to the National Electronic Countermeasures (ECM) program within the National Protection and Programs Directorate.

What steps has the Department of Homeland Security taken to counter the threat of Radio Controlled Improvised Explosive Device (RCIED) threats to U.S. cities?

*Answer.* In accordance with U.S. policy, the Department of Justice (DOJ), specifically the Federal Bureau of Investigation (FBI), is the lead agency responsible for funding and managing the fielding of ECM equipment to State and local partners. The National Protection and Programs Directorate (NPPD) does not execute its own ECM equipment fielding program; however, DHS does provide support to the ECM effort.

In support of the FBI and in conjunction with interagency counterparts, DHS has made significant contributions to fielding ECM equipment for State and local partners, including funding and program support, in order to counter the threat of Radio-Controlled Improvised Explosive Devices (RCIEDs). NPPD's Office for Bombing Prevention (OBP) and DHS/S&T provided policy, program, and funding support during the initial ECM pilot program for 11 Urban Area Security Initiative (UASI) cities beginning in 2006, including Boston. The Federal Emergency Management Agency subsequently provided grant funding that enabled nine additional cities to acquire a more advanced type of ECM equipment. In addition, OBP, together with the FBI and the Department of Defense (DOD), developed the National ECM Program plan in 2012 to establish a technically sound, cost-effective roadmap for long-term ECM support to State and local partners. S&T continues to fund ECM equipment and operational testing to that end. OBP continues to work with Federal partners through the Joint Program Office for Countering IEDs to address ECM policy

and program management challenges in alignment with Presidential Policy Directive 17 and the National ECM Program plan.

*Question.* Has DHS made progress towards working with the Department of Defense to field additional ECM equipment throughout U.S. cities deemed to be most vulnerable to the RCIED threat?

*Answer.* Yes, the National ECM Program plan was developed with DOD in accordance with U.S. policy and mindful of the need to cost-effectively leverage DOD's surplus ECM inventory and acquisition channels. The ECM systems included in the National ECM Program plan are currently or were previously used by DOD and other Federal agencies. Because DOD is the largest purchaser of ECM technology in the U.S. Government, the National ECM Program plan proposes building off of DOD's existing investments, inventory, and knowledge moving forward.

*Question.* With respect to the processing of employment-based (EB-5) foreign investor visa applications, it's my understanding that USCIS has taken steps towards reorganizing personnel and resources nationwide to improve the timeliness and effectiveness of EB-5 applications.

Please provide a timeline on when significant milestones are expected to be achieved and whether you anticipate any significant interruption or delay to the EB-5 process in the interim. What metrics or measures of effectiveness will be implemented to ensure that USCIS is meeting its goals of process improvement?

*Answer.* USCIS is transitioning operations to a new headquarters program office in Washington, DC, on an expedited basis. The existing resources at the California Service Center will continue to adjudicate EB-5 workloads through the transition and USCIS does not anticipate any significant interruption or delays as a result of the transition. USCIS has met, or is on track to meet, the following milestones as it transitions operations.

Milestone description	Date
Announce creation of Office of Immigrant Investor Programs .....	December 2012
Develop Concept of Operations .....	March 2013
Develop Staffing Plan .....	March 2013
Identify Physical Space in DC .....	March 2013
Finalize Facility requirements/equipment .....	March 2013
Physical Space Occupancy-ready .....	May 2013
Staffing:	
Post Vacancy Announcements .....	March 2013—April 2013
Post Detail Opportunities .....	April 2013
On-board Staff .....	May 2013—October 2013
Commence Training of New Staff .....	May 2013
Complete Hiring .....	August 2013
Complete Training .....	November 2013
Operations:	
Commence Initial Operations of HQ office .....	June 2013
1-526 Petitions filed via ELIS .....	July 2013
Transition of existing EB-5 Workloads from California to HQ .....	October 2013–December 2013

USCIS will employ various quality assurance mechanisms to ensure the effectiveness of the new USCIS EB-5 program office. These include, but are not limited to, supervisorial review of adjudicative actions, fraud detection and national security case review protocols, processing time reviews to ensure elimination of undue processing delays, coordination with the USCIS ombudsman to track customer feedback, and public engagement.

#### QUESTIONS SUBMITTED BY SENATOR LISA MURKOWSKI

*Question.* As the Arctic continues to open, sufficient Coast Guard presence in the region is vital to ensuring the safety and security of the region. In fact, we recently saw how important the Coast Guard is when the mobile offshore drilling unit *Kulluk* ran aground off Sidkalidak Island at the beginning of this year. As such, I'm happy to see that you requested funding for the seventh national security cutter (NSC) as part of the Coast Guard's fleet recapitalization program. I understand the Coast Guard plans to continue to deploy these highly capable ships up to Alaska as they did this past summer when you and I visited the cutter *Bertholf*, but I have a few concerns with this plan. I'm concerned about the proposed \$909 million acquisitions budget, a dramatic reduction of \$600 million below the fiscal year 2013 appropriation.

Is this the funding level you plan for the Coast Guard in the future?

Answer. The fiscal year 2014–2018 Capital Investment Plan (CIP) reflects the Service’s recapitalization priorities for a given funding profile. Outyear growth rates from the fiscal year 2014 acquisition, construction and improvements request level are consistent with the caps imposed on discretionary budget authority through 2021 under the Budget Control Act of 2011. The growth rates assume there are no automatic spending reductions in fiscal year 2014. Resource levels in the CIP do not preclude changes through the President’s and Congress’ deliberations in the annual budget process. The Department will continue to prioritize investments in acquisitions and personnel to meet the Nation’s homeland security needs.

*Question.* Currently there is one high endurance cutter, the *Munro*, homeported in Alaska. Cutters from California or Hawaii conduct all other Alaska Patrol deployments. The *Munro* is over 40 years old and there is no planned replacement. Under these fiscal constraints, can the Coast Guard afford to waste precious underway days, 20–30 days per patrol, transiting to and from the operating area?

Answer. Collectively, the final mix of NSCs and OPCs will meet all major cutter mission requirements. CGC *Alex Haley* (WMEC), homeported in Alaska, will continue to support coverage requirements in District 17.

*Question.* Since it seems a decision has been made to homeport these vessels in California and Hawaii, has a GAO study or BCA been conducted to compare the prudent cost of facility renovations to homeport and support the NSC in Alaska versus the annual cost of wasted transit time for deployments and casualty repair?

Answer. The Coast Guard conducts homeport analysis when considering all ports to account for factors including infrastructure costs, access to logistics support, quality of life/education for families, and distance to areas of operations. Current analysis indicates that homeporting NSCs in California and Hawaii would enable the Coast Guard to most cost effectively support its full range of operational requirements.

*Question.* Last year’s \$8 million for the study and design phase was a good start, but as we move forward towards the requests for proposals (RFP), is the \$2 million requested enough for continued progression?

Answer. Funding provided in fiscal year 2013 coupled with the \$2 million requested in fiscal year 2014 will fully fund the required pre-acquisition activities. Once the pre-acquisition work is complete, the Department anticipates delivering an operational ship within a decade.

*Question.* Given the fiscal constraints and drastic cuts to the recapitalization plans, will we have the \$850 million required to build the new polar icebreaker that the Nation so desperately needs?

Answer. The polar icebreaker replacement is still in the pre-acquisition phase, and as such a detailed acquisition strategy has not yet been developed. The completion of pre-acquisition activities funded in the fiscal year 2014 budget will inform future funding needs for the polar icebreaker.

*Question.* Is one new polar icebreaker enough?

Answer. The suite of active and planned surface assets will meet mission priorities in the Arctic.

*Question.* What are the Department’s long-term plans to address our critical Arctic need?

Answer. The suite of active and planned air, surface and other assets will meet mission priorities in the Arctic. Lessons learned and the experience gained during Arctic Shield will be applied to refine and improve Coast Guard Arctic operations and presence for the near future and inform the development of the Coast Guard’s plan to provide strategic long-term presence in the region.

*Question.* The Coast Guard authorization bill passed by Congress last year included a provision to create a one-stop process for mariners applying for TWIC cards. I discussed this streamlining provision with Administrator Pistole and Vice Admiral Neffinger in December and was told that they would work to implement this requirement in Alaska as well as expand the number of TWIC centers in Alaska, since my home State, which is one-fifth the size of the entire United States, has only seven TWIC enrollment centers. After 4 months of follow-up, we learned that a new part-time TWIC enrollment center is opening in Kodiak in May, and I applaud you for this. The Kodiak center is in addition to centers in Anchorage, Juneau, Ketchikan, Soldotna, Sitka, Unalaska, and Valdez, but you’ve seen first-hand the vastness of my State, and I understand in August some of your staff experienced the travel issues we face due to weather and limited flights. So in this case, eight is not enough. What are the plans and timeline for converting to a one-stop TWIC visit and further addressing the severe shortage of TWIC enrollment centers in Alaska?

Answer. The Transportation Security Administration (TSA) will implement the OneVisit concept in three phases as follows:

- Phase 1.—Launch Alaska OneVisit manual solution for 6–9 months beginning in quarter 3 fiscal year 2013 (June/July).
  - Phase 2.—Implement OneVisit at a second location and semi-automated mailing solution in quarter 1–quarter 2 fiscal year 2014.
  - Phase 3.—Launch a nationwide, fully automated solution via Technology Infrastructure Modernization Program, beginning in quarter 3 fiscal year 2014.
- To address the Transportation Worker Identification Credential (TWIC) enrollment centers in Alaska, TSA will implement the following:
- Add an enrollment center in Kodiak (completed May 15);
  - Continue to operate enrollment centers in Juneau, Valdez, Anchorage, Unalaska, and Nikiski;
  - Convert independently operated centers in Ketchikan, Sitka, and Skagway to full enrollment centers (completed May 15); and
  - Review Hazardous Material Endorsement enrollment locations for suitability to add more TWIC enrollment locations (Fairbanks, Craig, Soldotna, Wrangell, and Dillingham) (mid-July).

*Question.* Two weeks ago the Coast Guard celebrated the Rescue 21 (R21) System's 50,000th successful search-and-rescue (SAR) case. With Rescue 21, Coast Guard units performing SAR missions have been more efficient and effective. On these critical missions, this system determines a victim's location by lines of bearing and then automatically plots those allowing controllers to pretty much take the search out of search and rescue. Alaska has more than 33,000 miles of coastline, over 700 search-and-rescue cases a year, over 300 lives saved or assisted yearly by the Coast Guard, a \$6 billion annual fishing industry, and 44 cruise ships transiting annually with more than 1 million passengers. Rescue 21 means less fuel consumption, less crew fatigue, and less wear and tear on assets. In addition, more lives are saved. Time to get on station is critical everywhere but no more so than Alaska. Rumor has it that Alaska is getting a watered down system using the funds left over in the R21 AC&I account. Is this true?

Answer. Rescue 21 is capitalizing on the 17th Coast Guard District's operational expertise and experience to deploy a system design tailored to the unique geographic operational and environment requirements of the region. The Rescue 21 Alaska deployment will include a targeted recapitalization of existing capabilities and new remote tower sites to provide coverage in three areas prioritized by the district command.

*Question.* Rescue 21 is operational along the entire Atlantic, Pacific and gulf coasts of the continental United States as well as along the shores of the Great Lakes, Hawaii, Puerto Rico, the U.S. Virgin Islands, Guam, and the Northern Marianas Islands, averaging approximately 1,000 cases per month. What is your plan for implementing this vital lifesaving tool in Alaska?

Answer. The Coast Guard's plan for Alaska is to recapitalize the existing National Distress and Response System in Alaska. Specifically, the Coast Guard is already proceeding to:

- Upgrade core communications infrastructure at 31 existing sites;
- Replace Remote Radio Control Console System;
- Add digital selective calling to all legacy National Distress Sites; and
- Fill three high priority coverage gap areas (Middle Cape, Fairweather Banks, Peril Straits) in addition to the 31 existing sites.

Additionally, though the continental U.S. (CONUS) Rescue 21 system is deployed to Coast Guard CONUS sector command centers (SCCs), in Alaska the recapitalization will not be limited to only the two SCCs in Juneau and Alaska. The 17th Coast Guard District command center as well as a number of other Coast Guard command centers in Alaska will also be recapitalized.

*Question.* It is being said that the most notable difference between the plan for Alaska and the Rescue 21 system being deployed across the rest of the United States is in direction finding (DF) capability and that no DF service will be implemented in Alaska. If as we previously stated, location services is what is saving lives how is this plan not short-changing the residents of Alaska and most importantly the brave men and women of the Coast Guard who serve them?

Answer. The Coast Guard's CONUS Rescue 21 direction finding (DF) capability only works from the shoreline out to 20 miles offshore. In Alaska, search-and-rescue cases occur well beyond 20 miles offshore requirement that is necessary for the continental U.S. Rescue 21 coastline coverage. Consequently, establishing a new DF capability for Alaska is not an optimal approach.

SUBCOMMITTEE RECESS

Senator LANDRIEU. And thank you, Madam Secretary, for your leadership.

Secretary NAPOLITANO. My pleasure. Thank you, Madam Chair.

Senator LANDRIEU. Meeting is recessed.

[Whereupon, at 3:58 p.m., Tuesday, April 23, the subcommittee was recessed, to reconvene subject to the call of the Chair.]