

**DEPARTMENT OF HOMELAND SECURITY'S
PROPOSED FISCAL YEAR 2005 BUDGET**

HEARING

BEFORE THE

**SELECT COMMITTEE ON HOMELAND
SECURITY**

HOUSE OF REPRESENTATIVES

ONE HUNDRED EIGHTH CONGRESS

SECOND SESSION

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CONTENTS

	Page
STATEMENTS	
The Honorable Christopher Cox, a Representative in Congress From the State of California, and Chairman, Select Committee on Homeland Security	1
The Honorable Jim Turner, a Representative in Congress From the State of Texas, Ranking Member, Select Committee on Homeland Security	3
The Honorable Robert E. Andrews, a Representative in Congress From the State of New Jersey	52
The Honorable Dave Camp, a Representative in Congress From the State of Michigan	36
The Honorable Peter A. DeFazio, a Representative in Congress From the State of Oregon	50
The Honorable Lincoln Diaz-Balart, a Representative in Congress From the State of Florida	40
The Honorable Norman D. Dicks, a Representative in Congress From the State of Washington	30
The Honorable Bob Etheridge, a Representative in Congress From the State of North Carolina	60
The Honorable Barney Frank, a Representative in Congress From the State of Massachusetts	34
The Honorable Jane Harman, a Representative in Congress From the State of California	38
The Honorable Duncan Hunter, a Representative in Congress From the State of California	48
The Honorable James R. Langevin, a Representative in Congress From the State of Rhode Island	62
The Honorable John Linder, a Representative in Congress From the State of Georgia Prepared Statement	7
The Honorable Sheila Jackson-Lee, a Representative in Congress From the State of Texas	
The Honorable Edward J. Markey, a Representative in Congress From the State of Massachusetts	42
The Honorable Kendrick B. Meek, a Representative in Congress From the State of Florida	64
The Honorable Eleanor Holmes Norton, a Delegate in Congress From the District of Columbia	54
The Honorable Loretta Sanchez, a Representative in Congress From the State of California	25
The Honorable Christopher Shays, a Representative in Congress From the State Connecticut	32
The Honorable Louise McIntosh Slaughter, a Representative in Congress From the State of	46
The Honorable John E. Sweeney, a Representative in Congress From the State of New York Oral Statement	28
Prepared Statement	7
The Honorable Mac Thornberry, a Representative in Congress From the State of Texas	44
The Honorable Curt Weldon, a Representative in Congress From the State of Pennsylvania	22

IV

Page

WITNESS

The Honorable Tom Ridge, Secretary, Department of Homeland Security	
Oral Statement	11
Prepared Statement	13
Response to questions from the Honorable Kendrick B. Meek	65

APPENDIX

MATERIAL SUBMITTED FOR THE RECORD

Questions from the Honorable Diaz-Balart	68
Questions from the Honorable Jim Gibbons	72
Questions from the Honorable Ernest J. Istook, Jr.	69
Questions from the Honorable Jim Langevin	67
Questions from the Honorable Bill Pascrell, Jr.	76
Questions from the Honorable John Sweeney	74
Questions from the Minority Staff of the Committee	79

DEPARTMENT OF HOMELAND SECURITY'S PROPOSED FISCAL YEAR 2005 BUDGET

Thursday, February 12, 2004

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

The committee met, pursuant to call, at 9:30 a.m., in Room 2200, Rayburn House Office Building, Hon. Christopher Cox [chairman of the committee] presiding.

Present: Representatives Cox, Hunter, Boehlert, Weldon, Shays, Camp, Diaz-Balart, Istook, King, Linder, Shadegg, Souder, Thornberry, Gibbons, Granger, Sessions, Sweeney, Turner, Sanchez, Markey, Dicks, Frank, Harman, Cardin, Slaughter, DeFazio, Andrews, Norton, Lofgren, Jackson-Lee, Pascrell, Etheridge, Langevin, and Meek.

Chairman COX. A quorum being present, the Select Committee on Homeland Security will come to order. It feels as if we have more than a quorum in these very intimate quarters. We have a big Department and a small room this morning.

The committee is meeting today to hear testimony on the proposed Department of Homeland security budget for fiscal year 2005, and we are privileged to have with us today the Secretary of the Department of Homeland Security, the Honorable Tom Ridge.

In order for us to utilize the time we have with our witness more fully and ensure adequate time for questioning, I ask unanimous consent that oral opening statements be limited to the Chairman and the Ranking Member and that all questioning proceed under the 5-minute rule. Without objection, so ordered.

If other members have statements, they can be included in the hearing record under unanimous consent. Again, without objection, so ordered.

Today this committee begins what will be a deliberate and thoughtful process to review the President's proposed budget for the Department of Homeland Security for fiscal year 2005. Our objective on behalf of the American people is to evaluate the progress that has been made in the Department's first year and to assess the Department's plans and challenges for the near future.

Much has been achieved in the past year under the leadership of President Bush and Secretary Ridge. We are all demonstrably safer than we were a year ago but we all recognize that we have much more to do. We can look back on tangible progress in securing our ports, borders, and other critical infrastructure. We have improved the flow of threat-based information to our first respond-

ers. We have materially improved their capability both to prevent and respond to a terrorist attack.

As we meet this morning, more scheduled commercial flights have been canceled, this time a British Airways flight to Washington, D.C., reflecting how intelligence information is being put to use to protect Americans. Now, at the 1-year anniversary of the Department, the time has come for us to develop and implement a more fully considered national strategy for homeland security that will govern our spending and permit the measurement of our progress. To that end, we need concrete goals to make the country safer. The Secretary, the Department, and this committee are all committed to this path.

The Department will soon inaugurate its first comprehensive strategic plan. Strategic planning deters ill-advised binge spending. And this committee will pursue a fiscally responsible legislative agenda focused on making the Department more effective. This will include our threat-based first responder grant bill which has already passed unanimously in the Emergency Preparedness and Response Subcommittee. It will include a metrics bill to monitor the Department's progress in meeting strategic goals and also a DHS authorization bill. In cooperation with the other committees of jurisdiction, we will continue to work to identify the right priorities to secure America against terrorism.

I am pleased to welcome Secretary Ridge back to this committee. I know that I speak for every member of this committee today, Mr. Secretary, when I say you have one of the hardest jobs, if not the hardest job, in Washington, D.C. and you do it very well. We admire your dedication to your country and your devotion to protecting the security of your fellow citizens, and we thank you for the tremendous and undeniable progress the Department is making in enhancing our Homeland Security, the safety of the American people, our territory, and the institutions and activities that mark and lend distinction to our way of life.

Let me also say that I am very pleased with many aspects of the President's homeland security budget proposal. That demonstrates this Nation's unwavering commitment to defending American lives and territory against further terrorist attacks. It also begins to take some necessary steps towards strategic resource allocation, towards the creation of a long-term sustainable homeland security budget.

After September 11th there was an understandable rush to provide whatever funding is necessary, that was called homeland security. And as the President has so often stated, this war on terrorism is a long-term war, and simply spending more each year is not a strategy. Instead we need to get smarter about how and where we spend our homeland security dollars.

This budget starts to do that. It invests in new technologies that will allow us to screen people and cargo entering the United States more effectively and at lower cost. It funds biosurveillance and other prevention-oriented systems. The President's budget seems to be asking the right questions and coming up with sound answers. This is particularly true in the area of terrorism preparedness grants. States, local governments, and our first-responder communities need this help.

It is well known that Mr. Turner and I have been advocating for some time a shift away from grant making based on ancient-legacy political formulas unrelated to the post-9/11 mission. The committee's first responders bill, H.R. 3266, would prioritize and distribute terrorism preparedness grants to our first responders based on actual risk of terrorist attack, making sure that our limited resources get to the areas that need them most and that they get there faster.

The President's budget proposal clearly embraces this strategy. It would double the funding for grants distributed on the basis of risk to \$1.4 billion, while cutting back significantly the grants that are awarded based on political formulas without regard to risks. This may not be universally popular but it is definitely smart and necessary.

The committee also looks forward to working closely with Secretary Ridge and the Department as you move to develop and then implement a comprehensive strategic plan to integrate the Department's 22 legacy agencies and two major start-up directorates. This is exactly what was envisioned by the Congress when we passed the Homeland Security Act. Nowhere is this more important than in the Information Analysis and Infrastructure Protection Directorate, which, unlike the other directorates in the Department, has had to be built from scratch. Significant progress has been made in building this function but the Department still has a long way to go in this area. Standing up IAIP will be a critical element in the Department's strategic planning and this committee's legislative program this year. But on this 1-year anniversary, Mr. Secretary, we should be proud of what we have been able to accomplish so far, united for good in a global war on terror.

We have worked very constructively across the aisle and at both ends of Pennsylvania Avenue. There is no doubt in my mind that this continued strong leadership and our concerted action have prevented other potential terrorist attacks on America. We need to strengthen that spirit of collaboration in the year ahead as we implement more strategic and measurable programs to protect the American people from the scourge of terrorism. They expect and deserve no less.

I want to thank you in advance, Mr. Secretary, for your testimony today and I now recognize the Ranking Member, Mr. Turner, for his opening statement.

Mr. TURNER. Thank you, Mr. Chairman, and welcome, Mr. Secretary. We appreciate very much your presence here today with us. Without a doubt, you have a daunting set of responsibilities, and I know I speak for everyone on this committee in saying how grateful we are for your dedication to addressing the great challenges that we face in homeland security.

You have assembled a very skilled leadership team and we have begun to develop good working relationships with many of them. They are working hard to try to bring the Department up to speed, and we appreciate all of their efforts as well.

And we had a chance to hear from Admiral Loy last week, certainly a distinguished American, who I know is dedicated to the task of serving as your deputy. And we look forward to working

with all of the under secretaries that you have assembled in appearing before us in the coming weeks to follow your testimony.

And, Mr. Secretary, I also want to praise the people who work in the Department. I think so often we fail to compliment the front-line workers, those customs and immigration inspectors, the screeners that work tirelessly at our airports, the intelligence analysts, the Coast Guard, and many others who are out there as the front line, protecting us in the war on terror. They work at their post every day, too. It is not glamorous work on many occasions, and sometimes dangerous. But they are very necessary, and we want you to know and we want them to know that they are very much appreciated in their efforts to protect America.

We are here today, a few weeks shy of the 1-year anniversary of the date that the 22 agencies merged to form the Department of Homeland Security. As the budget that was submitted by the President last week reflects, the Department is maturing. The organizational structures are becoming clearer. The Department has performance goals and programs dedicated to achieving those goals. Many of the initiatives launched over the past year are beginning to take root. They are laying a foundation for greater security in this country, and we appreciate the leadership that you have provided in achieving the progress so far.

The question clearly that we all must ask is not whether we are safer than we were before September 11th, because most certainly we are; the key question is whether we are as safe as we need to be. And unfortunately, I think we all understand that we are not as safe as we need to be. America continues to face serious security gaps. It really doesn't matter whether you would look at our ports or our land borders or our bioterrorism preparedness or our chemical plants. Up and down the line, there are substantial security gaps that remain and that are open to exploitation by terrorists.

Let me mention just a few examples. Two-and-a-half years after September 11th, we still do not have a functional comprehensive terrorist watch list. This means that people are boarding our planes or entering our borders without being checked against—or entering without being checked against a government list that contains all of our terrorist—our known terrorists. I know the FBI is working hard to solve this problem, but they have a ways to go. I notice that Director Mueller stated a few weeks ago that the task would be completed by March. I think you made a comment earlier this week that you thought the job would be completed by the end of the summer. We all know it should have been done 2 years ago. But this is a very critical task that must be completed.

The ricin attack in the Senate last week reminds us that bioterrorism is still a significant and dangerous threat. Yet it is clear we are not as prepared as we need to be on bioterrorism.

Last year the administration set out to vaccinate 500,000 emergency workers, and they were going to follow that by the vaccination of 10 million citizens to increase our ability to respond to a smallpox attack. To date, only 39,000 emergency workers have been vaccinated across our Nation. And it is even more disturbing when you analyze where those vaccinated emergency workers live. In the State of Nevada, only 17 people have been vaccinated under this program. And in Chicago, only 71. And in New York City, pop-

ulation 8 million, only 342 people have been vaccinated under this program. That is a total in New York of only 1 vaccinated emergency worker for every 30,000 people. And we all know the goal is to be able to vaccinate the entire population in the event of an attack within 10 years. Clearly we have failed to carry out this very critical vaccination effort.

We also know that we have 20 million cargo containers coming in this country to our seaports and land borders and then travel by truck and rail right through our communities. But we do not screen all of these cargo containers for radiological materials. We all know the threat of a dirty bomb or of a nuclear weapon is a very real one. The installation of radiation portals, as they are called, would allow us to screen 100 percent of the cargo containers that enter our country without slowing commerce.

Last year Congress provided funding to install portals at every major seaport, but the job is not yet done. Only one seaport in this country has the technology fully installed. In fact, they did it on their own, and that is right down the road here. Not a single port of entry on our southern border has any radiation portals and not a single rail hub has them either. So we have a long way to go to ensure that radiological devices or dirty bombs are not going to enter this country through commerce.

We also know that our communities all across America still lack the equipment, the training and the personnel they need to respond to acts of terrorism. While we know that large resource increases have gone to our Nation's first responders, we still lack a national goal of what more needs to be done. As you know, some outside experts have estimated it may take something approximating \$100 billion to ensure that all of our citizens are fully protected. And yet when we look at our budget that was submitted by the President the other day, total spending for first responders is 18 percent below the amount provided last year.

Mr. Secretary, it is without any disparagement of your efforts or of your honorable intent that, in my opinion, we are not moving fast enough, we are not being strong enough in closing the security gaps that we all know still exist. The budget increase that the Department is receiving this year is important and necessary but we really need to put that figure in perspective.

You know, despite common perceptions, we have really not restructured our national budget to adequately protect the homeland. Since September 11th, we have increased discretionary spending on the agencies that now make up your Department by about \$12 billion. During that same period, our defense budget went up \$135 billion. The budget increase for this year in homeland security is about the cost of 1 month of the occupation in Iraq. Another way to look at it is that we could run the entire Department of Homeland Security for 3 years with just the estimating error that was recently made public by the administration on the Medicare prescription drug bill that we passed last year.

The limitations that are imposed on your efforts to secure the homeland is a direct function of the choices that the administration makes in submitting the budget to the Congress. If we wanted to take faster and stronger action to close the security gaps we face, we know we could. It is simply a matter of priorities. And, Mr. Sec-

retary, history has shown that if the President of the United States requests support in the name of homeland security, this Congress never fails to respond.

Many of us are very concerned that our homeland security efforts lack the sense of urgency that we all had after September 11th of 2001. There are a couple of examples that I think illustrate the lack of urgency that we now need to restore. A key component of a robust and effective homeland security strategy is a comprehensive threat and vulnerability assessment to help set priorities and ensure that scarce resources are directed to where they are needed most. The Washington Post has an editorial on this very subject in today's issue. Clearly, we have not completed this task, and as we all know, representatives in your Department in charge of this national threat and vulnerability assessment have told us that it may take 5 years. We believe that is unacceptable.

Another example is, by law, the Department of Health and Human Services was supposed to develop with you a coordinated strategy to prepare for and respond to bioterror attack. It is now 8 months past the promised date of that coordinated strategy.

Another example is the lack of information sharing that continues to exist between the Federal Government and local law enforcement officials, which has been identified as a cause, a key cause of the 9/11 attacks. While new organizations have been formed to address this problem, every major study that I have seen—including a recent Markle Foundation report which I would urge you to take a look at—they have all found that the Federal Government is not taking the steps necessary to create a decentralized coordination information network. State and local officials bitterly complain to us on a daily basis that they are not getting the information they need from the Federal Government, and we certainly don't have in place a comprehensive, decentralized coordination and information network whereby they can provide us with information that they daily collect.

In summary, Mr. Secretary, if we ask is progress being made, most certainly, it is; and I commend you for that. Are we safer today than we were before September 11th? Yes, we are. But it is also clear to me that we are not as safe as we need to be. Again, it is solely a matter of priorities.

Mr. Secretary, the American people don't hear the daily threat reports that you hear and that the Chairman and other Members of this Congress routinely hear, and I suspect that if they did, the American people would be demanding that we move faster and be stronger in protecting against the threats we face.

It is our responsibility to recapture the sense of urgency that we all had after September 11th, to recapture that focus, recapture that sense of purpose that every American felt on September 11th. I hope that through the efforts that you are making, and the work of this committee, that we can move to be stronger and to move faster in protecting our country.

Thank you again, Mr. Secretary, for being with us today.

Chairman COX. Thank you, Mr. Turner.

[The information follows:]

PREPARED STATEMENT OF THE HONORABLE JOHN LINDER A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF GEORGIA

A few weeks ago, I was asked by a group of Georgia citizens to support a transfer of money from defense and homeland security programs to programs that advanced a more domestic agenda in this country. My response to this request was simple: If I were to support such a transfer, I would be negligent in my responsibility to uphold the single greatest responsibility of the Federal government ? to protect the people of this great nation.

Often times, I have quoted the words of John Jay, America's first Chief Justice to the U.S. Supreme Court, who once wrote that providing for the safety of the people seems to be the first item to which a wise and free people find it necessary to direct their attention. These words, canonized by *The Federalist Papers*, are the grounds upon which I base many of my decisions here in the U.S. House of Representatives. These words are, in my opinion, the best example of what great men like Washington, Hamilton, and Madison intended for this government when they affixed their signatures upon the Constitution.

It is because of our responsibility that we are called here today. I am pleased that this Committee is now giving us the opportunity to discuss how we, in the 108th Congress, are able to recognize the words and meanings of the Founders, and refocus this government's attention on providing for the safety and security of the American people.

President Bush has consistently demonstrated his own intention to uphold the objectives of the Founders. Immediately after the September 11, 2001, terrorist attacks, we made a commitment to take defensive measures and to defeat terrorism by stopping it and eliminating it where it grows. We have since focused on making America safer from terrorists and the nation-states that support them. By proposing a \$3.6 billion increase over the fiscal year 2004 levels for the U.S. Department of Homeland Security in his fiscal year 2005 budget proposal, he continues to show the American people that he remains committed to protecting the citizenry of the United States. I applaud and support him in this effort.

As Members of Congress we should ask: how can the American people possibly hope to enjoy any of the freedoms and liberties given to them, or look to continue their advancements in medicine, science, education, or health care when they are forced to live with the fear of foreign threats or terrorist attacks? I am hopeful that my colleagues will join me in reviewing how the Legislative and Executive Branches can work together to find the best answers that both ensure this is not the case and recognize that this government is upholding its 200-year old constitutional responsibility.

PREPARED STATEMENT FOR THE RECORD OF THE HONORABLE JOHN E. SWEENY, A
REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Welcome, Mr. Secretary. This Committee is pleased to hear your thoughts today on the Department's fiscal budget 2005 budget. Under your direction, the Department of Homeland Security has moved from a proposal toward becoming a functioning organization.

I want to commend you and the Administration for the increase in funding for first responder grants, and for high threat urban area grants specifically. In fact, I strongly believe all DHS first responder grants should go out on the basis of threat, vulnerability and consequences.

Nothing pleases me more than carrying out the monumental task of securing our homeland in an **apolitical fashion**. Threat-based first responder funding is a good start toward achieving this goal.

The Department is also making significant strides in information analysis. The Information Analysis and Infrastructure Protection directorate is working hard to bring many divergent groups together to better evaluate and effectively communicate threats against our great country.

Understanding the Department is still in its infant stages, I retain some concerns. After nearly one year, I hope to see DHS begin to place a heavier emphasis of importance on productivity and responsiveness.

There remains a need to see progress in the area of linking programs across the Department. Interoperability is not just a necessary term the military uses to have the Services better able to communicate with each other, but it is a term that needs to be included in the culture of the hard working employees of the Department of Homeland Security. Once every one is talking to each other within the Department, the Department will then be more able to communicate with the public and the U.S. Congress.

I look forward to your testimony today and continuing to work together to ensure our nation remains safe and secure.

PREPARED STATEMENT OF THE HONORABLE SHEILA JACKSON-LEE, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF TEXAS

Good morning Chairman Cox, Ranking Member Turner, and my colleagues on the Full Committee. Thank you for organizing today's hearing, and thank you to Secretary Tom Ridge for your preparation and time today. In many ways, today's hearing is probably one of the most important that we will have all year. As we know, the President's Fiscal Year 2005 budget was composed, largely, based on the specific recommendations of our witness today. The prioritization of homeland security needs for the entire nation was reflected directly in the money allocations, and in the case of Houston, Texas, as is the case with many of my colleagues' districts, the money received from the federal government will dramatically change from the budget of fiscal year 2003.

Funding of Local First Responders

The President's fiscal year 2005 budget request for grants to our state and local first responders, and related homeland security efforts, represents close to an **\$800 million (18 percent) decrease** from amounts appropriated by Congress for fiscal year 2004. The request **proposes to consolidate grants previously administered by other DHS components (e.g., port security grants overseen by the Transportation Security Administration) to the Office of Domestic Preparedness (ODP). Furthermore, with respect to our first responder funding mechanisms, it reduces grants for the first responder law enforcement community by over \$700 million (53 percent).** The total reduction of grants made to local and state first responders and related homeland security programs for fiscal year 2005 is **\$1.5 billion.**

The House Select Committee on Homeland Security, and the leadership of Ranking Member Jim Turner, helped the Houston area make tremendous strides in their homeland security preparations in past funding periods-in particular, it secured funds for our first responders in fiscal year 2003.

On April 8, 2003, the Department of Homeland Security (DHS) announced that approximately \$100 million from the fiscal year 2003 funding would be dedicated to large urban areas. Of that \$100 million, \$29.5 million was made available to Texas from the Department of Homeland Security's Office of Domestic Preparedness. Plus, an additional \$8.63 million was provided to the City of Houston as part of the Urban Area Security Initiative.

The Members of the Houston delegation have also worked tirelessly to secure additional funds through the appropriations process for local organizations that are part of the Homeland Security battle. For example, I have requested funds be appropriated for:

- The Harris County Hazardous Materials Team and Fire Department
- Houston area Immigration Enforcement Efforts
- The City of Houston for collaborative efforts to build community health centers
- The Mental Health and Mental Retardation Authority of Harris County
- Millennium Super Neighborhoods Southeast
- Port Security

My appropriations requests on behalf of local organizations fighting the war on terrorism and protecting our homeland totaled over \$18 million. The requests were designed to help our first responders and also improve the resources available to help the victims of terrorist attacks. An objective was to build new and improve existing local medical and counseling facilities. Included in my requests also were funds to help mental health organizations provide trauma relief to the victims of terrorist attacks.

On December 31, 2003, I met with personnel from the Houston Police Department, School District Police Department, Fire Department, Mental Health Mental Retardation of Harris County, Office of Emergency Management, Health Department, Airport System, and the Houston chapter of the American Red Cross; members of the local branches of the Federal Bureau of Investigation (FBI) and the Drug Enforcement Agency (DEA); and the local academic and church communities to discuss the viability of Houston's threat assessment systems with respect to homeland security.

Among the issues that we discussed today were whether the funding levels, equipment availability, depth of personnel, and degree of interoperability between local, state, and federal systems are adequate to facilitate timely emergency response. Overall, some of the responses given were that intelligence-sharing has generally

improved; however, other important aspects clearly require immediate attention. Monies that were promised back in 2001 by the federal government have not been received; more hospital beds and medical equipment are needed; and the first responder staff and equipment levels must be increased.

Border Security and the US-VISIT Program

The United States Visitor and Immigrant Status Indicator Technology program's (US-VISIT) first phase is deployed at 115 airports and 14 seaports. US VISIT was designed to expedite the arrival and departure of legitimate travelers, while making it more difficult for those intending to do us harm to enter our nation.

The budget for fiscal year 2005 provides **\$340 million in 2005, an increase of \$12 million over the fiscal year 2004 funding** to continue expansion of the US VISIT system.

Appropriations

In fiscal year 2003, the Department of Justice requested \$380 million for US-VISIT—\$362 million in new funding and \$18 million in fiscal year 2003 base resources.

Relative to the Consolidated Appropriations Resolution, 2003, the conference report recommended \$362 million for the program and related information technology (IT) infrastructure upgrades. According to DHS officials, the \$18 million in base resources was to come from a user fee account. However, according to these officials, given the decrease in user fee receipts since September 11, 2001, it is unclear whether the \$18 million will be available for the US-VISIT program.

DHS submitted its fiscal year 2003 expenditure plan for \$375 million on June 5, 2003, to its House and Senate Appropriations Subcommittees on Homeland Security.

Criticisms of the Program

In his testimony, Secretary Ridge indicates that “over \$1 billion will be used to support [US-VISIT].” Unfortunately, the testimony fails to adequately address how the budgetary plan will address the following criticisms:

- That US-VISIT will not be effective for border security
- That it will impede U.S.-Mexican trade
- That it will discourage legitimate international travel and hinder South Texas retail.
- That it essentially amounts to an anti-immigration policy under the guise of homeland security.
- Harm to efficiency—Without a way to separate travelers, lines during high-volume times will be staggering, regardless of how fast the machines may operate.

— Of the estimated 400 million people whom US-VISIT would process annually, 360 million would go through land ports of entry—five times more than go through airports and seaports. And unlike air and sea travelers, most land travelers do not file itineraries, carry passport information or go through personal screening.

— Legitimate travelers—truckers who haul goods to warehouses just north of the border; people who live in Mexico and work in Texas retail shops or factories; Mexicans who own property in the United States—could be stuck in processing lines.

- hat US-VISIT targets the wrong people: Mexican and Texas businesses and people who have created an interdependent relationship.
- As identified by a GAO Report issued in September 2003, there are 10 risk factors associated with US-VISIT:
 - **Mission is critical.** The missed entry of one person who poses a threat to the United States could have severe consequences.
 - **Scope is large and complex.** Controlling the pre-entry, entry, status, and exit of millions of travelers is a large and complex process.
 - **Milestones are challenging.** Progress and current status of the program makes satisfying legislatively mandated milestones difficult.
 - **Potential cost is significant.** DHS has estimated that the program will cost \$7.2 billion through fiscal year 2014, and this estimate does not include all costs and may underestimate some others.
 - **Existing systems have known problems.** The program is to initially rely on existing systems with known problems that could limit US-VISIT performance.
 - **Governance structure is not established.** The program is not currently governed by an accountable body that reflects its government wide scope and that can make and enforce decisions and commit resources for all program stakeholders.

- **Program management capability is not implemented.** The program office is not yet adequately staffed, roles and responsibilities are not yet clearly defined, and acquisition management processes are not yet established.
- **Operational context is unsettled.** Operational issues have not been decided, such as which rules and standards will govern implementation of biometrics technology.
- **Near-term facilities solutions pose challenges.** Interim facility planning for high-volume land ports of entry (POEs) must satisfy demanding as well as yet to-be defined requirements.
- **Mission value of first increment is currently unknown.** The benefits versus costs of the first increment are not yet known.

Aviation Security

Today, it was reported that a British Airways flight from London Heathrow to Dulles Airport, flight #223, has been delayed. According to the report, this flight has been delayed or canceled eight previous times this year because of U.S. security alerts. Furthermore, more Americans were in the air over the Christmas holiday than at any time since September 11, 2001, yet the security of our airports has not clearly made any significant improvements. After more than two years of federal security operations, it is not clear that Americans are getting the security they deserve for the enormous sums they have spent.

Spending on aviation security since September 11, 2001 has totaled \$14.5 billion. Since September 11, we have spent \$18 securing our skies for every \$1 spent securing ports, trucks, buses, mass transit, and pipelines combined. Numerous media accounts tell of passengers bringing knives and guns on flights without realizing it, and not getting caught. In the recent situation regarding Nathaniel Heatwole, it was discovered that he *told* the TSA that he was going to put box cutters and other potentially dangerous items on airplanes, but it still took a routine maintenance check **a month later** to find them.

Recent government alerts indicate that Al-Qa'eda continues to plan terrorist attacks using aircraft. A major security step was taken without spending a lot of money: fortifying cockpit doors so hijackers cannot take over the controls. The security yield from the roughly \$4 billion spent on screening bags and passengers is less clear. While the Administration reports that its personnel have intercepted more than 1,500 firearms and more than 54,000 box cutters since February 2002, disturbing reports draw attention to how many similar items have not been caught.

If the procedures aren't being followed, the \$4 billion we're spending on air security every year is wasted. Roughly half the passenger planes flying today carry cargo. Despite a legal requirement to screen all cargo shipped on planes, hardly any of these materials are screened for explosives or anything else. Planes that carry only cargo are also dangerously unsecured. Many do not have hardened cockpit doors, and the pilots are not yet allowed to carry firearms.

Another problem was created by the Administration's inexplicable policy of allowing airport employees to enter secure areas of the airport without being screened in the same way passengers and pilots are. Congress has given the Administration substantial resources to do the job—more than any other aspect of homeland security. They must move faster to strengthen our front line defense against the terrorists threatening the safety of our skies and our communities.

Overall, **\$890 million is provided for aviation security, a nearly 20 percent increase**, including funds to improve integration of explosive detection system (EDS) equipment into individual airports' baggage processing to increase security effectiveness and promote greater efficiency. In addition, the Federal Air Marshals will receive supplementary training and have opportunities to rotate into land-based agent assignments, further refining their law enforcement skills.

Between fiscal year 2003 and fiscal year 2005, the FAMS budget will *grow from \$466 million, to \$613 million, an increase of 32 percent*. Because aviation continues to be an attractive terrorist target, we must continue to strengthen our aviation security system. The 2005 Budget provides:

- **\$5.3 billion for TSA, an increase of \$890 million over resources appropriated in fiscal year 2004.** These funds will be used to continue to improve the quality and efficiency of screening operations through additional screener training, stronger management controls of screener performance, and technology automation.
- **The funding includes \$400 million to continue deploying more efficient baggage screening solutions** at our nation's busiest airports.
- **\$85 million for air cargo security in TSA's budget**, to continue the research and deployment of screening technology started in FY 2004.

- **\$61 million** in S&T's budget, to accelerate development of more effective technologies to counter the threat of portable anti-aircraft missiles.

In Houston, the 11,000-acre Bush Intercontinental Airport facility-the largest in the City, plans to institute a program to increase security capabilities called "Airport Rangers." Under this program, Rangers will patrol the perimeter of the facility and utilize the advantage that it has over vehicles in monitoring airport traffic. It is unclear whether the 2005 proposed budget will fund this type of hybrid service of aviation and first responder security.

Chairman COX. Welcome again Mr. Secretary. Thank you for providing your testimony to the committee, and we offer you such time as you may need to summarize it for the committee.

**STATEMENT OF THE HONORABLE TOM RIDGE, SECRETARY,
DEPARTMENT OF HOMELAND SECURITY**

Secretary RIDGE. Very good. Thank you, Mr. Chairman and Congressman Turner, members of the committee. First of all, I would like to thank both of you for your public recognition of the quality of service and the commitment of 180,000 coworkers. All of us affiliated with their work, members of this committee, know how hard they work, and I am grateful for that public acknowledgment of that. Part of our job as leaders and managers is also to equip them. And they are highly motivated. One of the challenges in the years ahead is to give them the continuous training and the technological assistance that they need to do their job. They are doing a great job, and I thank you for recognizing it.

I am grateful for the opportunity to appear before you today and to present the President's budget and priorities for the Department of Homeland Security in the coming year. Before the tragic events of 9/11, no single government entity had homeland security as a primary charge. With the creation of the Department, that charge is now ours; 22 agencies, 180,000 employees brought together to pursue a single mission. That mission has been outlined and well recognized by this committee: To secure our Nation and citizens from the threats of terrorism and natural disaster is one that does not change or lessen in importance with the passage of time.

As we prepare to celebrate our 1-year anniversary as a Department, it is the steadfast support of this Congress and the resources you have provided that have made it possible for us to not only carry out a vigorous and ambitious slate of security initiatives, but also to say with confidence that Americans indeed are safer, and also to recognize in the same breath we still have more work to do. In a short time, we have strengthened airline security, increased vigilance at our ports and borders, forged unprecedented partnerships across the private sector and State and local governments, improved information sharing, launched robust efforts to engage citizens in preparedness efforts and distributed funds and resources for our dedicated first responders. Of course, as I said, there is still more we can do and there is still more we must do.

The President's budget request for the Department in fiscal year 2005 includes \$40.2 billion in new resources. When you take the total amount for BioShield, it is a 10 percent increase. If you take the BioShield dollars out of there and consider the fee increases and the discretionary increase, it is a 6 percent increase. If you take the fees out, it is still nearly a 4-1/2 percent increase. This increase in funding will provide the resources we need to expand and

improve existing projects and programs as well as build new barriers to terrorists who wish to do us harm.

Let me touch briefly on a couple of areas where a specific increase in our resources will help us continue to make progress at our borders, in our skies, on our waterways and throughout the Nation.

To further strengthen our borders and port security, the budget includes \$411 million increase for our Customs and Border Protection, Immigration and Customs Enforcement, and Coast Guard. This funding will support such innovative initiatives as the recently launched US-VISIT program which is now operational at 115 airports and 14 seaports across the country to help ensure that our borders remain open to legitimate travel but closed to terrorists. The program has been very successful, utilizing biometric technology to process more than 1 million legitimate passengers since the program began. And since that time, we have matched more than 100 potential entrants against criminal watch lists. With additional funding of \$340 million, we will continue to expand US-VISIT to include land borders and additional seaports.

However, we realize that potential enemies will not always arrive at a customs checkpoint. That is why we have more than \$64 million to enhance monitoring efforts along the border in between our ports.

We have also requested an increase of \$186 million to better enforce our immigration laws. We are also pushing our perimeter of security outward, making sure that our borders are the last line of defense, not the first. The Container Security Initiative, for example, focuses on prescreening cargo before it even reaches our ports, and this budget includes \$25 million in additional funding to enhance our presence at existing ports and to begin the final phase of CSI, especially in high-risk areas around the world.

Also the Coast Guard's budget will increase by 9 percent, which includes continued funding for the continuation of the Integrated Deepwater System and important new resources of more than \$100 million to implement the Maritime Transportation Safety Act.

One of the greatest concerns of Congress to the American public since September 11th, of course, has been aviation security, and thus it continues to be an area of high priority for our budget, and we have requested a 20 percent increase this year. The Transportation Security Administration will receive an additional \$892 million to continue to improve the quality and efficiency of the screening process. Also, considerable funds will be available to continue the research and deployment of air cargo screening technology, as well as accelerate the development of technologies to counter the threat of portable anti-aircraft missiles. We have seen the havoc possible when aircraft are used as weapons.

We have yet to experience the full impact of a bioterror attack, and may we never have to do so. But we must be prepared. And it is in that spirit that Secretary Tommy Thompson and I announced a \$274 million Biosurveillance Program Initiative designed to protect the Nation against bioterrorism and to strengthen the public health infrastructure. The initiative will enhance ongoing surveillance programs for human health, hospitals, vaccines, food supply, State and local preparedness, and environmental moni-

toring and integrate them into one comprehensive surveillance system.

In addition, one of our prime responsibilities is to gather intelligence and share information with the private sector and State and local officials as we work to secure the vast critical infrastructure upon which our economy as well as our way of life depends. That is why Information Analysis and Infrastructure Protection will receive an \$864 million increase in funding that will enable us to carry out this important task.

And finally, as I have said many times in the past, for the homeland to be secure, the hometown must be secure. That is why we continue to funnel resources to our State and local partners, as well as to ensure that those who serve on the front lines of this war, our firefighters, police, and medical personnel have the tools they need. And with that in mind, the total first responder funding in this budget adds another \$3.5 billion to the more than \$8 billion we have made available since March 1st of last year.

These are just some of our budget priorities over the coming year, priorities that reflect the vast nature of our mission. Whether safeguarding America from terrorist attacks or providing aid in the face of natural disasters, our charge never changes, and our course must never alter.

To protect the people we serve is the greatest call of any government through the work of many. From the men and women of Congress of the United States who allocate the resources to those who serve as Governors and mayors, who work to fill gaps in their States and their cities' security, to those individual citizens who make preparedness kits, that call is being answered and embraced by an entire Nation. It is that singleness and dedication of purpose that fuels our work in homeland security. We are grateful for the continued support of the Congress of the United States and of this committee in that effort. We thank you very much.

Chairman COX. Thank you very much Mr. Secretary.

[The statement of Secretary Ridge follows:]

PREPARED STATEMENT OF THE HONORABLE TOM RIDGE, SECRETARY, DEPARTMENT OF
HOMELAND SECURITY

Introduction:

Mr. Chairman, Congressman Turner, and Members of the Committee:

I am honored and pleased to appear before the Committee to present President Bush's fiscal year 2005 budget for the Department of Homeland Security. Before beginning to outline our fiscal year 2005 budget request, I want to thank you for the strong support you showed for the Department in the fiscal year 2004 budget and for the fact that that appropriation was passed in time for it to be signed by the President on October 1, 2003—the first day of the fiscal year.

The \$40.2 billion request represents a ten percent increase in resources available to the Department over the comparable fiscal year 2004 budget and reflects the Administration's strong and continued commitment to the security of our homeland. The fiscal year 2005 budget is a \$3.6 billion increase over fiscal year 2004, and it includes increased funding for new and expanded programs in border and port security, transportation security, immigration enforcement and services, biodefense, incident preparedness and response, and the implementation of a new human resources system that will reward outstanding performance. The budget also continues our momentum toward integrating intelligence, operations and systems in a way that increases our nation's security.

The Department of Homeland Security has made great organizational strides during the first year of operations. Nearly 180,000 employees and a budget of \$31.2 billion were brought under DHS less than a year ago. The Department established a headquarters operation and successfully began operations on March 1, 2003—bring-

ing together the legacy agencies and programs that now make up DHS. Customs, border and immigration activities have been reformulated into new agencies that will increase the effectiveness of our dedicated employees. DHS continues to create new ways to share information and intelligence within the Department and between levels of governments, and horizontally across agencies and jurisdictions. Already, over 350 different management processes have been consolidated to 130, and DHS has begun consolidating 2,500 support contracts into roughly 600.

While DHS invested considerable time to make the many organizational improvements that will improve our effectiveness, much was also accomplished programmatically. The fiscal year 2003 Performance and Accountability Report provides a comprehensive discussion of our accomplishments of the past year. We believe that in the twelve months since the creation of the Department, we have made substantial progress. Through the hard work of our dedicated and talented employees, America is more secure and better prepared than we were one year ago.

We have achieved many results since our creation, including:

- improving the collection, analysis and sharing of critical intelligence with key federal, state and local entities;
- allocating or awarding over \$8 billion to state and local first responders to help them prevent and prepare to respond to acts of terrorism and other potential disasters;
- strengthening border security through the “One face at the border” initiative, which will cross-train officers to perform three formerly separate inspections—immigration, customs and agriculture. This will allow us to target our resources toward higher risk travelers;
- instituting innovative new systems like US•VISIT to identify and track foreign visitors and students and to screen for possible terrorist or criminal involvement;
- safeguarding air travel from the terrorist threat by hardening cockpit doors, instituting 100 percent checked baggage screening; and training more than 50,000 federal passenger and baggage screeners;
- increasing safeguards on maritime transportation and port infrastructure;
- expanding research and development in the defense of our homeland, through the creation of programs such as the Homeland Security Advanced Research Projects Agency (HSARPA) which has already engaged hundreds of private companies and universities in developing new cutting-edge technologies;
- launching an ambitious, collaborative effort involving input from employees at all levels, unions, academia, and outside experts to design a modern human resources system that is mission-centered, fair, effective and flexible;
- initiating a five-year budget and planning process and commencing the development of an integrated business and financial management system (Project eMerge ²) to consolidate the 50 different budget execution systems, 43 different general ledgers, and 30 different procurement systems inherited by DHS; and
- successfully transferring more than \$50 billion in assets, \$36 billion in liabilities and more than 180,000 employees to the Department.

Fiscal Year 2005 Budget Request

The Fiscal Year 2005 budget for the Department of Homeland Security builds upon the significant investments to date to our safeguard against terrorism, while also sustaining the many important departmental activities not directly related to our fight against terrorism. The President’s budget clearly demonstrates the continuing priority placed on the Department of Homeland Security in providing total resources for fiscal year 2005 of \$40.2 billion. This is an increase of 10 percent above the comparable fiscal year 2004 resource level, \$9 billion (29 percent) over the 2003 level and \$20.4 billion (103 percent) over the 2001 level.

Strengthening Border and Port Security

Securing our border and transportation systems continues to be an enormous challenge. Ports-of-entry into the United States stretch across 7,500 miles of land border between the United States and Mexico and Canada, 95,000 miles of shoreline and navigable rivers, and an exclusive economic zone of 3.4 million square miles. Each year more than 500 million people, 130 million motor vehicles, 2.5 million railcars, and 5.7 million cargo containers must be processed at the border. Conditions and venues vary considerably, from air and sea ports-of-entry in metropolitan New York City with dozens of employees to a two-person land entry point in North Dakota.

During fiscal year 2005, we will continue to strengthen our border and port security. Our budget seeks over \$400 million in new funding to maintain and enhance border and port security activities, including the expansion of pre-screening cargo containers in high-risk areas and the detection of individuals attempting to illegally

enter the United States. Our budget also includes an 8 percent increase for the Coast Guard to upgrade port security efforts, implement the Maritime Transportation Security Act, and enhance other activities.

Specifically, our budget includes an increase of \$25 million for U.S. Customs and Border Protection's Container Security Initiative (CSI) which focuses on pre-screening cargo before it reaches our shores. We are also seeking an increase of \$15.2 million for Customs Trade Partnership Against Terrorism (C-TPAT). C-TPAT focuses on partnerships all along the entire supply chain, from the factory floor, to foreign vendors, to land borders and seaports. To date, nearly 3,000 importers, 600 carriers, and 1,000 brokers and freight forwarders are participating in C-TPAT, surpassing the Department's original goal of participation of the top 1,000 importers. In order to further protect the homeland against radiological threats, the budget seeks \$50 million for next generation radiation detection monitors.

As well as continuing development for secure trade programs, the President's budget also seeks an increase of \$20.6 million to support improvements for the National Targeting Center and multiple targeting systems that focus on people and/or goods. These systems use information from diverse sources to provide automated risk assessments for arriving international air passengers, shipments of goods to our country, and land border passenger traffic.

The United States Visitor and Immigrant Status Indicator Technology (US-VISIT) program's goals are to enhance the security of our citizens and our visitors; facilitate legitimate travel and trade across our borders; ensure the integrity of our immigration system; and respect the privacy of our welcomed visitors. US-VISIT represents a major milestone in our efforts to reform our borders. DHS deployed the first increment of US-VISIT on time, on budget, and has met the mandates established by Congress as well as including biometrics ahead of schedule. The budget seeks a total of \$340 million in fiscal year 2005, an increase of \$12 million over the fiscal year 2004 level. Through fiscal year 2005, over \$1 billion will be used to support this initiative.

Our budget also seeks an increase of \$64.2 million to enhance land-based detection and monitoring of movement between the ports, and \$10 million to plan, procure, deploy and operate unmanned aerial vehicles. In addition, the budget request for U.S. Immigration and Customs Enforcement (ICE) includes an increase of \$28 million to increase the flight hours of P-3 aircraft. The P-3 has already proven itself to be a key asset in the battle against terrorism as demonstrated in the days immediately following the September 11, 2001 attacks when P-3s flew airspace security missions over Atlanta and Miami.

The Coast Guard funding increase includes over \$100 million to implement the Maritime Transportation Security Act, to support the Coast Guard's ability to develop, review and approve vessel and port security plans, ensure that foreign vessels meet security standards, improve underwater detection capabilities, and increase intelligence capacity. The budget also maintains the Coast Guard's ongoing Integrated Deepwater System initiative, funding the program at \$678 million, an increase of \$10 million over the fiscal year 2004 funding level.

Enhancing Biodefense

The President's fiscal year 2005 budget reflects \$2.5 billion for Project BioShield that will be available in fiscal year 2005 to encourage the development and pre-purchase of necessary medical countermeasures against weapons of mass destruction. Project BioShield allows the Federal Government to pre-purchase critically needed vaccines and medications for biodefense as soon as experts agree that they are safe and effective enough to be added to the Strategic National Stockpile. The Administration is moving forward in purchasing the most important countermeasures and high on the list are next-generation vaccines for both smallpox and anthrax.

The Department's efforts to improve biosurveillance will involve the Information Analysis and Infrastructure Protection (IAIP) and Science and Technology (S&T) directorates. In S&T, the budget requests \$65 million increase to enhance current environmental monitoring activities, bringing the total fiscal year 2005 investment in this area to \$118 million. One key component of this initiative will be an expansion and deployment of the next generation of technologies related to the BioWatch Program, a biosurveillance warning system. In IAIP, \$11 million increase is included to integrate, in real-time, biosurveillance data collected from sensors throughout the country and fuse this data with information from health and agricultural surveillance and other terrorist-threat information from the law enforcement and intelligence communities.

The National Disaster Medical System (NDMS) is responsible for managing and coordinating the Federal medical response to major emergencies and federally declared disasters. For 2005, FEMA's budget includes \$20 million for planning and ex-

ercises associated with medical surge capabilities. In addition, the budget transfers funding (\$400 million) for the Strategic National Stockpile to the Department of Health and Human Services to better align the program with that agency's medical expertise.

Improving Aviation Security

We have made great strides to improve the safety of the aviation system from acts of terrorism. For example, we have made significant investments in baggage screening technology—over \$2 billion to purchase and install Explosive Detection System machines (EDS) and Explosive Trace Detection machines (ETD) to the nation's airports from fiscal year 2003 to fiscal year 2005; hardened cockpit doors; deployed 45,000 federal passenger and baggage screeners at the Nation's airports; and trained pilots to be Federal Flight Deck Officers. The President's fiscal year 2005 budget seeks to enhance our efforts in this regard and would provide an increase of \$892 million, a 20 percent increase over the comparable fiscal year 2004 level, for the Transportation Security Administration (TSA). Additional funding for TSA supports aviation security, including efforts to maintain and improve screener performance through the deployment of technology.

The Department implemented a substantially improved air cargo security and screening program last year, and the President's budget sustains funding to continue program deployment and screening technology research. In addition, the fiscal year 2005 budget seeks a total of \$61 million to accelerate development of more effective technologies to counter the threat of portable anti-aircraft missiles.

Enhancing Immigration Security and Enforcement

Comprehensive immigration security and enforcement extends beyond efforts at and between the ports-of-entry into the United States. It extends overseas, to keep unwelcome persons from reaching our ports, and to removing persons now illegally residing in the United States. The Administration is committed to stronger workplace enforcement in support of the President's temporary worker proposal announced January 7, 2004.

The requested increases include \$186 million for U.S. Immigration and Customs Enforcement (ICE)—whose appropriated budget overall increases by about 10 percent—to fund improvements in immigration enforcement both domestically and overseas, including more than doubling of current worksite enforcement efforts and approximately \$100 million increase for the detention and removal of illegal aliens. Detention and Removal of illegal aliens present in the United States is critical to the enforcement of our immigration laws and the requested funding will expand ongoing fugitive apprehension efforts, the removal from the United States of jailed illegal aliens, and additional detention and removal capacity.

Our proposal for ICE also includes an increase \$78 million for immigration enforcement. As part of the President's proposed new temporary worker program to match willing foreign workers with willing U.S. employers, enforcement of immigration laws against companies that break the law and hire illegal workers will increase. The Fiscal Year 2005 President's Budget includes an additional \$23 million for enhanced worksite enforcement. This more than doubles existing funds devoted to worksite enforcement and allows ICE to hire more Special Agents devoted to this effort. With these resources, ICE will be able to facilitate the implementation of the President's temporary worker program initiative by establishing a traditional worksite enforcement program that offers credible deterrence to the hiring of unauthorized workers. Without such a deterrent, employers will have no incentive to maintain a legal workforce.

Our budget also seeks \$14 million to support our international enforcement efforts related to immigration, including enabling ICE to provide visa security by working cooperatively with U.S. consular offices to review visa applications.

We are a welcoming nation, and the hard work and strength of our immigrants have made our Nation prosperous. Within the Department, the U.S. Citizenship and Immigration Service (CIS) has improved the administration of immigration benefits to the more than seven million annual applicants. For fiscal year 2005, the President's budget seeks an additional \$60 million, for a total of \$140 million, to achieve a six-month processing for all immigration applications by 2006, while maintaining security.

Increasing Preparedness and Response Capability

Though the primary mission is to protect the Nation from terrorism, the Department's responsibilities are diverse. The ships that interdict threats to our homeland are also used to help mariners when they are in distress and protect our marine resources from polluters and illegal fishing. While we must be prepared to respond to terrorist attacks, we are more often called upon to respond to natural disasters.

To support the Department's efforts to respond, the President's Budget includes an increase of \$10 million, for a total of \$35 million in fiscal year 2005, for the

Homeland Security Operations Center (HSOC). Pursuant to the Initial National Response Plan, the HSOC integrates and provides overall steady state threat monitoring and situational awareness and domestic incident management on a 24/7 basis. The HSOC maintains and provides situational awareness on homeland security matters for the Secretary of Homeland Security, the White House Homeland Security Council and the federal community. In addition, the HSOC provides the Department's critical interface to all federal, state, local & private sector entities to deter, detect, respond and recover from threats and incidents.

The National Incident Management System (NIMS) is designed to ensure that all levels of government work more efficiently and effectively together to prepare for, respond to, and recover from domestic emergencies and disasters, regardless of cause. For fiscal year 2005, the Department requests \$7 million to ensure that the major NIMS concepts involving incident command, coordination, communication, information management, resource management, etc., are incorporated into and reflected in FEMA's national disaster operational capability. This funding will provide for plan development, training, exercises and resource typing at the Federal, State, and local levels

Supporting State and Local First Responders

The Department has initiated consolidation of the two principal offices responsible for administering the grants awarding process for emergency responders and State/local coordination, the Office of State and Local Government Coordination and the Office of Domestic Preparedness. This consolidation provides an opportunity to tie all DHS terrorism preparedness programs together into a cohesive overall national preparedness program designed to support implementation of State Homeland Security Strategies.

The fiscal year 2005 budget continues to support the Nation's first responders and seeks a total of \$3.6 billion to support first-responder terrorism preparedness grants with better targeting to high-threat areas facing the greatest risk and vulnerability. For fiscal year 2005, funding for the Urban Area Security Initiative (UASI) doubles from \$727 million to \$1.45 billion. Since March 1, 2003, DHS awarded or allotted over \$8 billion to support state and local preparedness. Between fiscal year 2001 and the fiscal 2005 budget request, over \$14 billion in assistance will be made available for programs now under DHS. Our request for fiscal year 2005 is slightly higher than funding sought for these programs in fiscal year 2004.

Investing in Human Capital and Building Departmental Infrastructure

Our employees are our single greatest asset and we are committed to investing in the development and motivation of our workforce. To support our efforts in creating a model personnel system, the President's fiscal year 2005 budget seeks \$133.5 million for the implementation of a new DHS human resources system that is mission-centered, fair, and flexible by rewarding top performers. The fiscal year 2005 budget specifically provides additional resources that will be used for training supervisory personnel to administer a performance-based pay system and to create the information technology framework for the new system. Our new system will ensure that DHS can manage and deploy its resources to best address homeland security threats and support information technology tools for workforce management.

We also seek additional funds to invest in the Department's core infrastructure. Our budget request seeks a total of \$56 million, an increase of \$17 million to support a new resource management system. This funding will support the design, development, and implementation for a single Department-wide financial management system. It will provide decision-makers with critical business information, e.g., budget, accounting, procurement, grants, assets, travel, in near "real-time" and eliminate stovepipes within existing systems and processes.

An increase of \$45.1 million is also sought to continue expanding the DHS presence at the Nebraska Avenue Complex (NAC). These resources will enable DHS to perform tenant improvements to the facility and relocate U.S. Navy operations, pursuant to congressional authorization, from the NAC to leased facilities.

Conclusion:

We have a dedicated and skilled team in DHS who understand that what they are doing is important. We have the support of our partners in government and the public and private sectors. I thank the Congress for its support, which has been critical to bringing us to this point.

Our homeland is safer than it was a year ago, but we live in dangerous times and cannot count on times to change. That is why the Department of Homeland Security was created, and why we are moving forward. I am grateful to be here today to talk about the work we are doing to make America a safer home for us, for our children and generations to come.

Thank you for inviting me to appear before me today, and I look forward to answering your questions.

Chairman COX. I recognize myself for questions.

Mr. Turner alluded in his opening statement to an editorial in the Washington Post this morning that caught my attention and, I am sure, yours as well. The subject was the President's budget for homeland security. The Post editorial argues that, quote, "Without a better analysis of likely threats and targets, it is impossible to say whether the amounts allocated are grossly inadequate or wastefully large."

That is certainly true. And even more important than knowing whether we are spending the right amount is that we put ourselves in a position to get the best possible analysis of potential terrorist threats and targets based on current information from all types of sources. We need to know where we should be acting and what we should be doing to make America safer, and spending needs to follow needs.

So my first question I am going to put to you and then ask you to respond is, What is your strategy, what is the Department's strategy for bringing the Department's Information Analysis Division to full strength and for bringing its analytic products to state-of-the-art so that the IAIP Directorate can, in the words of the Homeland Security Act, quote, "identify and assess the nature and scope of terrorist threats to the homeland, and understand such threats in light of actual and potential vulnerabilities of the homeland"?

My second question concerns the inspection of containers, of cargo containers coming into the United States. The Brookings Institution put out a report that I know that you have seen and that the Department has read, the committee has read it: "Protecting the American Homeland." The Brookings report cautions against inspecting everything, what they call the "brute force" approach.

And let me just quote briefly from the report. It observes that there are 21.4 million import shipments in the United States. That was as of 2001, their most recent year. Quote: Inspecting all of them, instead of the current small percentage, could push Customs' \$2.4 billion annual budget well over the \$50 billion mark. Using such a brute-force approach, the broader cost to the economy would be substantially larger.

According to one estimate, the cost of slowing the delivery of imported goods by 1 day, because of additional security checks, could amount to \$7 billion per year.

They put forward an alternative suggestion to develop a database for real-time tracking of containers headed toward the United States and to complete much of the inspecting before goods even reach American shores or land borders. Customs agents could then focus their limited resources on monitoring and inspecting shipments that did not undergo such offshore procedures. With this approach, Brookings concludes, the Department of Homeland Security would not have to expend its—or, pardon me, expand its capabilities tenfold or more; it could selectively target those shipments of goods that pose the greatest risk for inspection at home, and rely on good port security and monitoring at overseas ports where U.S.-bound cargo is loaded for most protection, as well as on continuous tracking of cargo and transit using GPS receivers and transmitters.

This sounds to me to be very much like the Container Security Initiative, and I want to find out whether in your view Brookings' suggestions are good and accurate; whether, you know, since they have written your report as you developed CSI, whether you are moving more closely to the brute-force approach or whether more closely to a refined approach.

Secretary RIDGE. Mr. Chairman, with regard to your first question, it was alluded to in Congressman Turner's introductory remarks as well, when he talked about the need for an integrated threat and vulnerability assessment tool. Clearly, it is a high priority for Congress because it is part of the enabling legislation, and it is that strategic product that you have funded, and we are asking for a generous level of funding this time to assist us in that effort.

I was looking at the dollars associated with the start-up of that particular unit within our Department and it was \$185 million. We were just getting started. It has gone up to \$834 million in the 2004 budget. So you have given us the resources. We are in the process of hiring the people. We have developed information-sharing advisory counsels with the 13 different sectors of our economy. We have asked our colleagues—and really they are our partners, Governors, to build strategic plans to address the security needs of the individual States. Part of those strategic plans is to have the States either through—with their management people, their State police, begin developing their own list of critical infrastructure that they deem critical infrastructure.

I had a good conversation with Governor Romney yesterday up in Massachusetts. Part of the plan that they submitted to us was a basic outline of how they went about that process.

So you have given us the resources to build the Department. It is clearly a strategic tool that we will use at the Federal level but can be even more effectively used at the State and local level. The Governors and their homeland security advisers are in the process of developing their own independent list that we can match.

We are working with the private sector, from the telecommunications and energy and chemical and financial services industry and the like to take a look at it. So I think we are well on our way to getting the kind of threat and vulnerability assessment tool that was referred to in the Washington Post article today.

It will continue to take a great deal of work. And one of the interesting components of that process is we will get a good threat and vulnerability assessment tool. We will map it against the vulnerabilities, and then the next piece of that puzzle, since 85 percent of the critical infrastructure is owned by the private sector, is to make the business case so that these companies pay for their own security. We are digging pretty deep into the taxpayers' pocket to help secure America. They have a fiduciary responsibility to do so. But we have a lot of business leaders that will help us make that business case. But before we can do that, we do need that threat and vulnerability assessment tool. You have given us the resources. We are hiring the people and it is an ongoing work.

Secondly, with regard to the Container Security Initiative, the magnitude of international commerce combined with just-in-time manufacturing at our borders, combined with the impact of delays

in the supply chain that would be associated with literally inspecting, individually, 22 million containers, suggests to us that we have to be smarter than that. And we are in the risk management business. And I daresay there will never be a day we are going to open all 22 million containers and check out the contents. So the smart approach—using people, data and technology—begins when we now get 24 hours in advance the manifest as to what is in the container. And the Coast Guard and legacy customs, over the past years and years, have built up a database, based on a commercial database and some information the government has and a rule-based system that we have developed, very sophisticated system, has a lot of pieces to it that we actually put a value on that manifest and we grade it, and depending on the grade, then we take additional precautionary measures, and we begin that process before they load the shipping container on board.

Right now as we speak, we have citizens and members of the homeland security staff in 16 ports around the world. By the end of the year, with the money you have given us in the 04 budget, we will have it up to 24. And we want to expand that with the 2005 budget, so we do that right now. From air, land, and sea containers, we physically inspect, either through the nonintrusive technology—and we have various kinds of technology at various places—or physically open and inspect about 15 percent of that cargo. And of course, when a ship is in transit, we now not only have the manifest in front of us, but we have an opportunity to take a look at the crew list, where the ship has been, and we will be able to monitor and track where that ship has been.

As the Brookings Institute has pointed out, they had to make sure they don't make any unscheduled stops that aren't reflected on their itinerary. So again, in the process of managing the rest, we understand—22 million containers—we understand the vulnerability associated with it.

You have given us a lot of people. We have placed a lot of technology, and we start that whole process overseas. And I think that is the best and most effective way to deal with managing potential risk associated with a huge reliance on international commerce to keep our economy going, to keep our communities going, to keep people employed.

Chairman COX. Thank you, Mr. Secretary. I am very encouraged that we are using technology, targeted, and intelligence to take a smarter approach to this. I saw a remarkable similarity between what Brookings was recommending and what you were doing, and it seems to me that since they have written that report, you have taken it even much further.

Mr. Turner.

Mr. TURNER. Thank you, Mr. Chairman.

Mr. Secretary, I think we all understand, you know, you can't open every cargo container; 20 million of them a year come in this country. But it does seem to me that we should have already made the investment, which I understand is not in the theme of the total budget, that large an investment, to install these radiation portals so that all of these containers as they come in can be run through these portals. And I understand that if we provide enough of them at our ports, it would not unduly delay the movement of commerce.

And so I would ask you, one, why is it we haven't made those purchases in light of the fact that I think it is a cost-effective purchase? And secondly, when we talk about this trusted shipper program, I guess it is called CT PAT, I was looking at some numbers on that and we have 5,300 companies that have been approved for that program as trusted, but only 141 of the 5,300 have actually been asked to provide to the Department their security practices to ensure that they meet certain minimum standards.

So it is disturbing to me that we say that we have this redundant system in place and one of those checks is to be sure we know who the shipper is, and yet we must have compiled a list of 5,300 and said you all are all okay. But I am not sure I understand the basis for that decision if we haven't asked but 141 of them to give us the security standards that they operate under to ensure that somebody doesn't put something bad in those containers. I know the threats we are worried most about are the catastrophic threats, and I do believe that moving faster to deploy these radiation portals would be a wise investment.

But I would welcome your comments on those two points.

Secretary RIDGE. Thank you, Congressman. As of December of 2003, Customs and Border Patrol had deployed nearly 10,000 personal radiation detectors, over 300 radiation isotope identifier devices, and in excess of 140 radiation portal monitors. There is an additional 57 of these radiation portal monitors scheduled for deployment by—well, by the end of this month, I believe. We will be purchasing more during the course of the year and deploying them, and the budget requests in 2005 asks for additional.

So again, just like in many other areas, we continue in a very, I think, very constructive and a very appropriate way to build up our capacity at our borders to deal with the potential radiological threat.

With regard to the Customs Trade Partnership Against Terrorism, there is a preliminary inspection and a commitment from those 5,000 companies to apply security standards. I am not quite sure, and I am going to ask for the opportunity to get back to you to clarify that huge gap, because I don't believe that is accurate. These are companies that have committed themselves to certain security protocols. We still reserve the right to pull those trucks aside, trust them to do it, but we want to verify it occasionally with random inspection. And again, whether it is 141 or 1,041, we have got the commitment from the companies. We are sending out inspection teams to see the kind of security procedures they have employed. We have asked them, and we are conducting background checks on the drivers of the vehicles coming across our borders. We get their manifest information in advance so we can check that as well.

So again, there is a gap between necessarily those that we have physically inspected to see if they are complying with the security protocols that we have—they have agreed to deploy and that will obviously take time because it is labor intensive. But I do think it is a little bit higher than 141 and—but I will have to get back to you and either say, Congressman, you are absolutely right we have to accelerate it, or there is another figure in between.

Mr. TURNER. Thank you, Mr. Secretary. And I do hope you will take a look at the issue of the radiation portals. I know in your budget there are insufficient funds for radiation portals on the southern border. And if you look at the cost of those, I think a strong case can be made that an investment now in those would be a wise investment.

I think my time has expired and so I will yield back. Thank you, Mr. Chairman.

Chairman COX. The Chair will now recognize other members for questions they may have. And so that there is no confusion, let me be clear that I plan to recognize members in order of their committee seniority, beginning with members who were present at or before the conclusion of opening statements. Those arriving after that time will be recognized in order of their appearance. That means that we begin with Mr. Shays. Oh, I am sorry. I have a list here that says Shays, Weldon. But I am happy to do it Weldon, Shays.

Mr. Weldon.

Mr. WELDON. Thank you Chris. And thank you, Mr. Chairman.

First of all, let me say I would ask unanimous consent that we, in support of our Chairman, demand that the House Administration make a more suitable hearing room available for this very important committee. There are a number of hearing rooms in this—on Capitol Hill that are far more worthy of the importance of this Chairman and the Ranking Member in this issue than this room. And this has nothing do with Secretary Ridge, but it is an embarrassment that we have to be crammed in here. And Mr. Chairman it is an embarrassment to you personally because of your outstanding leadership. And so I would join, hopefully with my colleague on both sides, in demanding that a more appropriate room be made available. I walked around the room today and there are other—the halls, and I see other rooms that are not even being used today. And it is not the fault of this committee. It is House Administration that assigns hearing rooms, but—

Chairman COX. Without objection, so ordered. We will have a larger room.

Mr. WELDON. Let me get on to—

Secretary RIDGE. So let it be written, so let be done.

Mr. WELDON. To my good friend and colleague and my former Governor who is a dear friend, and I thank him for the great work he has done. We had a meeting the first week you were in office—do you remember, Mr. Secretary—and I told you some of my concerns, and you addressed many of them when you were The governor in our State on first responder issues. And you have come through, I think with amazing success, in responding to those concerns of intelligence sharing, data fusion, for the analysis of emerging threats. The interoperability issue you have taken on as a challenge nationwide and it is being recognized by the first responders all over the country. The JRISE program that is underway, which now allows vertical sharing of intelligence information with local, State, county, and Federal agencies is an outstanding success and a model that I have seen in reality all across the country, from California to the east coast. You deserve credit for all of those.

I am a little concerned that the funding for some of our first responder programs, the Assistance to Firefighter Grant Program, or FIRE Act, is at a lower level, but I think we will deal with that in the Congress. It is a very popular program, as you know. And also the lack of funding request for the SAFER program, which was a bipartisan initiative in the last Congress modeled after the COPS first program. I think you will see the Congress also deal with that in the appropriation process.

But I want to get at an issue that I think is not your concern but—it is your concern, but not your fault. It is the bureaucrats that sometimes work within the FEMA and other agencies below you. They have this mind-set that Washington knows all and that all the solutions for our local problems come from the top down. The fact is that, as you know, Mr. Secretary, we have 32,000 fire and EMS departments in the country. They have been in existence longer than America has been a Nation. 250 years. They respond to every incident and disaster we have had, and they have done so extremely well. Before there was a FEMA, before there was a National Guard, before there was a Department of Homeland Security, these men and women have responded to incidents in our refineries, in our ports, HazMat explosions, levies; you name it, they have been there. Many of them weren't terrorist incidents. Some were, like the Murrah Building bombing and the World Trade Center. But many of them were incidents that just occur as a part of the risk associated with our quality of life.

And what frustrates me is that this Congress, back as far as 2000, said we have got to give these first responders the tools they need, because they best understand what their threats are locally. You go to any local fire chief, he or she knows what their threats are in that town. They know it is the potential for an explosion at a refinery or at a port. And instead of trying to come from the top down and shape what they have been doing for 200 years, we ought to be listening to them and work from the bottom up.

And why I say that is in the new request coming in, we limit the amount, the types of money that can go out for first responders, to only four subsections. We no longer allow them to do the other kinds of things that were the original intent of the Congress. And the Congress has its ears tuned in with the fire departments and the emergency med. We take EMS out of that in the proposal put forward by the Department.

And I would just ask you to revisit that, with the understanding that Congress is always in tune from the bottom up.

Now, that doesn't mean that we shouldn't have that overarching threat assessment that comes in from terrorism. But it doesn't mean in support of that we should undermine the ability of our local first responders to have the best tools to deal with what they know to be the threats locally, based on their years of experience.

I would ask you to look at that as a key issue. We don't know it at all in Washington. And in fact, the first—in fact, in one case, the USFA used to hold annual meetings of all the fire services to go over the purpose for grant uses. DHS is bypassing that process now and determining on their own what the priority should be. I think that is wrong.

You have got a great U.S. Fire Administrator, Dave Paulison, who is a great guy and was chief of the Metro Dade, handled the Hurricane Andrew with tremendous success. We ought to be listening to people like Dave. He understands. And I know you are a big supporter of his and he is a big admirer of yours as well.

One final thing. And here is your chance. Two things. Tech transfer. We have got to do a better job of transferring military technology for first responders. We haven't done that well. I have a bill that is bipartisan that would do that. I would ask you to look at that for consideration in this session.

Finally, here is your chance. We tell you what you are doing wrong, and I am going to give you a chance to hit us over the head. And here is what I am going to say to you. And we talk a good game, Mr. Secretary, but the fact is when we created your agency, you have to report to 88 committees and subcommittees of the House and the Senate, and when you look at the members of those 88 committees and subcommittees, that is 505 members of the House and Senate that you report to. In anyone's estimation, that is an absolute joke. It is a farce. It is impossible, I would say—and you can comment on your own—for you to have to report to that many people. One of our top priorities is to make this committee a full standing committee with a full authorization over the funding that goes to your agency. The appropriators in the House have done that, and Hal Rogers is a very capable chairman.

What is your opinion? Should we do the same thing? What would it do to you? How would it impact your ability to respond to us if we had not just the select committee, but one permanent committee overseeing all the areas of funding? And should we do that in the next session of Congress? Would it help you?

Secretary RIDGE. I think you thought you were doing me a favor by asking me that question.

First of all, having sat on that side of the table for 12 years, I appreciate the importance of not only oversight, but you have the power of the purse, and so I think rigorous oversight is an important part, particularly the type of partnership we have developed with this committee and a few others, and I think it goes without saying that a streamlined process of oversight and accountability, in my judgment, would do both the executive branch and the legislative branch a world of good.

Last year, we testified, myself, the deputy, under secretaries, I think in excess of 120 times.

I mean, and maybe we would testify that many times if there was some form of consolidation. Oversight, that is your responsibility, but that is 24 to 48 hours of preparation before you testify.

We have right now before us 420 GAO requests, a couple thousand very appropriate letters from Congress, and so if there was again the kind of rigorous oversight is essential, the kind of partnership we are building I think is critical to the success of the Department, but I will leave it to the wisdom and the consensus that the leaders of this body. I am sure they can arrive at the best way to partner with us, but I am not going to sugar coat it.

On the points of access and the points of oversight, I think, both the executive and the legislative branch, can do better than that.

Mr. WELDON. Thank you.

Secretary RIDGE. I thank you.

Congresswoman Pelosi, we will see what they think about my suggestion to reconfigure.

Chairman COX. The gentleman's time has expired.

The gentlelady from California, Miss Sanchez.

Ms. SANCHEZ. Thank you, Mr. Chairman, thank you, Secretary Ridge, for being before us.

Last time you were before us I told you I did not think America was so much safer with what was going on and with so many outstanding issues. I still feel the same way. There are a lot of things we need to handle and there are a lot of questions that I have for you.

I am going to try to concentrate on actual questions that my law enforcement fire fighters and first responders submitted to me to ask you, because, obviously, I have been asking your under secretaries and your assistants and others other questions.

I would like to say first that this whole issue of an infrastructure vulnerability risk analysis is very, very important, in particular since I am the ranking member of this subcommittee on that and it is a little disconcerting that when we first asked the question a year ago your under secretary at the time said it would take 180 days to put that together but would not give us a start date for that.

180 days later he came before us and of course nothing was done, and so I guess one question I would have and I will let you go through the questions and I will let you answer. This one is going to be easy.

What is the time line?

I really want to know a time line, because I have been waiting almost a year now and really have seen no movement on that, and it is important for us because there are limited resources to be spent on homeland security, and we cannot make a good policy decision without having the weighted facts of what we need to invest in. That would be the first question.

The second, you know, I used to say your Department was pretty chaotic because most of the time I did not even know who to reach for whatever. Now, I think it has actually gotten a little better.

Now, it is a little confused or maybe very confused. I think one of the things I think that I see is—

Secretary RIDGE. Yes.

Ms. SANCHEZ. I want to understand the attrition rate that has gone on from when we merged these 22 departments or pieces of departments and who are the contract workers you are really using versus the real people who came over from those agencies, and I say confused because somebody asked me who actually works for the BICE.

Is there anything happening at his place, and he mentioned his place of employment being INS. Is there anything happening, and he knows there is a change coming, but he really does not understand what is going on, so I guess this feeling that, you know, change can only happen if people are invested from the very ground floor up, and that just plays into the whole issue of I think there is a lot of confusion still going on within the entire department.

I also want to get a handle from you on this whole issue of the immigration issue that the President has put forward and what you believe, because I actually think it could be a very good thing for us to understand and to have a way in which we give an incentive to people who are here without documents that we are never going to have the funds to find and try to figure out what they are doing, if we give them an incentive to figure out who they are and then we can spend the limited resources that we do have on those people who would be meaning to do us harm. So I would like to get your comments on how you feel about the issues of immigration, since it somewhat falls under your jurisdiction now, and then back to the first responders.

I guess it comes down to this. You know, they all want to know where is the money. They still haven't seen it.

Last week, this committee had a hearing on the orange alert level, and Admiral Loy, your Deputy Secretary, told this committee that we expect to pay the bills; we, meaning your department. He said that local law enforcement had to tell DHS by February 23 what extra costs they incurred during the holiday orange alert between December 21 and January 9.

This is the first time last week, this announcement, that a lot of my folks had heard the Department was intending to put up funds for what they have gone through, and my office followed up after this hearing.

They talked to our California Office of Homeland Security and they found something really important that there is no money there, so we expect to pay the bills. That was the statement from your second in command, but there is no resources for it. So can you tell me where is that money going to come from or are you going to put forward a supplemental?

I also do not see anything in the budget to look at the next orange alert, because, you know, the City of Anaheim, we have Disneyland and a lot of other venues there. We spend \$30,000 every day that you put us on orange alert, above and beyond what we normally do, and so I would just say what is happening, where is the money?

You just have the Urban Area Security Initiative, where Anaheim and Santa Ana were to be granted 10,000,000, 50,000,000. Again, no money. Nothing has come forward.

We are just trying to understand. Help us with this process.

How are we going to get the money to the local agencies?

Secretary RIDGE. Okay. Thank you, Congresswoman.

I am not sure from chaotic to confused is progress or not. I do not think we are chaotic and I certainly do not think we are confused about our mission, but clearly as we set up the Department, as it relates to the second question that you have asked, there is a combination of people we brought in to headquarters that were previously working for some of the agencies that were in other departments, and that process itself would probably work its way out through the balance of this year.

I, for one, favor fewer contractors and more FTEs, use contractors when you need them for specific projects but currently embedding a whole bunch of them is not the way. We need them now and

we will need them in the future but not to the degree we need them now.

Ms. SANCHEZ. Mr. Secretary, that might be a question for someone to put together.

Secretary RIDGE. Sure.

Chairman COX. If the gentlelady will yield. The gentlelady's time has expired.

I want to make sure the Secretary has ample time to answer the questions that she put and I would remind members that the Secretary is with us for an extended period but has to leave at 12:15.

I have counted the members in the room, and if we stick to something like the 5-minute rule, every member will have the opportunity to ask questions, but try and give some chance for the Secretary within your 5 minutes to answer those questions or it will not work.

Mr. Secretary.

Secretary RIDGE. First question was the threat and vulnerability assessment. The President has assigned a Homeland Security Presidential Directive, requiring us to develop preliminary tools for that purpose. We should have that done in the next 60 to 90 years.

We have begun looking at different sectors of the economy in coming up with vulnerability tools, but there is a broader strategic overview in the direction the President has given us and you should be advised that that is going to be completed in the next couple of months. So I will tell you the next 60 to 90 years, and if it is any different I will get back to you, but that is the timetable we have right now.

We will get back to you with regard to the full-time equivalents and the contractors.

The President has stated very clearly some principles around which he hopes the Congress will take on the very important task of dealing with the reality that we have 8 to 10 million people in this country illegally. The reality is that just about every one of them came over to this country to live a dream, not to be a part of a terrorist act or a terrorist organization. The reality is that if we can come up with a lawful, rational, systematic way of validating their presence, not necessarily making them citizens, and one could argue that a lot of these people would just as soon come—a lot of these immigrants would just as soon come to this country, work and go back to their own country, so validating their presence is far different than putting them in the front of the line or even in the front of the citizenship line. We just have to accept that they are here and that they make an economic contribution to citizens all over this country, accept the reality that they did break the law and we do need to come up with a process in order to validate their presence, but come up with a better process of dealing with that immigration in the future. And so I think the President has laid out some principles and our department and immigration and citizenship services will look forward to the opportunity to work with Congress to develop that program.

I will tell you at the outset that a key to the successful limitation of that program will be the kind of commitment Congress is willing to make to the resources necessary to enforce it. You know, we have asked for some additional dollars in this budget. We are going

to nearly triple the teams we have going out to the workplaces and going out after absconders, and the need for a more robust enforcement procedure to make whatever we come up with work, but I think the President, very appropriately, has laid out principles that we can build a good policy around.

Finally, first responders: Show me the money. That is what they are all saying.

Congress had told us to get the money ready to distribute within 45 days. We were ready to distribute every penny. We had a very good conversation, frankly, about 3 weeks ago with California's homeland security adviser and your new Governor, because, as you well know, there is about \$700 million I think from California sitting on the shelf from 2003–2004 that needs to be distributed to the first responders.

The logjam I believe, Congresswoman, is there is no single distribution mechanism between the States and the local communities. It varies from State to State.

Again, I am going to refer back. There are a couple that have a better system of distribution. Some distribute it regionally, some have it embedded in their program and some do not. We are going to take it on to sit down with the National Governors' Association, the Conference of Mayors, see if we can come up with one process that everybody is comfortable with so that when you appropriate the money to us and tell us to get it out the door, we can get it out the door with the kind of speed and efficiency that you want us to. So again the Federal Government is ready to cut the checks.

The logjam is between the State and the locals and we have to partner with them for a better way to come up with a way to distribute it.

Chairman COX. Thank you, Mr. Secretary.

The Chair would ask unanimous consent that the gentleman from New York, Mr. Sweeney, be permitted to question out of order since he is already late for his plane to Iraq.

Mr. SWEENEY. Thank you, Mr. Chairman.

Chairman COX. Without objection.

Mr. SWEENEY. And I appreciate the opportunity and I will be very brief, Mr. Secretary. It is a tight room. I feel so close, I am not sure I should be asking questions or answering them.

Secretary RIDGE. You are welcome to join me if you want.

Mr. SWEENEY. You are doing a fine job on your own.

In my statement that I will submit for the record, I want to reiterate my thanks for your successes this past year. There are a couple of things that have already been touched on that I have some interest and concern about, and I will follow up on some of these because I am fortunate enough that I will be seeing you in Approps as well at some point.

I was pleased to see in the President's budget that the distribution language, the formula language, referring to the PATRIOT Act, was deleted. I thought that was a move in the right direction.

As you know, this committee, as part of its underlying legislation that I believe we will be moving quickly on here, will establish a funding formulation, I think, that will help your distribution problems.

Based on a formula that focuses on threat, vulnerability and consequences, and we will have some debate over whether there ought to be a reasonable minimum allocation to the States or not, I know you have said in the past that you support that.

My concern is this: In the last week, since the distribution of the budget, we are hearing rumblings from various sources that your folks at ODP want to reinsert that language back in.

Where do you stand on that issue?

Secretary RIDGE. Folks of ODP stand where I stand and that is the President's initiative to number one, shift a lot of the money that historically that was just given out by formula into the Urban Area Security Initiative, where we do focus not just on population and density but threat to our protection.

I do believe that States large and small have to build up some minimal capacity, if nothing else, for mutual aid within their own—in their own jurisdictions. But I also think that there is something else that we ought to look at, based on the documents that are given to us by the States.

Our threat and vulnerability assessment tools can be used for some of the allocation. The allocation should not be just according to a formula.

Mr. SWEENEY. You do believe, I believe you said this before, that the current formulation is broken, is inept.

Secretary RIDGE. I accept the notion that every State deserves some amount of money. I think it is, frankly, higher than it should be, but I also think as we look at States, large and small, they may very well—I certainly know there are some communities out there that do not qualify for any of these grants because they do not quite fit the fairly rigid requirements, and it is conceivable there may be small States out there who may receive more than a formula would give them based on what their critical infrastructure might be. So I think the States should be building up a minimal capacity, but the extent that we are sending all that money out by formula, that ought to be changed and there ought to be other factors requested by the President that we could include in our distribution, particularly of critical infrastructure and threat.

Mr. SWEENEY. I think we agree. Not to disregard the threat that each American faces anywhere, but the notion that certain places would receive substantially larger per capita allocations when they are not considered to be on the A list of threats and targets is a little too much to believe in.

Another question I have is that I know the Science and Technology Directorate faces a number of challenges allocating resources to the national labs, based on peer review and competition, developing teams, drawing on the best individual talent in the country, and integrating the work.

It is a pretty substantial task they face and they have to do it in realtime and as comprehensively as they can. There is an understanding that in working with those folks, they tend to develop two lists in terms of who they are going to deal with and work with in national labs, an intramural list and an extramural list, meaning those in and those out, and I am wondering what you think about that and what the purpose is.

Secretary RIDGE. Well, first of all, the national labs have a 60-year history working with the Federal Government, the Department of Energy, the Department of Defense, and that is Sandia, Los Alamos, and Livermore, there are four or five of them that would be integral to some of the research that we have ongoing now that would help us set priorities, but also because they are working so close with us internally, frankly being at a competitive advantage if they also had the opportunity to compete for some of the dollars that are going to be distributed by the Homeland Security Advanced Research Projects Agency, so again trying to avoid that kind of conflicts.

There are some of those labs that we are going to say will be unique to us internally and help with some of the basic research we are doing, help set the strategic direction of the Department and the research we need, not just within the Department but taking a look at the broader research needs of the country. They will be adequately compensated and very much an integral part of that process.

Those laboratories that are not working with us internally will be the ones that will be competing for literally hundreds of millions of dollars under the Homeland Security Advance Research Project Agency. That is a distinction that we are trying to make because basically one would have some insider knowledge, and you could conceivably—we are just trying to delineate basic functions from basic labs. Some of those will help us internally. Those that aren't going to be involved in that capacity will be the ones that have access to other dollars.

Mr. SWEENEY. I will follow up and I thank you for your time.

Chairman COX. Thank you. The gentleman's time has expired.

The gentleman from the State of Washington, Mr. Dicks, is recognized for 5 minutes.

Mr. DICKS. It is good to see our colleague, Tom Ridge, here again. Just keep working hard. We are making some progress.

I just met with Tim Lowenberg from the State of Washington. I know you know Tim.

Secretary RIDGE. Right.

Mr. DICKS. He gave me a copy of the Washington Statewide Homeland Security Strategic Plan. Now, I do not know if other States are doing this, but I think this is an outstanding document and I think every State should do one of these plans. I do not know, under existing law are the other States required to have a plan like this?

Secretary RIDGE. Yes, sir. We in the middle of last year said to the States now that we have a department and we knew we were going to try to integrate the grant programs into a one-stop shop, we had a national strategy, we wanted the States and Territories to have a strategy, so they were all due January 1 of this year.

Mr. DICKS. Have they all come in?

Secretary RIDGE. Last time I checked there may have been one or two that haven't made it. We're going through the review. We sent a few back for some modifications.

Mr. DICKS. Under the Urban Area Security Initiative, where we are giving all this money to the big cities, in our State Seattle is getting a much larger share of the money than the entire rest of

the State of Washington I think we ought to allow the funding to be done via the strategic plan, and what is happening here is the State now will get a lot less money for the whole rest of the State outside Seattle.

We have got problems with Hanford, with nuclear waste, we have got other bases, other ports. I think there has got to be a way, Mr. Secretary, to fund these plans and let them at the local level allocate the money to the highest priorities in the State. By putting all the money into the big cities, we are not going to be getting there. I would like to hear your comment on that.

Secretary RIDGE. Well, first of all, we want to direct dollars to the individual States through the plan, number one. That is why we asked them for it and that will be a dynamic document.

Mr. DICKS. But most of the money is going to the cities, not much to the States.

Secretary RIDGE. Again, it is our primary task, not exclusive task, but the primary task has tried to manage the risk of a catastrophic incident, where you have a catastrophic loss of life or catastrophic economic incident and more often than not, just because of numbers and critical infrastructure being combined in urban areas, that is where potentially the greatest threat is, not necessarily where the only threat is.

One of the challenges we have with that, Congressman, is to convince these metropolitan areas that there are a lot of surrounding counties that provide for their mutual aid, that provide support if something happens.

I had an occasion to visit a community called Port Huron, which is outside of Detroit, Michigan. They have an incredible amount of infrastructure there and yet they somehow did not get any money that went to Detroit. So we are going to take a look at that initiative to make sure that those adjacent communities participate in the funding.

Mr. DICKS. That is the problem we are having and I would ask you to look at that.

Secretary RIDGE. I will.

Mr. DICKS. One other point: The President's budget proposal also significantly impacted the Emergency Management Performance Grant Program. Only 25 percent of grant funds will be available to support State and local emergency management personnel salaries.

At present, up to 100 percent of these grant funds can be used for personnel salaries if required. Lowenberg tells me this will have a devastating effect in the State of Washington in terms of the funding of these people by this cut. I hope Congress will reject this.

A March 2002 survey by the National Emergency Management Association found that an additional 5,212 local management emergency positions are needed, with 3,960 or 76 percent of these positions being full-time directors needed to manage the program, so by cutting the funding for salaries from 100 percent to 25 percent we are going to devastate this program. I cannot believe that is our intent.

Secretary RIDGE. Well, I think, Congressman, the funding level is higher than it has ever been. Let's have a shared responsibility for employing that individual, individuals, and using the balance of

the money for training exercises and planning. You may disagree with that interpretation. I think it contains the largest amount.

Mr. DICKS. Why change it from 100 percent of availability of these funds to 25 percent? I think that is going to hurt the program and these people are going to have to lay people off. We need to hire people, not lay people off in this emergency management response area, so I hope you will take a look at that.

Secretary RIDGE. I will, Congressman.

Mr. DICKS. Thank you. Thank you, Mr. Chairman.

Chairman COX. The gentleman from Connecticut, Mr. Shays.

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

Mr. Secretary, it would be hard for you to know that I am a big fan of yours in the Department since I have been getting in some disagreements with the Department, but in this room you have Mac Thornberry and Jim Gibbons and Jane Harman, who were responsible in creating your office. Ellen Tauscher is the only other one. It came through my subcommittee, and my committee still has jurisdiction over your department as it relates to programs, not authorization and not money.

I want to know why we have not developed an antitoxin to botulinum. We do not now have a capability to deal with that and it kills you, and I just would like it to show up in your radar screen as something I would like your department to be moving a little more quickly with.

The other thing is as it relates to standards. You basically are under the impression that the States are providing you what they need for vulnerability assessments, and my understanding, I think it is the committee's as well, is that these are not coming in, the States are just giving you a wish list, and you cannot operate on a wish list.

I believe urban areas, the bigger cities, need—I mean, it is crazy for a city like New York to be ignored and have Kent, Connecticut get something, and I honestly believe that when you force yourself to have set up a higher standard level in the States we are going to see money spent in better ways.

As it relates to the whole issue of the warning system, I just want to express a concern and have you comment, and if I have time to respond, I would like to as well.

We basically are at yellow alert, which means significant alert. Forget the colors. It is low, guarded, significant, high, and severe, and I feel like significant has come to mean guarded; in other words, we are all guarded, but—and even if we are at significant, when you go up from significant to high, to orange, you are basically saying to me and others we have got one hell of a serious potential for an attack.

Secretary RIDGE. Right.

Mr. SHAYS. And I need to know if you could just explain to me how Americans should just go on about their normal behavior. I want to know why the public should not be responding and maybe not do something they ought to do.

Let me just give you a case in point. I would not recommend when we go to high alert, when we think there is maybe a terrorist threat of a plane being hijacked from Europe, I would not rec-

commend that a group of students go and then come back during that high alert.

Why would you and why would your department say just do what you normally do?

Secretary RIDGE. First of all, Congressman, there is no doubt in my department, certainly no doubt from my personal perspective, that you are not a supporter of the Department, its mission, and men and women who work there.

Mr. SHAYS. Thank you.

Secretary RIDGE. We have a difference of opinion as to how tools are used effectively or not effectively, very appropriate question to suggest that, but there is no doubt about that in anybody's mind.

First of all, in regard to the dollars that are being expended to deal with the botulism, the antidote, we have presently expended as a countermeasure a budget authority of over \$200 million and we are looking for in 2005, looking for an outlay of at least 150 million. We have already shifted some money into that, and I would have to go back to the NIH and CDC to give you more specific dollar figures, but there are dollars invested in research precisely in that area.

Your comment about wish list, Congressman, I think, is a good one. Understandably, if you do not have try to come up with some standard definition of critical infrastructure, a lot of people in their communities take great pride and think certain venues are absolutely critical to their way of life, to the security of their community or the economic needs of the community. But we need to develop a pretty good list, working with the States, and develop the kinds of things, a standard list, to frame the issue, so that they can go out and help us identify those, the destruction of which would result in the catastrophic loss of human life or catastrophic economic loss. So we need to pare the wish list down to needs, and we will address the needs so we can deal with the wishes.

And then finally the question, with regard to the warning system. When we initiated the warning system, Congressman, before we had the Department, it was really an alert system based on the assessment of the threat. It is not just unique to the Secretary of the Department, but when the decision to raise the threat level or the decision to reduce it is made, it is after considerable work and research over a long period of time and then a final discussion among Secretaries of State and Defense and the Attorney General, the CIA Director, the FBI Director, the Secretary of Transportation. So there is not a unilateral recommendation.

I make the recommendation to the President. If there is a consensus, it is whether or not we take it up, and the reason we say, Congressman, that people should go about being Americans and doing what they planned on doing even before we raised it is because we are now in the position to issue that warning and understand completely that it does two things: One, it is an alert system and we tell the American public it is a consensus among some of your leaders who have researched, analyzed and discussed the threat information that we are tomorrow and in the foreseeable future at a higher level of risk to a potential attack. That is what we want Americans to know. We want to equip them with informa-

tion. We cannot tell them the specifics, but we want them to know that.

It is also a signal to security and law enforcement professionals that at this point in time they need to add additional preventative or security measures at specific sites in their States, specific sites in the private sector, and, Congressman, as we develop the threat and vulnerability assessment tools, as we identify those critical pieces of infrastructure and make permanent the kinds of security measures that should exist there on a permanent basis, I think the threshold, to raise it from yellow to orange, will be a higher threshold, because it is one thing to be worried about the threat when you haven't taken any precautionary measures. It is another thing to have the same level of threat but take a look at the potential target and say the police, the security professionals, the fire departments, the law enforcement community all around, State and local, have done additional things to enhance security.

So again, it is a blunt instrument, Congressman, and I know that. I also know we are getting better and better at refining and pinpointing based on intelligence we receive now, additional security measures that will enable us in the future to be targeted and almost surgical in sharing that information, and we do not have to raise the national threat level.

Mr. SHAYS. I know the time has run out, and thank you. My committee will be following up on what this committee has done in hearings. I would just ask your cooperation.

Secretary RIDGE. Sure.

Mr. SHAYS. We would really like to sort it out and help you.

Secretary RIDGE. Thank you.

Mr. SHAYS. Thank you.

Chairman COX. The gentleman's time has expired.

The gentleman from Massachusetts, Mr. Frank.

Mr. FRANK. Mr. Secretary, you have two levels, two parts of your job, and I want to talk about another important part. Protecting against the threats is very important, and we did on September 11th encounter a real challenge to our law enforcement.

We are a free society and the rule in a free society has been pretty much the bad guys get the first shot; that is, we do not have a system of restriction and prevention. We hope that deterrence would be the way to work.

We have people killing themselves to kill other people and obviously that requires a change in which you do law enforcement. It means some restriction on freedom of movement, on privacy. Part of your job is to protect, but obviously another important part of the job, I know you fully well understand it, is to protect as much of the freedom that we cherish. So this is the balance that we have to draw.

I believe that in fact since September 11 we have done better than some people expected; that is, if I look back, World War I, World War II and Korea and Vietnam, I think we have seen on the whole in the country less impingement on our freedom than we have seen in some previous eras. I am very pleased, for instance, that freedom of expression has on the whole not been jeopardized the way it has been in some of those early eras.

What I want to talk about is a few examples of the other hard part of your job; namely, to help us protect the liberty that is so precious to us within the context of security, and it is particularly the case with immigration. I mean, I think—and I was pleased my colleague Miss Sanchez asked you about the President's plan, because there was a recognition there that on the whole a great contribution has been made to the country and that we do not want to start to pull the plug.

I want to talk about two examples of that. One, I have to tell you I am going to give you some copies of this. In December or November all my colleagues from Massachusetts and I received the kind of frankly annoying letter from your Congressional affairs office that I know used to make you as irritated as it made us back when you were getting them and we were serving together on the Banking Committee. We asked about Liberia. It has been a place where terrible things have happened. The world community very late responded, and there has been some improvement. We have temporary protected status for the Liberians. Your office did and your department did extend that until October of 2004, and we appreciate that, but we wrote because the cutoff date had been October of 2002, and, sadly, the international community did not get itself together in time and there were people who came to this country driven by the same terror that had driven earlier people, and we wrote and asked, all of us from Massachusetts, for an extension beyond October of 02 for the cutoff date.

We got back a letter that said, oh, by the way, we have taken care of this. We have extended till October of 2004, but that was not the issue. That was to the people already covered, so we have this group of people who came after October 2002. It may well be that a cutoff date should be imposed, and things may have gotten better in Liberia, but we believe there are people who came here at a time when there was still terror. Our government acknowledged that and I will ask you to look at that.

Secretary RIDGE. I will.

Mr. FRANK. The other one is a question of students. One has to be very careful to preserve the flow of foreign students. Part of this is a cultural battle.

I am proud of this country. I do not think there is anything we can do better to diminish irrational and unbalanced anti-Americanism than to bring people over here and let them see our flaws and our willingness to deal with our flaws and to improve them, and part of the problem is a tendency to say: Oh, these countries, we are particularly going to restrict from these countries where we have the worst problems and it gets particularly hard to bring in some of these people. They ought to be vetted. There ought to be security checks. We have the SEVIS program that you are familiar with, and the only reason frankly of bringing over foreign students is that it is one of the few ways we have of keeping down the costs for American students, because they bring money with them. On the whole they contribute more per capita at the universities they are studying at than the American students, and there is also a third reason: American students learn from them. No matter what university, including the one you and I attended, the students edu-

cate each other more than the faculty does, and that is a big part of it.

So we have a couple of bureaucratic obstacles with the SEVIS program, and it deals in part with the fact that State and Immigration are together. One is just the way they pay. You have to, if you are applying under the SEVIS program, you have to pay either by a check drawn on a U.S. bank or on a credit card through the Internet. That is just bureaucratic and hard for some of these students who do not have access.

What we would like, and maybe you can advocate to your boss and to your colleague, the Secretary of State, and see if he could get his people to do this, we do not see why when they apply for the visa they could not pay at the same time. Right now they have to make a payment in advance and then go apply for the visa. In some parts of the world they do not have access to American banks and the Internet, so making it easier for them to pay the fee would be very significant, and I am also going to leave you with that and I do not expect off the top answers, Chairman, so—.

Secretary RIDGE. Well, if I might, I will personally look into and get back to you with regard to the response concerning Liberia.

Secondly, I will tell you that I think from the administration of the SEVIS program in 2002 to 2003, we made dramatic and steady improvements.

Mr. FRANK. Yes, you did. I appreciate it.

Secretary RIDGE. But we are not done yet and frankly the practical suggestions you made publicly make a lot of sense to me and I will work on it. I could not agree with you more the reasons that we ought to make it easier for those students to get into this country.

You hit it. That is one of the best long-term antidotes to deal with the problem around which we have had to build a huge department, and the notion they come in and see us, what we do right, what we do wrong, and our ability to digest it, debate it or take corrective action is just precisely the kind of system they need to see and part of the long-term solution to the problems you and I are combating right now.

Mr. FRANK. Could I just take 10 seconds?

I want to take credit for a bit of modesty.

Chairman COX. The gentleman wants to ask unanimous consent?

Mr. FRANK. When I said that students at university do a better job of educating each other than the faculty, I want you to know that when Mr. Ridge and I were at the same university part of the time I was a junior faculty member, he was a student. So that is a very self-denying comment that I made.

Chairman COX. The gentleman from Michigan, the chairman of the Subcommittee on Infrastructure and Border Security, Mr. Camp.

Mr. CAMP. Thank you, Mr. Chairman and Mr. Secretary, and thank you for your visit to Michigan and to Port Huron and the Blue Water Bridge. I thank you for that. I want to congratulate on the successful roll out of the first phase of the US-VISIT program at air and seaports, and clearly it is a major border management system. The current budget proposal requests a \$12 million increase for that program, and we are approaching this deadline for

implementation by December 1 at the 50 largest ports of entry, and I wonder if you could tell me how this program will continue to be implemented, how funding will be allocated, without disrupting the necessary travel associated with this.

Secretary RIDGE. Congressman, the literal interpretation; I mean, you can take a look at the enabling legislation and the directive given to the executive branch with regard to the entry-exit system, and I think we have all concluded by now that literally stopping every single pedestrian, clearing everybody out of every bus, emptying the back seats of the cars coming across Canada and Mexican borders is certainly inconsistent with our collective responsibility to enhance security but improve the flow of legitimate goods in commerce. So right now we are looking at a system that has many parts to it. We are going to prescreen pedestrians and commercial vehicles and passengers. That will take care of some of the flow. We are going to do some random checks. We are also going to try to employ some radio frequency technology to monitor people coming back and forth in vehicles across the border.

There are still many of the details that need to be worked out, but I think in my discussions, private discussions with Members of Congress, they understand that a literal interpretation, that would have enormous personal and economic impact on communities and families. So we are going to provide the best balance we can between security and commerce, given the directive of the legislature.

Mr. CAMP. Well, thank you. There has been a great deal of discussion on this regional structure for custom and commerce potentially, and obviously the worry is that there will be different policies for different ports or points of entry, and I understand the Department is moving ahead with plans for regions.

Does the budget reflect that as a priority and, if that is true, what protections do we have to ensure we will have uniformity in terms of policy around the country?

Secretary RIDGE. There should not be the regionalization of any policy, any regulation, any law, that is inconsistent with Congressional intent, that is inconsistent with how any executive branch should be operating.

I know that people in the trade community several years ago legitimately had a complaint that Customs was interpreting some of the programs differently depending on the port of entry, and I assure you we will do everything we can to make sure it is standardized consistent across the board. Nothing else will be acceptable.

Mr. CAMP. And, lastly, we are all concerned about maximizing our resources, to get the most out of every tax dollar that is spent, and one proposal along the lines the Department had was the "One Face at the Border" program to cross-train both Customs and Border Protection, to streamline the whole port of entry process. I want to commend you and Commissioner Bonner for this program and the progress you have made, but I wonder if you could give me an update on this program and when we might see the new management and payroll system the Department is developing in this regard.

Secretary RIDGE. There are two pieces of that. Congress gave us—is giving us additional new dollars to build additional capacities, but there is a legitimate expectation of Congress, it begins

through the President and Administration and Congress, to do a better job with the people and resources you already have, and one of the ways we needed to move and move quickly as of day one of the Department was understand we needed one face at the border, not two or three faces.

Historically, if you came into this country, an airport, you would run into an immigration officer in one uniform and a customs officer in another uniform and conceivably another officer from the Department of Agriculture or elsewhere. We decided day one that you have three chains of command. You do not necessarily have the kind of collaborative relationship you might want; I mean, personally you might but institutionally you might not. So we decided from day one, from this day forward, there will be one face at the border.

The customs and INS, there is no reason to believe somebody cannot do both, and so we have done basically the Customs and Border Patrol. The new classes, the recruits are trained to do all these tasks, and gives us a surge capacity at the airports. Many times you will see 10, 12, 15 aisles, and there is not too much traffic and you have a few inspectors, and now suddenly you have got several international flights arrive at the same time, we can open up more aisles and we can take care of more people.

Frankly, I think it is better for morale. My view of most employees is they want to do a good job. I do not know there are too many people in America that are going to get up and go to work anywhere in America that are not going to try to do their best during the course of a day. I also think men and women if they were empowered with more knowledge or more technology to help them do their job better they will probably respond to that as well. So again if we give them more training and more technology, and we did this with US-VISIT, and these are folks that work with old INS and old Customs and for a long time they were waiting for more technology to help with the entry-exit system. Well, suddenly we have given them US-VISIT and consolidated in one unit and they are doing a phenomenal job. We have turned back a hundred people at the ports already and they feel good about their mission but they feel even better equipped to get it done.

Mr. CAMP. Thank you.

Thank you Mr. Secretary. Thank you, Mr. Chairman.

Chairman COX. The gentlelady from California, the ranking member on the Committee on Intelligence, Ms. Harman, is recognized for 5 minutes.

Ms. HARMAN. Thank you, Mr. Chairman.

Good morning, Mr. Secretary.

Secretary RIDGE. Good morning.

Ms. HARMAN. As Mr. Shays has said, I consider myself one of the founding mothers of your department; in fact, I was in a small but hardy bipartisan band of brothers and sisters here who thought we needed a department soon after 9/11. I also remember saying when you were an assistant to the President that you needed a real job. Now, you have one.

Secretary RIDGE. Thank you for your personal advocacy on that.

Ms. HARMAN. I thought you would say that.

The goal of the new department, as you are well aware, is not just to rearrange the deck chairs. It was to create one deck, one national integrated homeland security policy, and that is why so many of us are so impatient to see the final threat and vulnerability assessment. It not only will drive money to where it needs to go, but it will drive strategy.

Secretary RIDGE. Right.

Ms. HARMAN. Which was the whole point in the first place.

I think you are making progress, I know it is hard. I think it is useful to have the States make their own suggestions to feed this national integrated strategy, but we have got to bring this project to a close as soon as possible. The Washington Post editorial is right in my opinion.

I also want to thank you for your early visit to Los Angeles. I know you have made more than one. I was with you, maybe others were too, during your visit to LAX and the Terrorism Early Warning Group, which is an interagency facility, stood up in 1996, to our ports, et cetera.

We have many high value targets in southern California, unfortunately, and our chairman, Miss Sanchez, and I and others are on this committee in part because we are very worried about protecting them against terrorist attack.

I just want to ask you about two areas that I do not believe have been covered. I have been listening carefully. One is multiyear funding, grant funding for port security.

Let me say that TSA has done quite well. There is still some bumps in the road, but you now have an Acting Director, David Stone, who was the Acting Director at LAX, who is terrific.

You also have a Director at LAX, Anna Hinojosa, who I met with you, who just showed me the US-VISIT program, who is terrific.

TSA can issue letters of intent on a multi-year basis for airport improvement projects, but it cannot do this for port improvement projects. We have all been discussing how dangerous ports are. The ports of L.A. and Long Beach move 40 percent of the container traffic in and out of the United States and they need to fund multi-year improvement projects.

My question to you is do you support LOIs for port improvement and will you support legislation that has already been introduced, H.R. 3712, by Congresswoman Millender-McDonald, to require that there be letters of intent for ports improvement projects?

Secretary RIDGE. Congresswoman, I first thank you for your strong support of the Department and the Secretary.

There have been many issues we agreed upon, but I think we probably part company on this one. I think the taxpayers invest a great deal in ports and in port security. The Coast Guard's budget is up 9 percent. We have put Customs and Border Patrol people there and we have already expended about \$550 million for port grants, but I will tell you, based on my experience as Governor, we had a couple ports in Pennsylvania. There is Federal money in those ports, State money in those ports, local money in the ports. There are publicly supported employees in the ports.

I think we ought to have a public discussion and get away from the aviation model and to say this is an intermediate stop in a supply chain that supports the private sector, and I know the private

sector contributes a little bit to the security at these ports, but I think there is a responsibility, at least a shared responsibility, for some of these companies who use State or local property, where there are Federal resources applied, where Federal resources are overseas helping to secure their shipments, securing the ports. I think we need to have a discussion as to whether or not there is a role for those companies who use these intermodal facilities.

Ms. HARMAN. Mr. Secretary, I do not mean to cut you off, but my time is going to expire. I would love to have that conversation.

Secretary RIDGE. We need to have it publicly.

Ms. HARMAN. The same is true about airports.

I want to also ask you about interoperable communications, which is obviously critical to fix the problems we had on 9/11. My understanding is in your current budget you zero out funding for interoperability communications. You answered a question from Senator Lieberman the other day, saying that first responder agencies could use other grant categories for interoperable equipment purchases.

I find this very disturbing, given the priority that this issue needs and just want to ask you

Secretary RIDGE. Sure.

Ms. HARMAN. —in my last 5 seconds to respond to why this category was zeroed out in your current budget.

Secretary RIDGE. Well, first of all, there are some dollars that will continue. This is a multi —there are several departments, including Homeland Security, that are contributing to the interoperability study and taking a look at it vis-a-vis the government. Our department is in the near future beginning to set communication standards, interoperability standards. My sense is from an initial reading of this, some of these State reports, that their number one priority is communication and we want those to address that need, and there is in the pipeline now several billion dollars for the States and locals to drive down, to buy their communication equipment, and I think it is certainly an eligible cost, and I guess the decision is that you have \$8 million appropriated since March 1st of last year. The Congress is going to give us another \$3.5 or whatever sum. There will be several billion dollars more and the States and locals can draw down on that massive amount of money to improve their communications.

Ms. HARMAN. Well, my time is up, Mr. Chairman.

Thank you, Mr. Secretary. We need to solve this problem obviously, and dedicated spectrum is another part of the answer.

Secretary RIDGE. Right.

Ms. HARMAN. And we are working on that as well.

Thank you, Mr. Chairman.

Chairman COX. Gentlelady's time has expired.

The gentleman from Florida, the chairman of the Subcommittee on Rules, Mr. Diaz-Balart.

Mr. DIAZ-BALART. Thank you for appearing before us today. I think it is appropriate to commend you for your leadership on the immigration issue. I recall even before the President made his bold and courageous immigration proposal that you spoke in a similar fashion as you did today in south Florida on that issue, and you deserve commendation for your courage and leadership.

I would like to ask two questions, if I may, and then if I have time simply flag a third issue.

On July 1 of last year, this select committee, Mr. Secretary, held a hearing on the Terrorist Threat Integration Center, TTIC. During that hearing I raised a question regarding the Cuban spy networks that have operated here in the United States, including Ana Belen Montes, a senior analyst for the Defense Intelligence Agency, who was arrested after she was caught spying for the Cuban regime.

During the hearing I asked for an assessment and whether Ana Belen Montes was able to gather and pass on information even beyond those that are Cuban related. During the hearing, Larry Medford, then Assistant Director For Counterterrorism for the FBI, said that the information could not be addressed in an open format, that they would be happy to provide in a follow-up closed briefing.

It has been 7 months and this committee has been denied a briefing from the FBI, DOJ or from anyone else. I know, Mr. Secretary, that you do not have oversight over the FBI, and I would doubt that this issue has been brought to your personal attention. Nonetheless, since your department plays an active role in the coordination of domestic and foreign intelligence, I would like to request that in the next 30 days DHS organize a briefing on this matter.

Would you be willing, Mr. Secretary, to work with this committee to ensure a briefing on the potential risks to U.S. security in or emanating from Cuba within the next 30 years?

That is question number one.

Secretary RIDGE. To the extent that our department plays a role, and you are right we have analysts in TTIC in coordination with the intelligence community, you made a formal request, but I cannot respond on behalf of the other departments. I will bring it up with them and formally communicate. I would like to think we could do it and I think that is the mindset that we ought to bring toward the task you have given us.

Mr. DIAZ-BALART. Thank you.

Secretary RIDGE. Put it that way.

Mr. DIAZ-BALART. Thank you. I appreciate your support on that.

Secretary RIDGE. You know Larry Medford is no longer with us.

Mr. DIAZ-BALART. I am aware of that and the services exist. Thank you for what you said with regard to your department and your department's support on this.

Number two, I applaud your commitment to reduce the current immigration application backlog, both for citizenship and residency, and I think Mr. Aguirre is doing a wonderful job, and he deserves commendation.

However, the CIS still faces a serious application backlog issue. Dealing with the immigration backlog in my district takes up the overwhelming majority of case workers.

I would like to ask you: How will, to the best of your knowledge how will the money be spent to achieve this goal in 6months, because there is a concern that the focus is on creating a system for applications received after 2006, rather than clearing the current backlog, so if you could address that.

Secretary RIDGE. Right.

First of all, there are two approaches that we are taking simultaneously. One, Eduardo Aguirre has begun a process of creating online applications for people. We are 6 months behind in just about every form of application, but there are two forms. One I think deals with reemployment application and one other form are a substantial part of the backlog.

We began to put these online, so hopefully people can apply for the extension or apply for the next document and get approval online rather than going to the office. That will relieve some of the workload.

Secondly, Congress, when they created the Homeland Security Department, also created the Office of Ombudsman to oversee the immigration process and to help oversee the backlog, and the ombudsman has been working with Eduardo.

We are close to agreeing on a couple of pilot programs that will facilitate the process. We think it significantly will reduce the time from application to either approval or rejection, so, one, we are going to move some technology in. We hope it will facilitate the process, but also we want to experiment this year in a couple of our larger communities with some process changes. It does not grab any headlines, but, you know, people have to go back many, many times in some of these applications to get a final decision. We want to compress the number of times they have to go to the office in order to get approval.

So we will be—we are working and we will be announcing those pilot programs in the future.

Mr. DIAZ-BALART. Mr. Chairman, do I have 10 seconds to flag an issue?

As part of this hearing and part of this record, I will be including a question for in-line explosive detection system machines at Miami International Airport. This is a very important issue for Miami International Airport and my constituents. I would ask you give that a high level of scrutiny.

Secretary RIDGE. All right.

Mr. DIAZ-BALART. Thank you.

Chairman COX. The gentleman from Massachusetts, Mr. Markey, is recognized for 5 minutes. Welcome back.

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

The City of Everett in Massachusetts is home to the only urban site of a liquefied natural gas facility in the United States, and when it went to orange alert in December it was reimbursed; that is, the City of Everett, for additional police and fire protection which was required during that period of time.

Mr. MARKEY. Now, we have approximately one shipment per week of LNG coming in from overseas into Everett, a city of 40,000 people. And, de facto, it is on Orange Alert full time, but yet the city of Everett receives no reimbursement for their police and fire, which puts a tremendous strain on Everett as it does on other smaller communities that have de facto Orange Alert facilities in their community.

Do you think it makes sense, Mr. Secretary, that these communities should be eligible for reimbursement, even when there is no national Orange Alert because of the incredible burden which is placed upon these smaller communities to protect against the tar-

gets that have been identified by your agency as being at the top of the terrorist target list?

Secretary RIDGE. Congressman, I think—I don't know if you were here when I had a previous discussion with one of your colleagues. This is precisely the kind of situation where you have a community adjacent to a metropolitan area that gets substantial dollars, that benefits because of the infrastructure right across the river, and yet the people responsible for protecting the infrastructure across the river that generates a lot of the energy to support the metropolitan area don't benefit from that Urban Area Security Initiative grant.

So one of the reforms that we want to undertake this year is to broaden the application of the urban area initiative grants so that smaller counties and communities that basically the support the metropolitan area qualify for some of these dollars.

Mr. MARKEY. So you are saying that a community like Everett—see, the problem is that when the ship pulls away it is in Everett now, not in Boston. And so in addition to what happens when it is being unloaded, you also have this daily pressure on Everett to deal with it that Boston doesn't have to shoulder because the facility is in that community. So you are saying that Everett itself would be able to qualify for

Secretary RIDGE. No, not in and of itself. Because it is a critical piece of infrastructure right across the river. I mean I have been there, I know what extraordinary measures not only the locals take, but the Coast Guard takes and other Federal agencies when the ship is in port and leaving port. But I do think that because it is a significant part of that regional infrastructure, that there ought to be some way that they qualify for some of those dollars from the urban area security initiative.

Mr. MARKEY. So you are going to make that recommendation.

Secretary RIDGE. Yes, because we have run into a couple of situations, Congressman, around the country where the cities got the big dollars, and yet the support that the cities have and get from adjacent counties haven't benefited from any kind of distribution. And we would like to remedy that because the surrounding counties are very supportive of the major metropolitan areas. So we are going to look at changing the regs as it relates to that distribution.

Mr. MARKEY. The city of Everett actually made a request to your Department, and the request—and the answer that came back to the city of Everett was, At this time we cannot make an exception to our list of critical infrastructure.

Secretary RIDGE. Congressman, would you be kind enough to get a little closer to the microphone?

Mr. MARKEY. Yeah, sure. The city of Everett actually received an e-mail back from your Department that said to them, At this time we cannot make an exception to our list of critical infrastructure and these facilities would not be eligible for funding. You are saying that is going to change?

Secretary RIDGE. Well, because we just got the State plans, the 50 States and the territories have given us their security plans. We have asked them to help us identify from their perspective what are the critical pieces of infrastructure. I realize it is not a specific

answer, but we are looking for a way to solve that problem because it is not just unique to Everett.

Mr. MARKEY. All right. One quick question. Last May you told me, in response to my questions at this hearing, that the technology for screening cargo exists, but deciding to use it is a funding question. Do you continue to feel that way, that the technology is available to screen cargo, but that it is a funding question and the agency has decided not to screen all cargo that goes on to passenger planes?

Secretary RIDGE. I don't—if you said I said it Senator, it is a matter of—excuse me, Congressman—it is a matter of the record. I don't believe we are convinced within our S&T unit that we have the technology unique enough to help us deal with air cargo security, but we have invested—the Science and Technology unit has invested considerable dollars in looking for technology that could be applied to air cargo security. We have the known shipper program, as you know, but we need the technology to layer in the defense.

Mr. MARKEY. The TSA has put out a request, an RFP to companies for commercial off-the-shelf technology to screen cargo. I mean, your Department has in place now a program to purchase this equipment. So my question is, Is it a funding question as a result, as to whether or not you are going to screen all cargo?

Secretary RIDGE. And the answer is, Congressman, as soon as the RFPs are responded to the TSA and the S&T laboratories can confirm that they will do the job that we want them to do, then we come back to answer the question with regard to funding and whether or not—

Mr. MARKEY. Would you then screen all cargo on commercial planes if the technology is available?

Chairman COX. The Secretary may answer the question. The gentleman's time has expired.

Secretary RIDGE. We are going to layer in defenses, and the known shipper is just part of it. OOG teams are part of that.

Mr. MARKEY. I appreciate that. I am talking about screening.

Secretary RIDGE. And I think that there will be places and choke points where we get most of this cargo in. If we have that technology, we will want to deploy it. I don't know, I am not personally familiar with the technology. I don't know what the RFP said and when that report is due back to us. I do know that by April of this year, pursuant to the appropriations bill last year, we are supposed to come back to the Congress and give you a report as relates to air cargo security. And I presume that you want us to comment on the technology component as well. So we will be back and revisiting the issue with you. If it is required, we ought to deploy it.

Chairman COX. The gentleman's time has expired. The gentleman from Texas, the chairman of the Subcommittee on Cybersecurity, Science, and Research and Development, Mr. Thornberry, is recognized for 5 minutes.

Mr. THORBERRY. Thank you, Mr. Chairman.

Mr. Secretary, you know better than anyone that one of the primary reasons the Department was created was to take 22 separate agencies and to integrate them into one seamless unit. Obviously, you cannot go in and flip a switch and make that happen overnight. But management consultants, folks in the private sector,

who have done large-scale integrations like this all say that you need to bite the bullet and get it done quickly, because the longer agencies can keep on doing their own thing, the more calcification that happens. Culturally and every other way it becomes much more difficult. From folks in the field to the people on the commissions that recommended your agency be created, there is concern that maybe we haven't moved as fast as we should have in the first year to do that. And lots of examples, from procurement to IT to one personnel system to having CFOs in various organizations.

I guess I would like to get a feel from you as to what degree of urgency you feel you need to bring in the second year of the Department to force this together into literally one seamless unit, not just make people work together, but to have one organization with everything from business operations, personnel systems, down the line.

Secretary RIDGE. Congressman, from the day the legislation was signed to create the Department to the day we were supposed to operate was about 90 days. And I daresay that we are dealing, under the umbrella of the Department, with a couple of start-ups, a few mergers, an acquisition, and a little divestiture. And I also say that if that is done in the private sector, you normally have a couple of years to get ready to do it. I mean when all these big companies have merged, they have literally had to go for—while they are going through antitrust review and everything else, they had a heck of a lot more time to prepare for the integration of the system. There is a sense of urgency to do that within our Department because the integration of these enabling management systems will save us money and make us far more efficient. And I want to assure you that in less than a year, we have reduced the number of financial management systems, payroll systems—and we started with 22 payroll systems. By the end of this year, we are going to have one. We know we have to have eight or nine different procurement regimens. We now have one regulation that goes throughout the Department. But we are going to merge all those procurement systems. We have—we are working our way toward one human resource system. Those regulations should be out in a couple of weeks and we will begin implementing them over the next couple of years.

So I would assure you that we have the same sense of urgency that your friends in the private sector have discussed with you in their conversations. It will make us more agile, far more efficient, and much more effective in doing what you have tasked us to do, and that is secure the homeland. And I will be happy—when we get to that first-year review on March 1st, we are going to lay that out for you to see, and I think you will be gratified by how much integration has gone on.

There is still more to do. And again, part of it is—I didn't have my complete leadership team in place for the first 4 or 5 months because there is a confirmation process. But the pace has accelerated, and we will keep the pressure on so we can reduce the systems to one Department-wide system as quickly as we can.

Mr. THORNBERRY. Well, I appreciate that. Let me ask you about one other issue and that is how you measure and how we measure how we are making progress. The Chairman mentioned at the be-

ginning that we are looking at a metrics bill. I know it is something that you are considering. I am a little concerned, when I hear some of the questions you have already been asked, that there is some suggestion that the Department or anybody is going to put together one magic piece of paper that is going to tell us all our vulnerabilities and threats, and if we just fund that all our problems go away. Obviously that is not the case. It is important to get a sense of what our vulnerabilities are. The threat is going to change all the time, particularly in reaction to the things we do.

But do you have a sense of ways to measure how much and whether we are making progress? Because a lot of the problem with your Department is it is what doesn't happen that determines our success. And so that is part of the challenge, I think, on both sides of the table we face.

Secretary RIDGE. Well, Congressman, there are—we certainly have internal performance measures. I mean, our strategic outline for the consolidation of the departments has been reduced to a couple of hundred pages of fine print, and where there are dates and there are names next to each date and those people responsible for getting that piece of the integration done, and we monitor that very, very carefully.

Externally, some of the work we do is visible. How quickly we get the grants out, that is measurable. Now that we have State strategies and we have an ability to work with the States, I think in a more confidential way, we will determine what the critical infrastructure pieces are and can quietly and privately share what measures have been done to secure those critical pieces of infrastructure.

So, yes, I agree with the Chairman's and the committee's notion. We have—should have some kind of performance matrix. I think we just have to be careful in what areas it is a public performance matrix. Obviously there is accountability of this committee across the board, both public and private. We just in the years ahead have to work those out.

Chairman COX. The gentlelady from New York, Ms. Slaughter, is recognized for 5 minutes.

Ms. SLAUGHTER. Thank you, Mr. Chairman. And, Mr. Secretary, it is very nice to see you this morning, my neighbor from Pennsylvania, and we are glad to have you here. I don't think anything I have heard lately, though, makes my blood run colder than the fact that the 50 States are doing their own assessment. And I want to tell you, I bet you will find out that every State is going to be a hotbed of intrigue and terrorism and that you are going to have to spend a lot of money there. I have experience. After 9/11, the Congress voted \$20 billion to help New York rebuild its infrastructure and try to get back on its feet. And then I am sure you know the story. Our Governor then asked for 54 billion more for many things, including a rail line from Albany to Schenectady, and there was such major embarrassment in the whole delegation that they finally withdrew that.

I had no idea we were waiting to get that vulnerability assessment to wait for those 50 States and come up with that they need. I think you are probably going to—after you get it, you will have to go back to the drawing board an awful lot. I am concerned about

it. But at the same time, that places in the middle of States that are—small populations and probably less threat are getting some money.

I represent the Niagara Falls area which represents one of the largest power sources on the earth, a large leftover from the Manhattan Project, still a number of chemical plants. One of the most busy—probably the busiest border, other than Detroit, going across. And we can't get much money. Frankly, the money that has been given out has gone to grants pretty much to Albany. Albany gives some to New York City, most of it to New York City, some to Albany and a little bit to Buffalo. This has got to change. And I would like your assurance that we could get something more reasonable, that the people who really need the money are going to get it. But I really want you to take another thought on that business of having 50 States do it.

Secretary RIDGE. Congresswoman, I assure you that the identification by the States of critical infrastructure is not the final answer. We have already begun the process of taking a look at what States have put forth as critical pieces of infrastructure, and, in the instances with which I am familiar, they are inflated lists. I mean, it is more of a wish list rather than a need list.

Ms. SLAUGHTER. I would bet on it.

Secretary RIDGE. Congressman Shays mentioned that. And our job is to work with the States and in just about every instance with which I am familiar we have significantly reduced the list.

Ms. SLAUGHTER. But shouldn't we have been able within a month to know what is in the States, the 50 States that could have been vulnerable?

Secretary RIDGE. Oh, I would tell you that as a former Governor, my emergency management community had a pretty good idea of what the critical resources and sites were, power plants, transmission grids, nuclear facilities, chemical facilities. I mean, I think any Governor and any emergency management director in every State has a pretty good idea right now, even before 9/11. I think post-9/11, given the threat environment—these are lists that are easily accessible—I think it is a matter of really setting priorities within those lists, and that will be part of the responsibility of the Office of State and Local Government Coordination and Preparedness, because not all these sites have to be secured at the same level. We have to set priorities within them.

Ms. SLAUGHTER. Well now, talking about the Nexus program, too, which is terribly important, again, for those of us on the border States, you are not planning to institute that all over the country, are you? That would be an enormous expense.

Secretary RIDGE. Nexus?

Ms. SLAUGHTER. Yes, to allow people to come across borders, who come across every day, to have some identity to give them quick access.

Secretary RIDGE. Well, we have on several areas along the U.S.-Canadian border implemented the Nexus program and it is where people register, vetted on both sides, and it expedites traffic.

Ms. SLAUGHTER. It is going very slowly, however. Traffic tie-ups are still very difficult, sometimes 5 and 6 hours between U.S.-Canadian border.

Secretary RIDGE. Well, part of that, Congresswoman, is we work with particularly our friends at the Canadian border to take a look at whatever additional infrastructure needs we have, and down the road, both governments, national governments, are going to have to determine whether they want to build additional infrastructure there. Right now our priority is we take a look at the different ports of entry to see what alterations we can make within the existing highway system to reward people who sign up for the Nexus program with immediate entry into the United States or into Canada. We have several of those lanes now and there will be more in the future.

Ms. SLAUGHTER. But it is going slowly. But I know that the President has requested 340 million for the US VISIT program, and in May you are going to be awarding that as a prime contract; is that correct?

Secretary RIDGE. Well, the next phase, you are talking about 05, the next phase of the US VISIT program is at the land borders, and I frankly can't tell you when the—I believe the RFP might be out. I can't tell you when the contract will be awarded. I will get back to you on that.

Ms. SLAUGHTER. Well, is it true that when people come into the United States and have their fingerprints taken, that we have nothing to do—we have no way to check those fingerprints?

Secretary RIDGE. They are checked against a database. We have already kept out about 100 people.

Ms. SLAUGHTER. But we don't have the strict watch list do we, that we need? Aren't we behind on that?

Secretary RIDGE. Two different sources of information for us, Congresswoman. The integration of the watch list is happening as we speak. And we have in the Terrorist Screening Center, we have all those databases and people going over those lists. As a matter of fact, some of the first inquiries came from State and local police. So that is a name-based identification system. But the fingerprint scans give us, we think, almost a failproof means of matching identities with a huge, basically, a criminal database that we have accumulated literally over the years if not decades. And based on that, while we have viewed 1 million people coming across, we have kept—we have turned over 100 away, put them on the next flight and sent them back where they came from.

Ms. SLAUGHTER. When I gave you my list of things that I have to look out for in my district, I omitted the Lackawanna 7. So we probably—I may have to give you a call, Mr. Secretary.

Secretary RIDGE. All right.

Ms. SLAUGHTER. See what we can do. In the meantime, the National Journal says this morning they are about to cut your budget to pay for the highway bill, so we will have to look out for that as well.

Chairman COX. The gentlelady's time has expired, although surely we can find funds in the highways bill to add more lanes to get some of that stuff moving at the border.

The gentleman from California, the chairman of the Committee on Armed Services, Mr. Hunter, is recognized for 5 minutes.

Mr. HUNTER. Thank you, Mr. Chairman, and thanks to Secretary Ridge. Thank you, Mr. Secretary Ridge, for being with us today

and walking us through this budget. You know, you were—you were with us in San Diego on the border a couple of months ago and watched that enormous truck traffic coming across the border. And I recall that we have some 2,200 trucks a day coming across at Otay Mesa, and you were there on the bridge at one of the ports of entry there and asked the port director or one of the other administrators why all those trucks that were in line, basically waiting to get their paperwork approved, couldn't at the same time be x-rayed by a nonintrusive—one of these nonintrusive machines that, for practical purposes, gives you an internal picture of the container, just like the x-ray machines that do our carry-on luggage at the airport. And his reply to you was, well, they didn't have the \$15,000 to pave the road, or something that you didn't feel was really a totally responsive answer.

And that reminded me of this basic of balancing problem that you have in this prioritization problem. I think it is clear that our duty, our primary duty as a Federal Government in Homeland Security, is to know two things: what is coming into the country and who is coming into the country. And I looked at the billions of dollars that are going to be going out to States and local governments to so-called first responders in this budget, and it is my feeling that if in fact something comes through the land border or the sea border, maybe coming in on one of these trucks, a weapon of mass destruction or something else that causes a major terrorist event in a city or in a community in this country at some point, the very same city fathers who put together a laundry list of shiny new fire trucks that they wanted to have for their FIRE DEPARTMENT are going to blame you and the Department of Homeland Security for not doing what they feel is your primary duty, which is to make sure that we know what is coming into the country.

And so my recommendation would be that we would take a new look and we rebalance this list and that we fulfill that obligation first. It looks to me like it is still going to be a long time before we get above 10 to 15 percent of the cargo containers that are coming into the country on a mass basis in a position where they can be scrutinized by this x-ray technology, which is developing fairly rapidly and is becoming less expensive. So I would hope that you would focus on that, and that we would see a shift in the funding profile in this budget in future years.

The other issue that I think is an important one that you could be of great assistance on is this. We have built a border fence between what was the biggest smuggling corridor in the Nation, that is, the smugglers' corridor between San Diego, California and Tijuana, Mexico. And through that corridor in the past, most of the cocaine that came into the country, and most of the smuggling of illegal aliens that came into the country traveled. It is about a 14-mile corridor from the Pacific Ocean to the coastal hills. We embarked on a program of building a border fence, a triple fence along that border, and we funded it and we have been putting dollars in in fact from the—under the antidrug program from the defense committees for a number of years into that fence. By doing that, we eliminated the 300 drug trucks or so a month that were simply ramming across the border, because there was no obstacle bringing cocaine into our population. We also reduced the smuggling of ille-

gal aliens from what was represented as 500,000 arrests per year in that San Diego corridor down to about 100,000. So we knocked it down by 80 percent because we had the fence. There is one piece of fence left that hasn't been built, and I haven't been able to get it done over the last couple of years, and I think not only to my frustration but that of the Border Patrol and people in the U.S. Navy who are worried about the security of our Navy base which is just north of that border. And that piece of fence is a couple of miles just before you get to the Pacific Ocean, and it abuts what is known as Border State Park. That area includes the smugglers' canyon. And the reason we haven't been able to do that is because the Coastal Commission doesn't feel it is aesthetically pleasing to have a fence there right on the border at the Pacific Ocean.

I would hope that you would help us, because we are going to have a hearing by the Coastal Commission and a decision in the next several days as to whether or not they allow or recommend that the fence be permitted to be finished at that location.

And I would just remind you also, as I just reminded the Secretary of the Navy, that we have one of the biggest NAVAL bases in the world, with some very sensitive aspects, just a few miles north of that opening to another country where we have no monitoring capability with respect to systems that could be brought into the country by vehicle and headed north, and could arrive in just a few minutes at our major naval bases just a few miles north of that particular area.

Now, we put in, when we passed the legislation to build the fence, Republicans and Democrats put in something that was very unusual. We put in a waiver of the Endangered Species Act, because the Endangered Species Act had up to that point been a bar to building that fence. And we put in, and President Clinton signed the law waiving the Endangered Species Act, if the waiver was requested by the administration.

And so if this administration requests a waiver, we can move ahead immediately with that last section of the fence and we can waive the Endangered Species Act requirements. Now, let me tell you, what is involved in the Endangered Species Act requirements are now a demand from the resources people that the border security—that the Border Patrol pay \$12 million for mitigating lands before they build that fence. So that is going to suck 12 million bucks out of your budget if you don't invoke the waiver, along with obviously causing a major delay.

I would hope that you could write a letter to the Coastal Commission and, on a basis of security, border security and homeland security, do two things: approve that—approve the fence; and secondly, I would hope that you as our leader in this area in administration would, in fact, request that waiver that President Clinton signed the legislation providing for. I think that is clearly the intent of Congress. It was passed by a fairly overwhelming vote in the House and Senate to allow for that waiver to be invoked. It is somewhat surprising that it hasn't been invoked. I think now is the time to do it.

Chairman COX. The gentleman's time has expired.
Mr. HUNTER. And thank you.

Secretary RIDGE. Congressman, I will personally look into the enabling language in the statute, talk to the Coastal Commission, and communicate back to you.

Mr. HUNTER. Thank you very much. Appreciate it.

Secretary RIDGE. You are welcome.

Chairman COX. The gentleman from Oregon, Mr. DeFazio, is recognized for 5 minutes.

Mr. DEFAZIO. Thank you, Mr. Chairman. Thank you, Mr. Secretary, for being here today. You have got an iron constitution to sit there so long. I will try and pose quickly three questions or concerns.

The first goes, like many members, I went out and met with my emergency personnel and first responders. The thing I heard from the State police, the county sheriffs, the local police, the fire and everybody, the number one concern was the lack of interoperable communications. I am very concerned to see that that has been in its sort of singular form zeroed out of the budget. An 85 million reduction, and apparently merged to be competitive in some other programs. And I would ask you to address that briefly.

Secondly, there are other categories, the FIRE grants, the EMPG, all these were principally accessed from smaller cities and rural areas as their principal sorts of funding. I am concerned about this. I understand about setting priorities, but on the other hand these are pretty smart terrorists, and I am worried that we create essentially soft targets if we totally ignore—and I am afraid we are moving in that direction—the needs of the smaller cities and rural areas. I have football games in my district that gather 25,000 people together on a Saturday. That is a pretty attractive target. So there are smaller communities that provide for very high, high-risk potential targets for some terrorist activities, and I would like to hear your perspective on that.

And then the third one is something I asked you about last time, and again you may not know—I am also in an aviation hearing. I may more appropriately ask that down there. But I asked about your familiarity with and the problem that we weren't requiring the screening of all the vendors that flow in and out of the airport on a daily basis; tens of thousands across the country, while we were requiring the screening of pilots, flight attendants, frequent travelers and others. And apparently, I don't believe this problem has been comprehensively addressed. So if you could, Mr. Secretary, briefly address those concerns.

Secretary RIDGE. All right. I will see if I can.

Mr. DEFAZIO. That is actually a question, not a speech.

Secretary RIDGE. It is very appropriate. I believe interoperable communications is everyone's highest priority.

We are in the position of having the responsibility to set standards. We are not going to tell them what equipment to buy, but we need to set the standard so that it is interoperable. There is some short-term technology on the market today that I understand that can assist local communities, but we do need to take a look at a long-term solution. We will as part of our strategic plan for this year; that is a—of the highest priorities, we have to get those standards out. We have done standards for radiological detection equipment. We have done standards for personal protection gear.

We need and are working on standards for interoperability, and not only this year but in future years, I think we will continue to support the State and locals and make that as an eligible expenditure.

I would say we are—and I am going to spend a little bit of time with some of my former colleagues, the Governors, when they come into town. A couple of concerns I have that they could help address because we need to be partners in this. One, we are going to set the standards, but the police and the fire in the future are going to continue to upgrade their own communications equipment. So it is not just—we won't have—not only access to Federal money but there is going to be State and local money to do it as well. So we are going to need their leadership to make sure that the State and local portion is expanded on a broader-based regional communication system. So we need them to do that.

We also need them to help us design a distribution system so that some of that 20 percent that goes right to the states can be allocated from the State capitol to some of these smaller communities if it is the State's opinion that there is critical infrastructure or events that need to be protected.

The fire grants give us an opportunity to spread about—we have asked for half a billion dollars. Last year the Congress appropriated three-quarters of a billion dollars with some of the monies out to the smaller communities that you are talking about. We have asked for the same amount. The President asked for the same amount this year as he asked the year before. I think I have in the back of my mind, Congress, Congress will probably add to that amount and shift some other priorities within our budget. We accept that. But we know that about 95 percent of the fire grants that went out last year were really directed toward use to either combat that fire or terrorist attack. I mean, there is no—they have got a laundry list that they could choose from, but they have been fairly judicious about where they have been spending that money.

And one of the good things about the fire grant program is that there is peer review. Firemen know what firemen need. They know their requirements and they respond accordingly so. But at least there is some comfort that this is how we are spreading a lot of money out around these smaller communities. And I don't believe we have—we are complete with the screening of everybody that has access to our airports and our aircraft. We have started with those who operate and fly. But, again, transportation worker identification cards, there are still additional screening and vetting responsibilities that TSA has, and we will administer the Federal security directives if we are not done doing that yet.

Chairman COX. The gentleman's time has expired.

Mr. DEFAZIO. Just one brief point on Disaster Medical Assistance Teams. I am concerned that they seem to be getting less support from FEMA. They are really essential—Disaster Medical Assistance Teams. They are expressing concerns, since FEMA has been moved into Homeland Security, that they are not getting as much cooperation and coordination as they used to, and if some of your staff could perhaps get back to us.

Secretary RIDGE. Well, if you would be kind enough to put those concerns in writing, and I will try to specifically address them for you.

Chairman COX. The gentleman from New Jersey, Mr. Andrews. And before you begin, the chairman has been with us, pardon me—the Secretary has been with us all morning.

Secretary RIDGE. I try to keep my answers brief.

Chairman COX. He has told us that he needs to leave at 12:15. I think with some cooperation, we can get all of our member questions in. But we do need to stick strictly to this time limit. The gentleman from New Jersey.

Mr. ANDREWS. Thank you.

Welcome, Mr. Secretary. It is always an honor to be in public service with you. I want to follow up on the questions about interoperability because it is the thing I hear most frequently about from law enforcement people. I agree with you; it would be a mistake to throw a lot of money at this problem before we have sorted out what the standards ought to be.

And I also frankly believe that although homeland security is a piece of this problem, it is not the whole problem. And although it may not be politically correct to say this, I don't think Federal taxpayers should be paying to solve an interoperability problem that deals with local crime and local public safety. I think we should pay a share of it but not the whole thing.

When do you think the standards that your Department is developing would be ready?

Secretary RIDGE. Well, based upon a preliminary read of some of the homeland security strategies that we received on January 1st, it seems to be the highest priority, one of the highest priorities for every State. It is our highest priority within S&T, and they have been working on them for quite some time. And instead of speculating as to when they will be done, I would rather give you a date certain, if you let me talk to the folks in our Science and Technology Directorate.

Mr. ANDREWS. But you think it is eminent.

Secretary RIDGE. Yes. There is a lot of pressure on them to get it done, because that is the highest priority for the first responders.

Mr. ANDREWS. I have a question about TTIC and the way it is working, and maybe I could ask questions through this hypothetical scenario. Let's assume this morning that TTIC picked up credible information that they felt that there was going to be an attack that would try to take over a nuclear power plant somewhere and convert that plant into a weapon of mass destruction by deliberately causing a meltdown of the core. And let's assume that that was the only level of specificity we had, that they were interested in nuclear power plants. We didn't know what part of the country, we didn't know when or under what circumstances.

Would you have been notified, if you were Governor of Pennsylvania again, and given the fact that TMI sits in Harrisburg

Secretary RIDGE. We have several facilities.

Mr. ANDREWS. Would the TTIC notify the Governor of Pennsylvania of that specific piece of information? Would the TTIC notify the head of the Pennsylvania State Police? How far down would that specific information go?

Secretary RIDGE. First of all, there would probably be multiple notifications if the threat is deemed that credible—this is a hypo-

thetical, and I don't normally like to answer hypotheticals. But if it is that credible that that is the target, is there a date certain?

Mr. ANDREWS. Well, when I say that, I don't mean just TMI. I mean a nuclear power plant somewhere in America. That is all we know.

Secretary RIDGE. But that has been a fairly—I mean there have been concerns raised from time to time about potential attacks on nuclear power plants for the past couple of years. I think what you are saying is it's from a very, very credible source, we have no doubt that they have got the information, they just don't know when and how?

Mr. ANDREWS. Where.

Secretary RIDGE. And where.

Mr. ANDREWS. Right.

Secretary RIDGE. I think at that point in time, the homeland security advisers and the Nuclear Regulatory Commission so to the companies themselves, and that information would go out.

Mr. ANDREWS. Would it go out to the

Secretary RIDGE. It would go out privately.

Mr. ANDREWS. Would it go out to the local law enforcement people? Would the people in Dauphin County, which is where Harrisburg, as you know—would they receive this information?

Secretary RIDGE. We would probably rely on—again, we are very—it would have to be very, very credible for us to rely, to notify every small police department around every nuclear power facility. But if we deemed this that critical, that poignant, that eminent, yes. And we are—but it raises a very good question in how do we go about doing that. And we are developing not only a normal means of communication, pick up the phone and call; the Nuclear Regulatory Commission has their way of doing it. But we are also creating an Internet-based system that would be able to exchange information with local police departments.

Mr. ANDREWS. It is a hard problem that I daresay needs to be fixed.

The final point is more parochial. On August 7th of 2001, your predecessor at INS made a commitment to create a new service center in my area, and it hasn't happened yet. So I am very interested if I could talk to your staff about how we can expedite that for happening.

Secretary RIDGE. Okay. When was the commitment made, Congressman?

Mr. ANDREWS. August 7th of 2001. A lot has happened since then, obviously. But I would like your office's attention on trying to solve that problem.

Thank you very much, Mr. Chairman.

Chairman COX. The gentleman is to be commended for yielding his time—

Mr. ANDREWS. I have great sympathy for my colleague.

Chairman COX. With 10 seconds remaining. The gentlelady from the District of Columbia, Ms. Holmes Norton, is recognized for 5 minutes.

Ms. NORTON. Thank you, Mr. Chairman. And thank you, Mr. Secretary, for the way you are dealing with a thousand different priorities at one time.

Let me ask you first a question that concerns this entire National Capital Region. You may be aware that, alone in the United States, general aviation has been closed in the capital of the United States, sending a very loud message that we don't know how to protect our own capital. We know how to—we, of course, have opened general aviation just a few days later in New York, at Dulles, at BWI.

The chairman of the Transportation Committee and of the Aviation Committee, Subcommittee, on which I serve had pressed and pressed for a very long time. Finally, the FAA reauthorization bill made a plan mandatory. The President signed this bill in December, and it says the Secretary of Homeland Security shall develop, that is "shall," and implement a security plan to permit general aviation aircraft to land and take off at Ronald Reagan Washington National Airport. The chairman of the Aviation Subcommittee, Mr. Mica, told me that he intends to hold a hearing at Ronald Reagan Airport in order to see how security at the airport and certainly general aviation security is proceeding.

May I ask you what progress you have made in drawing a plan mandated by the FAA reauthorization?

Secretary RIDGE. Let me for one moment check. Since Congress directed—within TSA or within—

Ms. NORTON. But that is the Secretary of Homeland Security.

Secretary RIDGE. Well of course, the Secretary, but hopefully he has not imputed constructive knowledge of everything that is going on within 180,000 employees. We try to stay on top of it, and I would just have to get back to you with a specific answer rather than a general one.

Ms. NORTON. Well I would very much ask you to do that Mr. Chairman. I am speaking not only for myself. The entire Aviation Subcommittee has pressed this very, very hard for 2-1/2 years now.

Secretary RIDGE. And I am very familiar with the complaints and concerns registered not only by my—by Congressmen and -women and Senators, but the general aviation community at large. And we have had many conversations with them and how those conversations both with Congress and the aviation community, and where it is on the drawing board I do not know and I will have to get back to you.

Ms. NORTON. I commend you that the industry has indicated that there is nothing it would not do that Homeland Security asked it to do, even though it would hurt its operations in order to get general aviation up again at Ronald Reagan National Airport.

Let me ask you a question concerning a part of your testimony at PAGE 4 of 8. You say, the administration is moving forward in purchasing the most important countermeasures, and high on the list—this is under biodefense—and high on the list are next-generation vaccines for both smallpox and anthrax. You may be aware that localities, States, complain that they diverted funds from other urgent biodefense measures when the smallpox project was announced by the administration. Actually, the administration's theory is a very good one. That is, if you vaccinate first responders, you can avoid mass vaccination of smallpox of the entire population. It made a lot of sense. The reason for this, as you know, is that we are not sure what happened to the smallpox reserves of the

Soviet Union when the Soviet Union collapsed. No one has been able to fully account for that, so we are forced now to act as though there could be a smallpox occurrence.

This matter seems to be stalled at least since April. And the States proceeded, and looks like they stopped dead. But there seems to have been no particular leadership from the administration. I think the Ranking Member read some figures indicating the disparity between the number of people vaccinated. I am concerned because I represent the District of Columbia, and the District of Columbia has many more first responders that it thinks should be vaccinated. What is great about this is actually it is a small number relative to the population. Here the District of Columbia says 3,000 to 4,000, because we would have to contend not only with our own 600,000 people, but with, of course, the entire—the 200,000 Federal workers, the entire Federal establishment. Of course, of the 3,000 to 5,000 we should—we said we should vaccinate, we have vaccinated 105.

I understand that the compensation program is no longer the problem. That was part of the reason volunteers did not come forward. There are some adverse consequences here.

There is apparently no—with a 10 percent reduction in the funding available for HHS, no CDC funding. If CDC is to be involved, they are going to take that out of their own funding.

I need to know where we are on the original smallpox initiative and whether you think there is funding or how we can get the States back up. We have got 39,000 out of what you now say is 50,000. The problem is that scattered. No one has said, but you must have X number in this county of first responders, X number in this city, so that you would be covered. So it looks like they have scattered all over the place and it looks as if we would not be protected in the event of a smallpox event in our country.

Chairman COX. The gentlelady's time has expired.

Secretary RIDGE. Clearly, given the potential catastrophe associated with a smallpox epidemic and hundreds of thousands if not millions of people dying because of it, we, one, take note that for the first time we have enough vaccine in the national—the Strategic National Stockpile.

The next step is to convince—because we cannot mandate—convince the public health community and those who would be responsible for vaccination that it is in the broader national public health interest to increase the number of men and women who subjected themselves to the vaccination, understanding, you are right, there are potential side effects, small in number, but potentially very devastating to the individual. You have the compensation program, hopefully, that will relieve not the fear or the concern, but some of the economic consequences if that occurs. And I know Secretary Thompson is committed to doing the very best he can to educate and promote and advocate that people in the public health community take it upon themselves to identify health professionals who would be willing to administer the vaccine.

We are still as interested in increasing the numbers, but it has been fairly—I think it is great that we have got 40,000. It is not evenly distributed around the country, clearly, and I don't believe that Secretary Thompson has diminished his desire and his effort

to convince the public health community they have to help us do more. We can't mandate people to get vaccinated, so we have to convince them of the need, and the public health community needs to get it done.

Ms. NORTON. We need to make sure that there is a push to continue to do this because, again, all reports are that once it got stalled it never got started up again. Anyway, thank you Mr. Secretary.

Chairman COX. The gentlelady from Texas, Ms. Jackson-Lee is recognized for 5 minutes.

Ms. JACKSON-LEE. I thank the distinguished Chairman and the Ranking Member.

Let me thank the Secretary for his gracious gift, I guess, to this committee in his time. And I hope that you will allow my two colleagues that are following me to complete their questions as well. Let me associate myself—now there are three colleagues. Allow me to associate myself with Congressman Weldon's remarks regarding the importance of this committee and the fact that we should have a standing Homeland Security Committee, because our effort with you is collaborative. We are a team, and even though our oversight requires us sometime to be constructively critical, we are in fact a team.

Let me acknowledge the fact that I have got a number of Houstonians here in the room, the President of the University of Houston, Dr. Gogue, is here with me, and board members with Chairman Smith, and obviously universities and communities are particularly concerned about how we can ensure the security of the hometown.

And so I am going to pose a number of questions if I might, and can I also reinvoke you back to Texas? I indicated that there are a number of sites that you had an opportunity to visit. We would like to show you what we have done. But we also want to show you, as a city that is enormously vulnerable, being No. 7 on the vulnerability list, what some of the needs are that may be reflective of this country.

I want to cite for you some of the financial issues and problems that I think—and let me do that very quickly. There was an \$800 million—the fiscal year budget request to the President requests grants for our State and local first responders and related homeland security efforts close to 800 million, or an 18 percent decrease from the amounts appropriated by Congress for fiscal year 2004.

We are giving the Coast Guard \$541 million less than the 1.1 billion that they have requested. And we are giving the Bureau of Citizenship and Immigration Services—236 million was appropriated in 2004, and it has been slashed by \$140 million. Each of those are just to suggest to you that we are not going up, we are going down. And I believe that we have problems in that area.

But let me focus on specifically the immigration areas and a number of questions along those lines. You yourself said—as was cited by my colleagues—just about a year ago, that it is important for us to find a pathway of citizenship or at least to document all of those who are here. You said there were about 8- to 14 million undocumented individuals and, of course, you acknowledge that some came in illegally.

My question and concern with the President's plan is, I don't think it answers the question and the statement that you made in Miami a couple of months ago, because it is a flat-earth plan. What it does is, yes, it provides documentation. But what it does after a 3-year period, it literally drops off the radar screen, because at that point they have to reassess whether they will go again, whether they will have a job or not.

Wouldn't it be better, Mr. Secretary, if we could work collaboratively for a pathway to citizenship, getting in line, not necessarily in front of the others, documenting everybody, knowing that these individuals are not going to return to their homeland, know that they are contributing taxpaying individuals, of which you said yourself, and so that we shouldn't play these kind of false games of a 3-year program?

Let me also acknowledge the US VISIT program which I deal with quite readily. I am on the Border Committee—Subcommittee—here, and also the on Judiciary Committee. I would like to know what your estimate is of the cost of making that work. There is an extensive backlog on the border between Mexico and the United States, a large amount of complaints along those lines. I have seen the program work. But I have also seen it not work. And I think it is extremely important that we talk about how many staffing that we will need and the cost we will need to expedite that transition along those borders, but also to be secure.

You know and I know that you have heard a lot of complaints from the airlines on the data collection of all travelers that are traveling in the United States. I am particularly concerned about domestic travelers and the sense of collecting data on a grandmother visiting her grandchildren. It is an invasion of privacy that I don't think makes Americans more safe. And we can do better than this. We can do better than clogging up our computer lines and databases with whether or not Mrs. Jones, 68 years old, is traveling from Chicago, Illinois to Jackson, Mississippi and maybe to Houston, Texas.

Might I just quickly say as you answer that, this problem of reimbursement to our local communities. I have said it over and over again. You are a Governor. I came out of city council. I can assure you I love State government, but the bureaucracy is enormous when our cities and localities are not being reimbursed as they should be or as quickly as they should be. My city alone is still waiting for reimbursement.

Let me finish by saying if you come to Houston, I would like you to see our citizen corps, but know that citizen corps needs to be neighborhood based. I am continuing to press the agency for that. Not big conglomerate-based, county-based or city-based, but we need to have citizen corps that are directed through the neighborhoods.

I hope you will look at that and I hope you will provide this in writing and give me your structure for MWBEs so that we can get more of our small businesses and minority businesses working locally, and our small—and our other university systems working locally with Homeland Security.

But if you can just focus on the data and the US VISIT and the immigration question and reimbursement, I would appreciate it. Thank you for your time.

Chairman COX. The gentlelady's time has expired.

Secretary RIDGE. Well, let me see if I can cover it all for you, Congresswoman. First of all, you should know that we have designed some very—probably some of the most flexible rules for procurement for small businesses. And we have been working with the minority business community to do that. And I would be happy to share that with you because, again, as we create a model agency, we take a look at how things have been done in the past. And we decided that we needed more flexibility and greater outreach to the minority business community, and I would be happy to share that work with you.

You talked a little bit about the reimbursement dilemma that the locals have. This Department, hopefully with the support of Governors nationwide, and mayors, will try to work. It is an intraState problem. We are ready to cut the checks, but I think we need to be the catalyst to get the Governors to sit down with the mayors and come up with a satisfactory plan.

I would tell you some States already have one. I happened to visit Massachusetts and was familiar with their plan. They have divided their State into regions. They only honored regional requests for equipment and training exercises. They came out with a very specific distribution program, and so there, through their homeland security adviser, with the great support of the Governor, they have come out with a plan to strategize and to take all those dollars and distribute them in the most effective way for those citizens.

I think we have to take a look at a couple of best practices and convince our colleagues to adopt one of them.

The data collection at the airports, we are hopeful that we can convince the Congress and the aviation public that the CAPPS II program, the Computer Assisted Passenger Pre-Screening program, is something that will add not only additional security but certainly improve the convenience at the airports. I, too, have witnessed some people being pulled aside for more intense examination and review and have questioned myself—certainly as I looked at them, I couldn't see any reason why they would have been pulled aside, particularly elderly people. But I do know that we have a job to make sure that we ensure the rights of personal privacy are protected. As we scan the database to make some decisions to let people go through, I think it will cut down substantially on secondary screening, but we have to make the case before Congress and the American public and I think we are prepared to do that.

You talk about the borders. I think one of the big challenges we have at the border, something the country is going to have to wrestle with, is that we have existing infrastructure, but it was not—most of it was built pre-NAFTA not post-NAFTA. And at the highest level, I think the countries of Canada and Mexico and the United States are going to have to take a look at that and plan for additional infrastructure. Right now our task as a country is to—in working with our colleagues with our border agreements—is to adjust some of the entry lanes or reassign some of the existing

highways so we can move people and products across quicker. The whole immigration debate is one that you can all imagine is going to be very, very visible it is going to be very controversial. I think the President was basically saying—what I do not understand I guess, is the controversy about the notion, is we have 8, 10, 12 million. Let us accept the reality. Let us accept as a country that we are unlikely going to deport everybody, even though we know they have broken the law. Let us accept the reality that most of them have come across, because this is America and are thinking about the opportunities they have, not only for themselves, but particularly along the southern border. They sent fifteen to twenty billion dollars back. We certainly do need to validate their presence here. So the President lays out a group of principles, and it will be our department working with Congress to take these principles and at least match a willing worker with a willing employee, but that is going to take quite a bit of time, between our department, this committee and several other committees.

You should know that the Coast Guard got a 9 percent increase. The Immigration and Naturalization Act gave us the authority, for basically a fee based system, and we are going to move to that in the future.

I hope I covered it all.

Ms. JACKSON-LEE. Thank you very much. You did.

Thank you.

Chairman COX. The gentleman from North Carolina is recognized for 5 minutes, Mr. Etheridge.

Mr. ETHERIDGE. Thank you, Mr. Chairman.

Mr. Secretary, I do not know that anyone has a more difficult, complicated job than you do in the Federal Government and it is an important one.

Let me see if I can ask questions that have not already been asked. We go to the area of first responders. I remember my first responders always remind me, when they dial 911, they ask us to help coordinate and do other things.

As you know, agriculture is about a \$1 trillion industry in this country, and it is one-sixth of the American Gross National Product, and it provides employment for one in eight Americans. The administration in 2003 recognizes a significant element of this critical infrastructure in America and contributes greatly to our balance of payments, as you well know, and a lot of the attention in dollars have been now shifted in this budget to urban areas from rural areas and ultimately from rural States.

Even if they have significant agricultural operations, that leads to my question, because a recent RAND study estimated that foot and mouth disease would cost our economy over \$30 billion, it would cripple the country's transportation and agricultural sector. Even though a lot of that is privately required, it still requires us in the Federal sector to protect it, and you have requested complete discretion over these State and urban threats. So my question is, number one, do you plan to include consideration of these agriculture operations when determining the threat levels and, second, if you do not, why not?

I trust you will.

Let me move to my second question and get you to answer in the time allotted. You have stated in the question and we covered it in several others already, as relates to Federal funds, getting in the hands of first responders.

In many of our States, North Carolina being mine, is not immune to it, have really been devastated by the economic situations in our State more than others because of tremendous job loss. My understanding is to get the reimbursement, even though they have submitted the plan—and incidentally North Carolina has committed about 91 percent of the funds, but to get the funds back is really on a committed basis and they have to—it is a reimbursement model, as you well know.

In some cases they do not have the money to spend, even though they make the commitment, and my suggestion would be I hope you will consider that. It would be a way to clean up this pipeline, because if you are going to make them spend the funds it makes sense if you have funds at the local level, but for some large expenditures they absolutely do not have the resources to get it done in some cases, and that is why we got this tremendous backlog. I hope you will look at that.

And, finally, as relates to a question that was raised earlier today, and I hope you will elaborate on it a little more, the National Emergency Managers Association. The President of the association happens to live in my Congressional district, Dwayne West, who is an outstanding person, does a tremendous job across this country. He has contacted our office and indicated that currently if only 25 percent of the EM, emergency management, performance grant funds are allowed to be used, we will finally cross this country. Currently they are able, as you well know, to use 100 percent. We can find that a lot of folks in a lot of these rural areas that have high vulnerability threats will do a competent job. I hope you will look into that, and I would certainly appreciate it.

Secretary RIDGE. Congressman, very good. As you know, one of the responsibilities of the Department of Homeland Security was to work in collaboration with other Cabinet members to deal with their particular niche as relates to potential terrorist attack. We work in coordination with Secretary Thompson because HHS is the primary lead on bioterrorism. There are many things we do together. The same situation applies with regard to agriterrorism.

Now, from our perspective within the Department there are a couple primary missions. As you know, we inherited as part of the enabling legislation the Plum Island facility. It was in need of substantial repair and we are in the process of doing it now, and we have asked for additional money because that is critical to the agriculture industry in the country.

Secondly, you should know that we are going out, this year, and create a couple of additional academic centers of excellence, and, if my recollection is correct, two of the new ones are going to be related to agroterrorism. So that will be the part we will be playing and hopefully again we will find multiple universities making applications so we can bring capacities around the country to deal with the potential agroterror to benefit the entire Nation.

Thirdly, you should know that I believe the President has asked for several hundreds of million dollars in the Department of Agri-

culture's budget for an initiative to support the agricultural community. So we have a role, sometimes it is primary, with regard to Plum Island, creating the academic centers of excellence that will support USDA and us, and certainly where we interface with that initiative in the Department of Agriculture, we are anxious to work with them.

The question of reimbursement is, I think, frankly an interesting one because I have heard that complaint before. One of the challenges, and we really have to be mindful of this, if we are going to invest these dollars we want to get a security return for the investment, and I am not going to suggest that if we sent the check out that it would not go for anything other than security matters. We certainly would feel much more comfortable if we knew it was going to needs that were identified in the State plan. The plans were to be built from the bottom up, but I am not saying under certain circumstances or for certain kinds of acquisitions we should not look at a—we should abandon the reimbursement model and look for the State to send the check down. I am open to anything that improves the process, facilitates the process and builds more security.

If we could be assured of those three things, we ought to do it, and finally, I think the budget reflects a higher number for the emergency management professionals, less of it to go to personnel costs, more of it to go to training and exercises. I believe that it is a shared responsibility to hire and maintain those individuals; that is, our share and the State and local to reimburse in part, reimburse up to 25 percent and the rest to go for training and planning exercises.

Mr. ETHERIDGE. Thank you, Mr. Secretary.

Thank you, Mr. Chairman.

Chairman COX. The gentleman's time has expired.

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

Mr. LANGEVIN. Thank you, Mr. Chairman.

I certainly admire your endurance and perseverance for appearing here this morning and every time you come here, although we come from different perspectives, we certainly share the same goal, to protect the Nation to the greatest degree possible.

Chairman COX. Would the gentleman yield for just a moment?

I have just been alerted that we may need to change our procedure slightly. To make sure that both you and Mr. Meek get your questions asked, which I think is even more important that they get answered in realtime, if you would not mind sharing your time and put the questions both to the Secretary. Then, Mr. Secretary, if you have to take them in writing, we are going to leave the record open for 30 years for written responses, but I want to make sure that since you have both been here that you get your questions asked, and I do not want to use up any more of your time with an explanation. So please proceed.

Mr. LANGEVIN. Thank you, Mr. Chairman.

Mr. Secretary, I would like to follow up on the allocation of funding to high threat urban areas under the Urban Areas Security Initiative. While I am certainly pleased the Department is making efforts to direct funds to those cities and regions that most need it,

I share concern with many of my colleagues that it remains unclear exactly what assessment these UASI designations are based on.

I am concerned with my State of Rhode Island being denied funding and ensuring that an adequate minimal level of funding is preserved for all States. In addition, I am concerned about a category of communities that is being left out of the UASI program and that has specific needs that aren't necessarily being taken into account by the State homeland security funding formula.

As an example, Providence, Rhode Island is a major city, a State capital, contains a port, bridges, an interstate highway, sports arena, convention center, as well as an LNG facility at its port, and its homeland security apparatus is critical not only to the city but to the entire State.

Providence has not previously been recognized under the UASI program, and there is no indication that this will change. I am sure that there are many cities across the country in a similar situation, particularly State capitals, that have serious vulnerabilities and could be attractive terrorist targets. They must therefore find ways to meet the high costs associated with these targets and their citizens.

However, they are not considered high threat areas by DHS and, with the drastic cuts in funding going to non-UASI localities, they could find it impossible to achieve an adequate level of protection preparedness.

So, Mr. Secretary, could you speak to the special needs of these communities and are there any plans to create some sort of sub-category of higher risk areas in order to recognize these cities and these circumstances or is there any intent to expand eligibility for UASI funds to incorporate cities like Providence?

Second, the administration has defended the funding shift toward the Urban Area Security Initiative and away from the State Homeland Security Grant Program by arguing that the distribution of Federal funds should be based more closely on threat and risk.

Now, while I believe that a certain minimum level of funding must flow to every State, even in small States like my own, I do agree that threat and risk assessments are critical to making the best use of the resources.

However, I would appreciate if you could help me understand exactly what these funding decisions are based upon. I know you spoke earlier, several times actually, about a comprehensive nationwide threat and vulnerability analysis that is under way but it is far from complete and yet the budget proposes a major shift in funds, based apparently on the results of such analysis.

Secretary RIDGE. Sure.

Mr. LANGEVIN. So can you discuss that and can you update me on your department's threat and vulnerability assessment. I believe that IAIP is the directorate with primary responsibility for this analysis, so does IAIP have the resources and staff levels required to carry out this task expeditiously and are your analysts receiving the complete and timely information they need from TTIC and the rest of the Intelligence Community. And finally, you have—I have noticed in your statement that you are asking for \$45 million for infrastructure improvements at the DHS facility where you are now located and also would be used to help relocate the Navy. I

really would like to know what assessment was made to determine whether that was the best location for the DHS headquarters.

I want to be on record, Mr. Secretary, in saying that I believe it is a mistake to locate DHS headquarters within Washington, D.C. We all know that Washington, like New York, is a prime terrorist target. We have the capital here, the White House, the Pentagon is very close by. If there were an attack on Washington which took out the city—and let's face it, it is a very real possibility at some point in the future as technology becomes more sophisticated and easier to acquire—it is a mistake to have DHS located here. I think we would be much smarter to spend the funds locating the facility at a more remote site, perhaps somewhere in Virginia or Maryland, but not so close to Washington, D.C.

So if you could take those.

Chairman COX. Pursuant to the previous order of the Chair, the gentleman from Florida is recognized for his questions.

Mr. Secretary, we are very, very concerned about your schedule. We know you are trying to be as gracious as possible, but we have had several notices from your staff that you are long since supposed to be gone.

Secretary RIDGE. Thank you.

Mr. MEEK. Mr. Secretary, I am going to forego some of the questions that I had, but on budget questions I will give it to you in writing. Hopefully, we will get a response.

I want to thank you on a recent project we worked on as relates to children and immigrations, but I want a case in point. As you know, I am from south Florida. We have talked about south Florida being very unique to protecting the homeland and I think it is very, very important that you pay very close attention to what is happening right now as we speak in Haiti and as we may well have in the coming days if the violence continues.

I have had a meeting with members of the Department of State, and I think it is important that the Department of Homeland Security is very much aware of the resources that are going to have to be given if we play a defensive strategy of waiting for things to get worse and the kind of exodus we are going to see out of Haiti that I think will jeopardize protection of the homeland.

As you know, many of the 9/11 terrorists came from south Florida. I do not believe that they are a number or a great—any evidence to show that they are Haitian terrorists, but the resources of the Coast Guard and others and the Navy that it will take to stop an exodus will give light to other countries that have a higher question of Al-Qa'eda presence there, to be able to allow someone to be able to slip through and hurt our homeland, and at the same time we have had discussions with south Florida. We do not have the infrastructure to be able to house a high concentration of refugees.

I would ask you if you would please work with Miss Condoleezza Rice and also with Secretary Powell in making sure that we work with CARICOM, the Caribbean countries, in putting a civilian police force with the Canadians and the French there on the ground to bring about some sort of peace, to save lives of Haitians, but also to make sure we maintain the protection of our homeland and also

as relates to stopping the courier of drugs into the U.S., not being able to send those resources from Guantanamo.

There are other questions, but today I want to make sure that I share that information with you because I believe with all those resources on an issue that we can play offense on will take away from other countries that are in the Caribbean that has a very high question of Al-Qa'eda presence and could very well slip through what we have now, that the Coast Guard is preventing those individuals from getting into the country.

Secretary RIDGE. I want to assure you we have been aware and monitoring that situation for quite some time and working in collaboration with State. We are aware. We are watching it very carefully and understand the concerns that you addressed.

Mr. MEEK. Thank you, Mr. Secretary Ridge.

Secretary RIDGE. And I appreciate the courtesy both that the Congressmen have extended to me and I look forward to responding to their letters first.

[The information follows:]

QUESTIONS FROM THE HONORABLE KENDRICK B. MEEK

1. Secretary Ridge, I would like to discuss with you Project SeaHawk, a highly successful program being coordinated at the Port of Charleston, S.C., by a Joint Agency Task Force consisting of DHS, the Coast Guard, the FBI and Justice Department law enforcement personnel. Project SeaHawk includes a critical threat assessment system that conducts a risk profile of all vessels that enter a port.

I strongly believe that since Florida is particularly vulnerable to threats, the Port of Miami and other Florida ports could benefit from this program. As you know, the Port of Miami is the largest passenger port and one of the busiest cargo ports in the world. I, along with other Members of the Florida delegation, sent your Department a letter requesting that you consider implementing a vessel profiling system that would improve maritime safety, as well as protect the large volume of cargo and the millions of passengers that move through our ports.

Knowing that DHS is centralizing intelligence at the highest level to ensure security, is the Department planning to expand this program to the Port of Miami or to other Florida ports? In order to continue the process of planning to protect our homeland, I highly recommend and encourage that the Department does expand this program into Florida.

Answer: The Coast Guard, and its partners-federal, Federal, State, and local agencies, foreign governments, international organizations, and other stakeholders have a fundamental need for comprehensive information, intelligence, and knowledge about all entities and their respective activities within the U.S. Maritime Domain. This comprehensive information, intelligence, and knowledge base is Maritime Domain Awareness (MDA). The CG is well qualified to help lead the effort to integrate and coordinate a national MDA capability. This capability collects and analyzes all available sources of maritime and related information and intelligence, and leverages them into a common operational picture to enable the Coast Guard, DHS, IAIP and other members of the law enforcement and defense communities to see, understand, and act first in safeguarding our Nation.

The Charleston Harbor Operations Center (CHOC) was an initiative funded through the Department of Justice and coordinated via very strong interagency partnerships. At its core, the goal was to improve the sharing and coordination of information; i.e. enhance MDA. The Coast Guard is expanding on lessons learned from CHOC and has already deployed similar capability in Miami, San Diego, Boston, New York, and Hampton Roads. While the levels of capability vary among each port at this time, the Coast Guard is continuing to work to deploy a Common Operating Picture (COP) among all our coastal command and control centers in a way that the information is comprehensive, can be shared across agencies, and most importantly is actionable by field commanders.

In Miami in particular, the Coast Guard has partnered with DHS Science and Technology Directorate (S&T) to build a prototype integrated maritime surveillance system (Project Hawkeye) covering Port Everglades, Miami, and Key West, Florida and develop the Department's enterprise Maritime Domain Awareness (MDA) archi-

ture. Thanks to funding made available through S&T, the Coast Guard has been able to deploy this initial capability in Miami and lay the groundwork for future expansions. Project Hawkeye is an ongoing program that will enhance Integrated Maritime Command Centers by combining existing facilities, upgrading equipment to detect, track, and identify vessel traffic around ports, harbors, approaches, and coastal zones, and providing robust MDA through integration of information in a Common Operational Picture.

2. Given the serious nature of the current engine reliability and power problems on the HH-65, what is the status of the HH-65 Reengining Program? Can reengining the HH-65 in a timely manner impact the HITRON Mission aircraft?

I ask these questions because wouldn't reengined HH-65s be able to provide significant support for the security of the Port of Miami?

Answer: To address urgent HH-65 safety and reliability issues, the Commandant made the decision on January 14, 2004 to re-engine the HH-65. This includes both the engine and engine control systems. The Coast Guard issued letter delivery task order (DTO) to Integrated Deepwater Systems (ICGS) on January 15, 2004 directing them to take immediate action to re-engine the HH-65 to ensure unrestricted safe and reliable operations. This DTO includes sufficient funding to carry out development and initiate the production phase of the product. Since that time, the CG and ICGS have negotiated a project cost. The manufacture and delivery of critical parts has driven the schedule. The CG, ICGS and its subcontractors continue to negotiate with its subcontractors to accelerate the delivery of engines and parts.

The First HH-65 has been re-engined, and has completed initial test flights. It is scheduled to return to service in mid-September 2004. The second HH-65 is undergoing re-engining at this time.

The goal of the re-engining effort is to expeditiously address safety and reliability issues. The Coast Guard's long-term desire is that all Coast Guard helicopters be capable of use of force projection.

Chairman COX. Mr. Secretary, we appreciate your valued and informative testimony. We appreciate your willingness to respond to these additional questions in writing. We look forward to working with you this year.

The committee stands adjourned.

[Whereupon, at 12:46 p.m., the committee was adjourned.]

APPENDIX

QUESTIONS SUBMITTED FOR THE RECORD

RESPONSES BY HONORABLE TOM RIDGE TO QUESTIONS FOR THE RECORD SUBMITTED BY THE HONORABLE JIM LANGEVIN

1. Mr. Secretary, I would like to follow up on the allocation of funding to high threat urban areas under the Urban Areas Security Initiative. While I am certainly pleased the Department is making efforts to direct funds to those cities and regions that most need it, I share concern with many of my colleagues that it remains unclear exactly what assessment these UASI designations are based on. I am concerned with my State of Rhode Island being denied funding and ensuring that an adequate minimal level of funding is preserved for all States. In addition, I am concerned about a category of communities that is being left out of the UASI program and that has specific needs that aren't necessarily being taken into account by the State homeland security funding formula. As an example, Providence, Rhode Island is a major city, a State capital, contains a port, bridges, an interstate highway, sports arena, convention center, as well as an LNG facility at its port, since homeland security apparatus is critical not only to the city but to the entire State. Providence has not previously been recognized under the UASI program, and there is no indication that this will change. I am sure that there are many cities across the country in a similar situation, particularly State capitals, that have serious vulnerabilities and could be attractive terrorist targets. It must therefore find ways to meet the high costs associated with these targets and their citizens. However, they are not considered high threat areas by DHS and, with the drastic cuts in funding going to USAI localities, they could find it impossible to achieve an adequate level of protection preparedness. **So, Mr. Secretary, could you speak to the special needs of these communities and are there any plans to create some sort of subcategory of higher risk areas in order to recognize these cities and these circumstances or is there any intent to expand eligibility for USAI funds to incorporate cities like Providence?**

Answer: ODP is the Federal government's lead agency responsible for preparing the National against terrorism by assisting States, local and tribal jurisdictions, and regional authorities to reduce vulnerabilities against, prevent, respond to, and recover from terrorist acts. ODP's funding goes well beyond focusing on high-density, high threat urban areas. ODP provides funds to every State and territory through the State Homeland Security Grant Program (SHSGP) using a State and territory minimum formula. In fiscal year 2003, ODP provided more than \$2 billion to states and territories under this program. In fiscal year 2004, ODP will distribute more than \$2.2 billion under this program. Under this program, the States are required to obligate or pass-through at least 80 percent of their allocated amount to units of local government. These funds also can be used by the States and territories to support a wide range of activities to enhance and augment their security measures, including the purchase of specialized equipment, training and exercise support, and preparedness planning. States base their funding distribution decisions on homeland security strategies that are a requirement of receiving ODP funds.

I strongly recommend that your constituents work directly with Rhode Island's State Administering Agency (SAA) to determine what resources, if any, are available to them to enhance security across the state. The SAA for Rhode Island is Rhode Island Emergency Management Agency and the point-of-contact is John E. Aucott who can be reached by telephone at (401) 462-7127 or by email at john.aucott@ri.ngb.army.mil.

2. Second, the administration has defended the funding shift toward the Urban Area Security Initiative and away from the State Homeland Security Grant Program by arguing that the distribution of Federal funds should be based more closely on threat and risk. Now, while I believe that a certain minimum level of funding

must flow to everybody's State, even in small States like my own, I do agree that threat and risk assessments are critical to making the best use of the resources. However, I would appreciate if you could help me understand exactly what these funding decisions are based upon. I know you spoke earlier, several times actually, about a comprehensive nationwide threat building analysis that is under way but it is far from complete and yet the budget proposes a major shift on funds, based apparently on the results of such analysis.

Answer: The UASI grant formula is based on information about threat provided by the intelligence community, the placement of critical infrastructure, and population densities. The Administration feels that this formula correctly targets the cities that should receive the UASI grants.

3. Can you update me on the progress of your Department's threat and vulnerability assessment? Does IA/IP have the resources and staff levels required to carry out this task expeditiously? Are your analysts receiving the complete and timely information they need from TTIC and the rest of the intelligence community?

Answer: The Office of Information Analysis (IA) currently has all the information it needs to assess threats to the nation. This involves the independent analysis of all information received from other members of the Intelligence Community, the Terrorist Threat Integration Center (TTIC), and other DHS component entities. As IA matures, staffing levels will increase and processes will be refined to enable IA to expeditiously carry out its mission. Similarly, the Office of Infrastructure Protection (IP) is currently assessing the vulnerabilities of critical infrastructures and key assets.

QUESTIONS FROM THE HONORABLE LINCOLN DIAZ-BALART

Congress imposed a December 31, 2003 deadline for permanent installation of Electronic Explosive Detection (EDS) equipment in-line with baggage systems at the nation's airports. I understand the dollars needed for airports seeking in-line EDS equipment exceeds the budget for installation of the EDS. TSA has said that the in-line deployment of EDS is the most effective baggage screening method for Miami International Airport (MIA), in my district.

However, MIA has had difficulty obtaining approval for design and funding for their in-line EDS equipment.

MIA is a Category X airport. More than 29.6 million passengers passed through MIA in 2003. MIA is the third busiest airport for international passengers in the United States. Over ninety airlines operate out of MIA, more than any American airport. MIA has 1,416 total international flights a week, the most of any airport in the U.S. Of that, it has 565 flights to and from Latin America per week, more than all American airports combined.

MIA is jobsite for nearly 37,000 employees working for nearly 400 employers. There are 237,421 direct and indirect jobs associated with MIA. Overall, the airport has \$18.5 billion revenue impact for South Florida.

As MIA continues to await TSA design approval, the Airport has had to put their contractors on hold and I have been informed that the hold order is costing them over \$175,000 a day.

1. Can you explain how TSA prioritizes its grants to airports? What policy criteria are used to allocate these dollars?

Answer: DHS and TSA will continue to apply prioritization factors when determining which airports will be covered by funding allocated. In fiscal year 2004, \$721 million was made available for the installation of electronic screening technology for explosives detection, covering both lobby and in-line solutions. This figure included \$250 million in the Department's fiscal year 2004 appropriation and an additional \$471 million in carryover from fiscal years 2002 and 2003. Fiscal year 2004 funding also included \$158 million for equipment purchases. The Administration's fiscal year 2005 budget request for explosives detection calls for \$400 million, including \$250 million for the Aviation Security Capital Fund, for the installation and purchase of electronic screening technology for explosives detection at airports working towards in-line solutions as well as airports requiring additional stand-alone solutions to support increased throughput needs.

TSA purchases and installs in-line EDS equipment through a variety of funding mechanisms, including Congressionally authorized Letters of Intent (LOIs) as well as Other Transaction Agreements (OTAs). For facility modifications needed to accommodate the installation of EDS equipment, the Federal Aviation Administration has provided funding through its Airport Improvement Program (AIP) in fiscal year

2002 and fiscal year 2003. The funding mechanism initiated with an airport for installation of EDS technology is selected based upon the particular security circumstances and needs of each project.

Existing Letters of Intent (LOI) were awarded primarily on the basis of whether or not 100% electronic screening had been achieved at the airport. DHS and TSA are in the process of defining and quantifying new prioritization factors so that we can establish a list of candidate airports going forward should additional LOIs be deemed appropriate.

MIA has been working with TSA on two mutually agreeable Memorandums of Agreement and Letters of Intent (MOA/LOI)s—one for the Central Terminal and one for the South and North Terminal Development Programs—and a design concept for the in-line baggage screening operation. The purpose of the MOA/LOI is to define the parties' agreement with respect to funding amounts and schedules for performance of work for the replacement of baggage conveyor systems or reconfiguration of baggage areas to install in-line EDS equipment within MIA's North, South and Central Terminals. MIA has agreed to initially fund the project with the intent that TSA will reimburse at least 90 percent of the total project costs as provided for in the FAA Reauthorization (Public Law 108-176). The current cost estimates included in the MOA/LOI that are pending TSA's approval are:

	<i>Total Cost</i>	<i>Federal Share at 90%</i>
Central Terminal	\$57,444,000	\$51,699,600
South & North Terminal	177,206,846	159,486,161
Total	234,650,846	211,185,761

To date, TSA has approved MOA/LOIs for in-line baggage screening at eight major U.S. airports. I understand that TSA stated that it intends to sign only a handful of additional LOIs, leaving a significant number of airports across the country without a long-term EDS solution. MIA's request is currently in the next phase of airports to be approved. However, I have been told that TSA has informed MIA that OMB will not authorize TSA to issue any further LOI's due to insufficient funding.

TSA provides a monthly report to Congress detailing all the airports where TSA is not in compliance with the 100 percent electronic screening of all checked baggage. I have been told that, during a January 8 phone call between MIA Airport Director Gittens and TSA Acting Administrator Stone, Mr. Stone said he had only recently been informed that MIA is not in compliance with the requirement to screen 100 percent of checked baggage electronically. Admiral Stone further stated that MIA had not been included in the monthly report to Congress of non-compliant airports. I have been told that the report was also used to determine which airports received priority for LOIs for in-line EDS installation.

If the allegations are true and TSA had reported accurately, MIA, one of the busiest airports in the nation, would have most likely been given priority and had their MOA/LOI approved in the 1st round. The safety and security of the American public is my primary concern.

2. Can you look into these serious allegations and report back to this Committee?

Answer: TSA's top priority is security, and consequently, TSA will continue to focus its available funds for the purchase and installation of explosives detections systems (EDS) at those airports that require additional work in order to achieve and maintain compliance with the 100 percent electronic screening of checked baggage mandate. Miami International Airport (MIA) has achieved compliance with the mandate to conduct 100 percent electronic screening. Because of ongoing changes to passenger loads, terminal modifications and airport expansion projects, MIA warrants—and receives—monitoring by the TSA to ensure that we maintain that level of compliance. As TSA continues to balance the many competing priorities for available funds, we are continually reviewing our priorities to maximize the utilization of the funds available.

QUESTIONS FROM THE HONORABLE ERNEST J. ISTOOK, JR.

1. The December 17, 2003 Homeland Security Presidential Directive requires the federal government to, "identify, prioritize and coordinate the protection of the critical infrastructure and its key resources (including telecommunications) in order to prevent, deter and mitigate the effects of deliberate efforts to destroy, incapacitate, or exploit them." While commercial communications networks should be considered when implementing this directive, I am more interested in hearing from you the ef-

forts the Department is taking in regards to the protection of the private internal communications systems owned and operated by the utilities themselves. **How should we ensure that the needs and protection of these private networks are addressed?**

Answer: The National Communications System (NCS) has in place existing robust processes and capabilities that support the identification and coordination of protection of critical infrastructure, especially the public telecommunications assets. The NCS's Network Design and Analysis Capability (NDAC) applies both public and industry proprietary data to analyze and assess the vulnerabilities of the public networks. The NDAC is capable of using general and specific threat scenarios to identify specific assets at risk and determine mitigations strategies. The NCS also conducts ongoing vulnerability analyses of specific segments of the infrastructures. The results of some of these analyses have been applied by the Protective Security Division (PSD) in initiating detailed security analyses of key infrastructure components such as cable head landings and telecom hotels. As this process matures, the scope of these efforts will be expanded. The NCS also participates with the FCC Network Reliability and Interoperability Council (NRIC), which in its last session developed over 400 best practices for physical and cyber security for all platforms of the telecommunications infrastructure. These best practices will continue to be reviewed and updated during the NRIC VII session over the next two years and will apply to private networks as well.

Supervisory Control and Data Acquisition Systems are a core component of many of the electric utilities internal networks. The NCS is developing a capability to model the interaction and dependency between SCADA and telecommunications systems. This capability will enable detailed analyses of SCADA communications vulnerabilities. The NDAC has amassed a set of data, tools, and models that characterize various aspects of these communications systems. The Idaho National Environmental and Engineering Laboratory's (INEEL) National SCADA test bed provides the ability to test variants of SCADA equipment, software, protocols, and configurations and to assess and model their communications vulnerabilities. The NCS and INEEL collaboration, using real SCADA systems and their communications interfaces, will enable calibration of the NCS' SCADA communications dependency and vulnerability models.

The NCS is leveraging INEEL's expertise to achieve the following goals:

- Develop detailed test plans (including specific tests to be performed) that will be used to evaluate SCADA network vulnerabilities and dependencies;
- Develop prototype SCADA communications models;
- Test and validate models;
- Develop technology/procedures to mitigate vulnerabilities;

In the longer term the NCS will:

- Evaluate performance of mitigation approaches using models, and
- Develop recommended best practices for mitigation of SCADA communications vulnerabilities.

This combination of tools for examining vulnerabilities of common communications systems will contribute to meeting the protective needs of these private networks.

2. Is there a process or network within DHS that enables a cross-coordination of emergency response and communications capabilities that includes critical infrastructure as well as the traditional public safety community?

Answer: The SAFECOM (Wireless Public SAFETY Interoperable COMMUNICATIONS) program resides within the Department of Homeland Security's (DHS's) Science and Technology Directorate and serves as the umbrella program within the federal government to help local, tribal, state and federal public safety agencies improve public safety response through more effective and efficient interoperable wireless communications. SAFECOM developed two mechanisms to ensure the coordination of DHS efforts related to communications and interoperability. The first is the Federal Interagency Coordination Council (FICC), comprised of those offices whose mission is to support communications as they relate to public safety and critical infrastructure protection. The second is the SAFECOM program's Advisory Council, which provides a venue for federal programs and national organizations representing public safety and critical infrastructure protection sectors to contribute to the SAFECOM strategy and to collaboratively share information to protect the homeland.

3. The nation's electric, gas and water utilities and natural gas pipelines are among the longest-term users of private radio spectrum and have been reclassified as public safety radio services by Congress. Given this designation and their vital

role during emergency response situations, I would be interested in learning whether representatives of the utility industries have been or will be included during discussions of a nationwide interoperable communications network for emergency responders.

Answer: As a public safety practitioner driven program, SAFECOM is dedicated to addressing the needs of all public safety organizations. The program began to include public safety by reaching out to those first responders involved in local emergencies on a daily basis. SAFECOM further coordinated its activities with representatives from local and state governments, to ensure that the responsible decision makers were also included. SAFECOM has since developed relationships with the national associations representing these practitioner and decision making communities, as well as other, broader public safety disciplines, which have provided the program the opportunity to gather input from a wide range of stakeholders as it outlined and developed its strategy. While initial relationships with representatives from the electric, gas, water, and natural gas pipelines industries have been established at conferences and other venues, SAFECOM will now begin to incorporate them more formally into the program, such as their representation on the SAFECOM Advisory Committee.

4. To what extent does HSARPA work with the DARPA at the Department of Defense to identify technologies which DoD is already working on that might be beneficial to our Homeland Security efforts? My concern here is making sure that we are making the most of taxpayers dollars and not trying to reinvent the wheel.

Answer: HSARPA works very closely with DARPA to identify areas of joint interest, to avoid duplication of effort, and to identify and quantify opportunities for cooperation. The Director of DARPA and the Director of HSARPA correspond quite frequently. The Deputy Director and several HSARPA Program Managers served at DARPA in the past and maintain professional relationships with their former colleagues; this increases the information flow and serves to identify potential conflicts and opportunities for cooperation. Formal cooperative efforts are documented by Memoranda of Agreement that specify the role of each organization. Several areas of DARPA effort have progressed to the stage at which they would be of interest to HSARPA. Discussions are underway exploring transferring the technology or the program to HSARPA management. Those areas in which HSARPA has issued solicitations have been discussed with DARPA representatives to ensure that HSARPA is not "reinventing the wheel."

5. Undersecretary Hutchinson recently reported to the department's Advisory Committee on Commercial Operations (COAC) that DHS is near to finalizing its plans for a regional structure. He stated that 7 to 10 regional offices would be created around the country with a director leading each. As you know, we in Congress and those in the trade community have expressed serious concern about how the department will ensure that customs commercial operations continue to be administered in a uniform and consistent way under such a regional structure.

Can you share with us what specific mechanisms DHS will employ in order to maintain consistent national policies and procedures with respect to customs operations in different regional offices?

Answer: Success in accomplishing DHS' missions requires developing a coordinated effort among federal, state, local, tribal, public and private sector entities on all aspects of homeland security; integrating the activities of the department across mission areas; and the efficient and effective delivery of DHS services within each mission area. To achieve this mandate, DHS is exploring a regional concept of operations that ensures that these three functions are achieved at the regional and especially local level among federal, state, tribal and private sector entities.

While our goal in implementing a regional structure will be to build better operational capabilities for the Department, national policies and doctrine will continue to be issued from DHS headquarters to ensure that programs are consistently applied nationwide.

The Department recognizes that with global trade and product tracking, America needs uniform and consistent customs processes in every port and the unimpeded flow of legitimate commerce is vital to our nation's security. The partnerships established between business and government have been fundamental to improving these processes. These efforts in turn have contributed to the growth in America's global economic strength. The Secretary is committed to continuing this partnership to increase our collective security.

6. Will the public be given the opportunity to review and comment on the department's proposal for the regional structure and its potential impact on commercial operations?

Answer: The initial regional concept of operations recommendations are being reviewed within the Department and its component agencies. The assessment of the infrastructure, operations, personnel and assets of component offices throughout the nation has required extensive analysis and data collection. In addition, the Department is conducting an analysis on any potential operational considerations with regard to implementing a regional structure.

Upon approval of these initial recommendations, the Department will ensure that our external Stakeholder constituents will have the opportunity to review and comment on the impact this regional structure will have on their particular operations and programs. Although work is underway to determine the best way to move forward on a DHS regional structure, the many variables of this complex issue will be discussed prior to the final implementation of the regional concept.

7. Please provide for me and the Committee a summary of the C-TPAT program in terms of how many violators the program has identified as well as what disciplinary actions have been taken against those violators.

Answer: Companies seeking C-TPAT certification must apply to CBP by first signing and submitting the appropriate C-TPAT Agreement. Companies are then required to conduct comprehensive internal/external security self-assessments of their supply chains and report back to CBP, via their Profile Questionnaire submission, a summary of their findings including any identified weaknesses.

CBP then reviews the profile questionnaire, initiates the vetting process, and either accepts or rejects the applicant's submission.

After CBP certifies a company for C-TPAT, the company then qualifies for the Validation process. The validation process is a physical review (foreign and domestic) by CBP and the C-TPAT participant to ensure that the supply chain security measures contained in the C-TPAT participant's security profile have been implemented and are being followed.

There is currently an 18 percent outright rejection rate for insufficient profile questionnaire submissions. In addition to these 1,000 plus initial rejections, over 90 companies have been denied C-TPAT benefits, or have had their benefits suspended, due to violations identified during our vetting or validation process. These violations include but are not limited to the following:

- Previous criminal records or violations.
- Significant violations involving narcotics.
- Failure to implement adequate security measures and procedures.
- Misrepresentation of information submitted to CBP.

QUESTIONS FROM THE HONORABLE JIM GIBBONS

1. Las Vegas McCarran Airport is the second busiest domestic Origin and Destination airport in the nation and processes more passengers through its checkpoints than any airport except LAX. McCarran is of vital importance in sustaining the largely visitor-dependent Las Vegas economy. However, the recent return of extremely long passenger screening lines is a major cause of frustration for the Las Vegas air traveler. If the situation does not improve, many of our visitors may be discouraged from returning to Las Vegas. I'm sure there are similar situations in other parts of the country.

These long lines also cause masses of people to congregate outside of the checkpoints presenting the additional security risk of shifting the would-be target from the airplane to the airport terminals themselves.

I don't want my comments to be a reflection on the hard work of the TSA employees at McCarran. I firmly believe that this situation can be addressed with a few tweaks in TSA policy. For instance, Federal Security Directors at airports should be given the maximum flexibility to address the airport's needs.

Has the department looked at giving Federal Security Directors at the individual airports expanded authority to manage the security screening process?

Answer: TSA has in fact given Federal Security Directors (FSD) increased flexibility and authority to manage the security screening process. Initiatives are underway to allow our FSDs to have the flexibility they need to perform their security functions more effectively and efficiently by giving them more direct authority. TSA, in turn, will continue to hold FSDs accountable for meeting Federal security standards and for managing effectively. TSA is committed to strike the right balance between effective agency-wide management and local FSD authority.

McCarran International Airport (LAS) is a prime example of the benefits gained by this practice. LAS formerly faced long passenger wait times that often exceeded one hour, having peaked during heavy convention attendance in February 2004. In contrast, the wait times at LAS for the months of April, May, June, and July have rarely exceeded 30 minutes. Average wait times for the airport are well within a 10 minute average.

Examples of flexibility provided to LAS include:

A. Overtime. LAS was provided considerable autonomy in using overtime to support operational requirements during peak travel times—such as holidays and conventions. The flexible use of overtime as a management tool to support high volumes of passengers associated with large functions allowed the FSD to ensure that screener staffing could meet the airport's changing needs.

B. Enhanced checkpoint screening procedures. LAS had latitude to innovate changes at the checkpoint in order to screen passengers with the greatest efficiency. In coordination with the Administrator, LAS piloted programs including 1) Incorporating front loaders; 2) Developing more efficient bin returns; 3) Enhanced use of x-ray procedures; and 4) Expansion of the number of checkpoint lanes.

C. Flexible deployment of resources. The LAS FSD was able to redeploy equipment and personnel as needed to meet screening requirements. LAS was thus able to manage available resources to adjust quickly for natural or unexpected fluctuations in airport requirements. This flexibility enabled the FHS to continue to meet TSA's security mandate despite sometimes dramatically changing circumstances.

Much of this success is due to the combined effort and teamwork of TSA and other parties with operational responsibilities at LAS. For example, the Las Vegas Department of Aviation officials were quick to provide assistance by providing lane monitors to assist passengers with queuing and divesting in front of the checkpoints. TSA officials made several decisions involving operations in keeping with the increased flexibility of the FSDs. These decisions proved so beneficial that they were implemented at many other airports in the United States. In addition, the FSDs and their staffs have worked especially hard with airline stakeholders to manage flight loads and expand checkpoints to keep pace with the rapid passenger traffic growth experienced at LAS. An increase of three lanes in 2003 has been followed by an additional seven lane expansion that will open in late August 2004. This new seven lane expansion is an effort to prepare for the pending growth of the D concourse by 10 gates in late 2004.

2. The Department of Homeland Security needed to get off to a running start. Consequently, DHS now has a wide variety of well-qualified men and women—including yourself—who have taken the reins and implemented programs and strategies to protect the American homeland.

Many of these highly qualified people have military and other federal backgrounds. All of these people will draw upon these experiences to build DHS' capabilities.

What are you and your management team doing to ensure that DHS develops efficient processes so that you can avoid adopting the some of the inefficiencies that the Department of Defense and other agencies have developed over the years?

Answer: We have worked to ensure a consistent understanding of the mission, vision and values of the Department—stressing the importance of leadership and the responsibility of all levels of leadership to managing the change to DHS while maintaining the vigilance we need to secure our homeland. We have adopted the dictum “One mission, one team, one fight” to keep us focused on this end. We have seen the opportunity of the new Department as an opportunity to change past practices, to merge like programs and functions creating even stronger and more effective organization; for example, the “one face at the border” initiative in CBP. Or, to propose changes to the organizational structure such as the combination of the Office of Domestic Preparedness with the Office of State and Local Government. We continue to look for opportunities to streamline our activities, as we have in developing the National Incident Management System, which is the Nation's first standardized management plan that creates a unified structure for Federal, state, and local lines of government for incident response.

We are blending 22 distinct agencies and bureaus, each with its employees, mission, and culture, into a single, unified Department whose mission is to secure the homeland. Simultaneous with that harmonization and integration effort, we are devising new processes and infrastructure to stand up the Departmental offices. We

need to transform multiple legacy business practices, and their legacy infrastructure, into harmonized or single business practices across the enterprise. We have the opportunity to build the 21st century department and that will be accomplished by business transformations. There are multiple, enterprise wide transformations that must take place and be overseen, integrated and optimized by the Department's leadership. Examples of enterprise wide transformations include eMerge2 (Electronically Managing Enterprise Resources for Government Effectiveness and Efficiency); Max HR (the unitary human capital management system) and, the Homeland Secure Data Network (HSDN) (classified secure communications backbone for not only the DHS enterprise but also secure communications with all federal, state, local and tribal Homeland Security stakeholders). DHS will be a cohesive, capable and service-oriented organization whose cross-cutting functions will be optimized so that we may protect our nation against threats and effectively respond to disasters.

At this time, there are many change programs and projects underway; programs such as eMerge2, Max HR and HSDN and projects such as TriBureau, the realignment of the legacy Customs and INS support services base with the new mission elements of CIS, ICE and CBP. These programs and major projects are being executed with varying degrees of impact, risk, and applied management disciplines. We are constantly considering options to, unify, streamline, and improve our entire organization. We are aggressively solving immediate and real business gaps while at the same time, defining and implementing new business operations. As a result, we require a formalized and systematic approach for defining, chartering, supporting, synchronizing, and measuring change programs.

One example of this type of process improvement is the management of moving the Department off of services provided by former owning cabinet Departments to DHS provided services in fiscal year 2004. This was a relatively massive project involving cataloguing all the service requirements across the enterprise, developing fiscal year 2004 service delivery plans and contracting back under Memorandums Agreement (MOUs) for only those services that the new DHS infrastructure could not support. This included harmonizing business process across the enterprise as much as possible to drive down the number of different processes being used by the components.

QUESTIONS FROM THE HONORABLE JOHN SWEENEY

1. I am concerned about granting security clearances not only to state and local officials but to the private sector as they own and operate 85 percent of our infrastructure. I understand the Homeland Security Act has sufficient authorization language to allow DHS to grant clearances to first responders. Do you agree with this? I would like to see your actual plan on number of clearances you intend to grant and time schedules.

Answer: Both the Homeland Security Act and Executive Order 12968 "Access to Classified Information," dated August 4, 1995, allow for the investigation of and granting of access to individuals who act for or on behalf of an agency as determined by the appropriate agency head. Therefore, if it is determined that officials in the private sector have a "need-to-know" and require access to classified information, DHS has a process in place to investigate and grant access to those individuals. If it is determined that particular first responders have a "need-to-know," they will be investigated and granted access in accordance with E.O. 12968.

The Office of Security would not be in a position of determining the number of clearances necessary or establishing a time schedule. The Office of Security would only handle the processing and the briefing of those individuals identified by the appropriate office/directorate.

2. Do you have explicit authorization to grant security clearances to relevant individuals in the private sector where they have a legitimate need to know?

Answer: See response to question 1 above.

3. Do you support or oppose making the Commandant of the U.S. Coast Guard a member of the Joint Chiefs of Staff when issues pertaining to the Coast Guard are under discussion?

Answer: It is not necessary that the Commandant be a member of the JCS. The Commandant has an open invitation from the Chairman to participate in JCS discussions that the Commandant feels involve specific Coast Guard equities or those of a general nature involving all military services. The Commandant exercises that open invitation regularly, but with discretion, participating only in discussions of topics with Coast Guard equities involved (average of one time per month). Coast

Guard Assistant Commandant for Operations (G-O) and Director of Operations Policy (G-OP) attend similar meetings (at the OPSDEPS level) on a more frequent basis (average of 2–4 times per month).

The Commandant also routinely participates in Combatant Commanders conferences and related DOD senior leadership venues as a military service chief. As a member of the Joint Planning and Execution Community, the Coast Guard participates in a variety of Joint planning and policy forums, including:

- Joint Strategy Reviews (including rewrites of National Military Strategy and periodic risk assessments);
- Quadrennial Defense Reviews;
- War on Terrorism assessments and strategy development; and Regional Combatant Commander Operations Plans development and force flow conferences.

In addition, the Coast Guard HQ maintains a Joint Action Coordination Office (JACO-CG) for daily coordination of CG inputs to a variety of Joint Staff initiatives. The JACO-CG responded to 348 Joint Staff Action Packages (JSAPs) in 2003; 48 to date in 2004 (avg.—28 JSAPs per month)

4. Describe DHS efforts—and note significant, real accomplishments—of how the Coast Guard and the Navy have created a synergy among their staffs to improve the capability, interoperability, and affordability of their platforms so that our nation is well served across the full breadth of this widened national security spectrum?

Answer: The Coast Guard and the Navy have historically maintained a strong relationship. However, given recent increased efforts in cooperation over the past several years, especially with regards to our shared National Fleet Policy, the inter-service relationship is considered the strongest it has ever been. The two Services have strengthened their service liaisons, entered into formal agreements for ship-building coordination efforts, and are collaborating on weapons and sensors system development—all in the spirit of improving interoperability and developing complementary capabilities. Recently most manifest in Coast Guard deployments for Operations IRAQI FREEDOM & ENDURING FREEDOM and for stability and security operations in Haiti, Coast Guard forces seamlessly integrated into joint operations on day one. In both cases, DOD specifically asked for Coast Guard capabilities to meet Combatant Commander requirements.

A National Fleet Policy Statement, first signed in September 1998 and updated most recently in July 2002, commits the U.S. Coast Guard (USCG) and U.S. Navy (Navy) to “shared purpose and common effort.” Today, the National Fleet policy is embodied in initiatives such as Deepwater recapitalization, the prospective DOD–DHS Command & Control Memorandum of Agreement for Homeland Defense/Homeland Security, the USN–USCG partnership to expand Maritime Domain Awareness (MDA) and our close relationship with US Northern Command. Each of these endeavors builds upon our synergistic relationship to ensure that National Fleet assets provide the broadest mix of capabilities to meet the full spectrum of national security requirements.

The USCG and Navy continue to work together, continually improving their staff alignment and cooperation as they re-capitalize their fleets. There are two Memoranda of Understanding (MOUs) established between the USCG Deepwater Program and the Navy’s Littoral Combat Ship (LCS) program. One MOU is requirements focused and the other is acquisition focused. As both programs continue their development, the USCG and Navy leadership are engaged in coordinating their efforts where it makes good business sense and is legally permissible. The Deepwater Program Executive Officer (PEO) is working closely with the Navy’s LCS program. The PEO meets regularly with the Navy, monitoring programmatic and technical progress and looking to maximize opportunities for commonality and interoperability.

Specific examples of how the Coast Guard and the Navy have created a synergy among their staffs to improve the capability, interoperability, and affordability of their platforms include:

- With funding support from the Navy, the Coast Guard is developing the MK 3 / 57mm Gun System for Deepwater cutters. The gun is also a candidate system for LCS and DDX (next generation surface combatant ship). The Navy remains aware of USCG gun and ammunition qualification efforts and will benefit from the USCG’s advance work if the gun is included in the weapons systems of other naval warships.
- The Navy is supporting the USCG’s procurement of Navy Type combat systems equipment for the National Security Cutter (NSC). By placing Navy Type systems on the NSC, the Navy and USCG can integrate logistics, maintenance and training

for years to come. Additionally, common systems will facilitate future naval operational planning and execution across a broad spectrum of future Deepwater assets.

- The CG Deepwater PEO is finalizing a Memorandum of Agreement (MOA) with Naval Air Systems Command (NAVAIR) in March 2004 to maximize effectiveness across naval and maritime missions. Under the agreement, the organizations will exchange information to identify areas of mutual interest and support.

- Cooperation between various USCG and USN commands in the development of a prototype Integrated Anti-diver/swimmer System capable of providing MSSTs with an underwater detection and defense capability.

5. Does the Coast Guard have an Unfunded Priority List (UPL) like it's Department of Defense sister services? If not, why not?

Answer: The Coast Guard does not maintain an Unfunded Priority List (UPL) like the Department of Defense services. The President's fiscal year 2005 budget provides the necessary resources for the Coast Guard to meet its missions. The Deepwater project is replacing technically obsolete and high cost maintenance ships and aircraft, which are becoming more unreliable every day. The Deepwater project is the Coast Guard's top funding priority to recapitalize these critically needed platforms. An UPL is not necessary because the Department of Homeland Security will submit a Future Year Homeland Security Plan with the President's Budget each year, which includes outyear requirements.

QUESTIONS FROM THE HONORABLE BILL PASCRELL, JR.

1. Every year it's the same thing: the Administration proposes big cuts to the successful FIRE Grant program. This time out you've proposed a cut of one-third—from \$750 million down to \$500 million. In fact, in this budget, all grants to our first responders suffer an \$800 million decrease from amounts appropriated by Congress last year. Is there less threat today? Is this why you've dramatically reduced the federal help to our men and women on the frontlines?

Answer: The Administration and the Department recognize the importance of the support provided through the Assistance to Firefighters Grant Program (AFGP), particularly with respect to rural and volunteer fire departments, as well as to urban and suburban departments. For many of these departments, these funds are critical to their operations. The fiscal year 2005 request includes \$500 million for the AFGP, which is the first time the Administration had requested funding for this program separately from the rest of the larger first responders program. The fiscal year 2004 appropriations act for the Department of Homeland Security (DHS) transferred the administration of the AFGP to the Office for Domestic Preparedness (ODP) from FEMA. ODP is committed to working with the fire service to ensure the continued success of this program. By the end of fiscal year 2004, the Department expects that more than \$2 billion will have been distributed to over 15,000 fire departments since the beginning of this initiative.

In addition to the support provided to the fire service through AFGP, this community is also eligible to receive funds and assistance through ODP's Homeland Security Grant Program (HSGP) and Urban Areas Security Initiative (UASI). The request would provide more than \$1 billion for continuation of HSGP and over \$1.4 billion for continuation of UASI. As in past years, the fire service is eligible to receive support—including equipment acquisition funds and training and exercise support—under both of these programs. With the funds dedicated to AFGP, along with funds for continuation of HSGP and UASI, the Administration and Department are confident that the needs of the emergency response community will be met.

2. Everyone who has any level of contact with the firefighter community knows that there are basic, critical needs out there. We knew that before 9/11. For example, we know that 45 percent of firefighters lack standard portable radios, and 57,000 firefighters lack critical personal protective clothing. These are *basic* needs that have gone unmet. *Why are you proposing to shift the focus of this program away from basic, unmet critical needs to terrorism preparedness?*

Answer: While we agree that fire departments have basic needs, a Federal grant program cannot replace the role of local governments and communities supporting the majority of those needs. As the Administration continues to support the Assistance to Firefighters Grant Program to address the highest priority needs, we have emphasized that Federal assistance to responders should provide for the procurement of those specialized items that are not just dual-use items, but rather specific to terrorism preparedness. The changes proposed for 2005 support the first responder community's capability and capacity to address chemical, biological, radiological, nuclear or explosive threats. By doing so, we support basic fire department

needs and are also addressing the nation's priority to fight terrorism in the homeland.

3. In preparing this budget, did you actually consult with any real-life firefighters? With all due respect, I don't know any firefighter out there who thinks that cutting funding to the FIRE Act and changing its mission is an appropriate thing to do. Where are you gathering your intelligence to make these inexplicable decisions?

Answer: As discussed in our previous reply, we do not see the 2005 proposal as a change in mission but more as providing increased visibility for those fire departments in need of terrorism-specific preparedness and training, or dual-use equipment for departments in high-risk areas. We implement these measures based on discussions with fire departments and firefighters from all types and sizes of fire departments.

The fiscal year 2005 request includes \$500 million for continuation of the Fire Act Grant program, the same funding level as in the President's Fiscal Year 2004 request, and representing a solid commitment to continue to support the critical needs of the nation's fire service, whose views and expertise are well-represented by the U.S. Fire Administration. Even though the fiscal year 2004 appropriations act for the Department of Homeland Security transferred the administration of the Fire Act Grant Program to ODP from FEMA, the Department is committed to cooperation between ODP and the U.S. Fire Administration to ensure the ongoing success of this program. By the end of fiscal year 2004, the Department expects that more than \$2 billion will have been distributed to over 15,000 fire departments since the beginning of this initiative.

Further, the AFGP is not the only means of providing assistance to fire departments. Fire departments are eligible to receive funds and assistance through ODP's Homeland Security Grant Program (HSGP) and Urban Areas Security Initiative (UASI). The fiscal year 2005 request would provide more than \$1 billion for continuation of HSGP and \$1.2 billion for continuation of UASI. The funds proposed for the Assistance to Firefighters Grant Program, along with funds for continuation of HSGP and UASI, leave the Administration and Department confident that the needs of the emergency response community will be met.

4. The leading cause of firefighter death in America is a heart attack that occurs either at the scene of emergencies or soon after returning from emergency scenes. In my district, Bloomfield, NJ Firefighter Daniel McGrath could tell you a thing or two about the need for cardiac fitness. When Mr. McGrath went to his physical mandated by the program funded by the 2002 FIRE grant, it was discovered that he needed immediate heart surgery—no one had any idea he was in danger prior to that physical. He had successful bypass and valve replacement surgery and is back on the job today. With all this in mind, why would the President's 2005 proposed budget eliminate funding for programs to enhance the level of cardiac fitness among firefighters?

Answer: The goal of the President's Fiscal Year 2005 budget is to focus the Assistance to Firefighter Grant Program on the basic training and equipment needed to be prepared for all hazard and terrorism responses to protect the American public. During the past four years, those departments that had a need for wellness and fitness projects had ample opportunity to seek funding for those activities. Many did and now have exercise equipment and training that will last them for many years to come. Medical exams, immunizations, and personal fitness have long been local responsibilities, and indeed the vast majority of such costs are borne annually by local government. Inclusion of these items in the first four years of the AFG Program was intended to provide a jump start to local fire departments who had never undertaken such activities but not to permanently subsidize these operating costs.

5. Another leading cause of firefighter death occurs from firefighters getting lost inside burning buildings and other crews not being able to find and rescue them. Why would the budget eliminate funding for programs to train rapid intervention teams to improve their capability to rescue firefighters who are trapped or lost at fires?

Answer: Contrary to any misunderstanding that may exist, the Assistance to Firefighters Grant Program support for the development of RIT capability will continue, but rather than cited as a separate activity, it will be integrated into the eligible equipment and training activities supported by the program.

6. The nation's leading reports on the fire safety of America, "America Burning" and "America At Risk. . .America Burning Revisited" specifically cited prevention and education as crucial strategies in reducing loss of life and property from unwanted fires. The recent review of the Assistance to Firefighters Grant Program by

the Department of Homeland Security's Inspector General suggests a greater emphasis should be placed on fire prevention and education. American fire departments value prevention efforts as part of a multi-faceted system for keeping people in communities safe. **Why would the President's proposed 2005 budget eliminate funding for such a critical component of this nation's fire and life safety infrastructure?**

Answer: The Administration's proposal does not eliminate the statutory funding set aside of 5 percent for Special Fire Prevention and Safety projects, which will continue to be made available to fire departments and other nationally recognized agencies with a proven record of success in such efforts. Within the broader program, applicants have continually chosen to select fire operations, firefighter safety and firefighting vehicles for assistance over fire prevention activities by an overwhelming majority. We believe this demonstrates that the fire service overall believes that investment at this point in time is best made in the equipment and training areas. In addition, direct and effective fire prevention activity is centered on the adoption and enforcement of fire and building codes, which remain a state and local responsibility in the United States.

7. Even the best-trained and equipped fire department cannot reach emergency scenes instantaneously, meaning that serious efforts at reducing fire deaths, medical emergencies, and property loss must focus on preventing these incidents from happening in the first place. According to the "State of Home Safety In America" report, our nation suffers nearly 20,000 deaths and almost 20 million medical visits each year from preventable injuries. Fires and burns are the third leading cause of unintentional home injury death, following slips and falls and poisonings. Injury in America is at epidemic proportions. A key focus area for the United States Fire Administration Programs is prevention and public education. **Why is the President's 2005 budget proposal so out of alignment with the goals of the federal agency responsible for focusing on the nation's fire safety?**

Answer: There is a reasonable distinction between the program activities pursued by a national agency such as the U.S. Fire Administration, and the activities funded in a national grant program aimed at local responders. Activities of the United States Fire Administration (USFA) will continue to focus efforts on injury prevention, especially to the young and the old as part of the USFA's five-year strategic goals. Support for special education, and training courses and targeted marketing efforts related to USFA safety and injury reduction initiatives continued as does the mandatory Community Risk Reduction Course at the National Fire Academy which trains senior fire service managers on how to reduce injuries from all hazards in their communities. Even with the changes proposed by the Administration, the 5 percent set aside for Special Fire Prevention and Safety projects has preserved for fiscal year 2005. Furthermore, the AFG Program, which has only been existence since 2001, is not the sole source of Federal support to injury prevention activities. Other public health agencies continue to address injury prevention as part of their mission.

8. The Budget's Program Assessment Rating Tool declared that the Fire Grant Program "is unfocused and has not demonstrated its impact on public safety." The fact is that this program has positively impacted public safety by providing nearly \$2 billion for infrared cameras, hazmat detection devices, improved breathing apparatuses, advanced training and fitness programs, fire engines, and interoperable communication systems. This is the basic equipment our fire departments need to effectively respond to **all** hazards. *How was your assessment reached?*

Answer: The analysis was conducted by the Office of Management and Budget in coordination with the Department, FEMA, and the U.S. Fire Administration. This analysis included all program information and data available at the time. As of that point, the program still lacked clear goals for the objectives laid out in the Fire Act, "protecting the health and safety of the public and firefighting personnel;" and lacked strategy for measuring progress towards these goals. The analysis raised concerns about the wide array of funding uses and the broad dispersal of funds among a large number departments. Both factors may limit the program's ability to focus resources on those activities benefiting the maximum number of firefighters and the general public. In the absence of a program evaluation strategy, grantees were not required demonstrate measurable improvements in their capabilities as a result of these grants. As this Administration has a commitment to results, not simply the purchase of equipment, there should be some means of knowing whether the activities funded by the program actually contribute to the safety of the American public.

Over the last year, the Administration has taken a number of actions to address these issues while also supporting continued funding: goals have been clarified, a program evaluation process has established, funding uses have been narrowed, and

the Administration has sought to increase the grant size for larger cities. In time, these improvements should contribute to a measurable track record for the AFG Program's performance.

QUESTIONS FROM THE MINORITY STAFF OF THE COMMITTEE

1. A comprehensive staffing strategy is needed to identify vulnerabilities along our borders and to provide resources according to the greatest need. However, to the Committee's knowledge, there is no comprehensive border staffing strategy:

- created, or being developed, by the Department of Homeland Security (DHS) or any of its components;
- after the 9/11 attacks;
- that includes both the northern and southern land borders; and
- that identifies how our limited resources—border inspectors, Border Patrol agents, and technology to support these groups—will be assigned.

To the contrary, several staffing initiatives have been announced or implemented (such as the "Action Plan for Cooperation and Border Safety" recently announced by Secretary Ridge and his Mexican counterpart, Secretary of Government Santiago Creel) without any evidence that a vulnerability assessment of our land borders was conducted or is even being planned. **Despite the fact that more than two years have passed since the 9/11 attacks, there is no indication that DHS has made any effort to establish a comprehensive staffing strategy—for example, updating existing staffing strategies such as Customs? Resource Allocation Model (RAM) to reflect post-9/11 security concerns.** The Committee is concerned that DHS does not seem to have a comprehensive policy in place to guide the placement of border resources—such as unmanned aerial vehicles, sensors, or camera arrays—or implementation of staffing initiatives such as the "One Face at the Border."

What, if any, steps has DHS taken to assess staffing and technology needs along the border since its creation last year? Has any DHS component made an attempt to conduct these assessments after the 9/11 attacks? How many other land border staffing initiatives does DHS plan to implement without an overall staffing strategy in place? Does DHS have plans to conduct a vulnerability assessment of our land borders, and if so, what is the timeframe for those assessments?

Answer: The creation of CBP on March 1, 2003, and the resulting merger of customs, immigration, border patrol, and agriculture functions into CBP has resulted in the need to evaluate any future agency-wide use of an allocation model for projecting staffing needs. Integrated workload distribution and assumptions are still being assessed in the newly configured CBP. Among the questions to be considered in future staffing models are how the workforce will be aligned and how workload and work process data from the various incoming agencies will be collected and used. As we have continued to assess data and information from incoming agencies, we have determined that it exists in many different formats. These different formats must still be integrated and/or expanded to meet the needs of the new agency and be captured in CBP automated systems to feed into any allocation model.

In the meantime, we have used different data sources to assist in allocating resources. Using this approach, it is clear to us that there is no available scientific assessment to be able to know and project all threats associated with our borders both between the ports-of-entry or at the ports-of-entry. We have, however, attempted to project our needs based on known threats and workload and performance data that are presently available.

Between the ports of entry, we have recognized and determined, based on intelligence, a known vulnerability at the northern border and have re-deployed temporary and permanent staffing and resources to address this threat. We have also determined based on apprehensions and intelligence the need to re-deploy existing personnel and resources to address an identified threat along the Southwest Border and will deploy border patrol resources to address this threat.

At the ports of entry, we have undergone a major initiative to integrate three inspectional workforces, which has been the primary focus of our merger. Since "One Face at the Border" is still in its infancy we are not in a position to prepare a comprehensive staffing strategy. We are presently implementing a major cross-training effort over the next 1–2 years. As officers become fully trained, we will be in a better position to determine the number that would be appropriate at all ports of entry and geographic locations and will introduce the use of intelligence, risk assessments and data to assist in designing staffing allocations.

To this end, CBP will continue to use other decision support tools such as threat assessments, existing and anticipated workload, targeting results, and statistics to assist in preparing analyses to support the allocation and deployment of staffing, technology and resource deployment.

The Automated Commercial Environment (ACE) is under development and has deployed initial capabilities. The ACE is the information technology foundation for CBP business processes and will significantly enhance information collection and analysis pertaining to potential terrorist threats and movement of trade. As the centerpiece of CBP Modernization, deployment of ACE capabilities and resulting of business process enhancements will be a significant consideration in planning resource allocation and staffing.

2. The “One Face at the Border” initiative was announced in September, 2003 and streamlines the inspections process at our ports-of-entry. As part of that announcement, DHS indicated it would offer Agriculture Specialists the opportunity to transfer to Customs and Border Protection (CBP) Officer positions. However, to the Committee’s knowledge, CBP has announced no procedures or timeframes for these transfers of Agriculture Specialists, nor has it announced a plan to back-fill the Agriculture Specialist positions of those who choose to accept the new CBP Officer positions.

First, please provide the Committee with any written documents concerning the most recent plan available for transferring Agriculture Specialists to CBP Officer positions, including but not limited to: application timeframes, method of selection (and any applicable factors, such as geography, seniority) of Agriculture Specialists to become CBP Officers, and types and length of notice Agriculture Specialists will receive in advance of application process. Second, please provide the Committee with information on: how many Agriculture Specialists will be allowed to transfer, how this number was reached, and whether there is any appeals process for Agriculture Specialists who are denied a transfer to CBP Officer positions. Finally, please provide the name of the individual who is responsible for making all decisions regarding implementation of the “One Face at the Border” initiative.

Answer: DHS and CBP are committed to offering Agriculture Specialists the opportunity for reassignment to the position of CBP Officer. On July 25, 2004 the legacy Customs and Immigration Inspectors were converted to CBP Officers in the 1895 series and into one overtime system—COPRA. We still plan to offer Agriculture Specialists the opportunity to become CBP Officers, however, we must ensure that we do not create vulnerabilities in the ports as a result, which makes the timing of this opportunity critical. Filling current vacancies in the ports and training the new employees is our number one priority.

3. To the Committee’s knowledge, there are no studies or metrics that confirm how much states and localities have improved their preparedness for acts of terrorism. In addition, a December 31, 2003, report from the DHS Inspector General found that, “DHS program managers have yet to develop meaningful performance measures necessary to determine whether the grant programs have actually enhanced state and local capabilities to respond to terrorist attacks and natural disasters.” **Therefore, what is the basis for the overall reduction in grant funds to be distributed by the Office of Domestic Preparedness?**

Answer: The Department firmly supports the need to develop national preparedness standards. As part of this effort, ODP is continuing its efforts to develop preparedness standards and to establish clear methods for assessing State and local preparedness levels and progress. On December 17, 2003, the President issued Homeland Security Presidential Directive (HSPD)–8. Through HSPD–8, the President tasked Secretary Ridge, in coordination with other Federal departments and State and local jurisdictions, to develop national preparedness goals, improve delivery of federal preparedness assistance to State and local jurisdictions, and strengthen the preparedness capabilities of Federal, State, territorial, tribal, and local governments.

Earlier this year, the Secretary delegated to ODP the lead for the implementation of HSPD–8. This designation by the Secretary is consistent with ODP’s mission, as provided under the provisions of the Homeland Security Act, to be the primary Federal agency responsible for the preparedness of the United States for acts of terrorism.

The standards that will result from HSPD–8 implementation build on an existing body of standards and guidelines developed by ODP and other Federal agencies to guide and inform State and local preparedness efforts. Since its inception ODP has worked with Federal agencies and State and local jurisdictions to develop and disseminate information to State and local agencies to assist them in making more informed preparedness decisions, including capability assessments, preparedness planning and strategies, and choices relating to training, equipment, and exercises.

4. The FIRE Grant program was created by Congress in order to meet **basic, critical needs** of the firefighting community—including fire engines, portable radios,

protective clothing, and breathing apparatus—which a December 2002 study by the U.S. Fire Administration and the National Fire Protection Association found to be significant. Once again, not only is the Administration proposing to reduce funding for this program from \$750 million to \$500 million, but you are also proposing to shift the focus of this program to terrorism preparedness. **How does the Administration expect the fire community to prepare for and respond to terrorism when it is abundantly clear that many fire departments lack the training and equipment to respond to even the most basic emergency situations?**

Answer: The Administration and the Department recognize the importance of the support provided through the AFGP particularly with respect to rural and volunteer fire departments, as well as to urban and suburban departments. For many of these departments, these funds are critical to their operations. The fiscal year 2005 request includes \$500 million for the AFGP, which is the first time the Administration had requested funding for this program separately from the rest of the larger first responders program. The fiscal year 2004 appropriations act for DHS transferred the administration of the AFGP to ODP from FEMA. ODP is committed to working with the fire service to ensure the continued success of this program. By the end of fiscal year 2004, the Department expects that more than \$2 billion will have been distributed to over 15,000 fire departments since the beginning of this initiative.

In addition to the support provided to the fire service through the AFGP, this community is also eligible to receive funds and assistance through ODP's HSPG and UASI. The request would provide more than \$1 billion for continuation of HSGP and over \$1.4 billion for continuation of UASI. As in past years, the fire service is eligible to receive support—including equipment acquisition funds and training and exercise support—under both of these programs. With the funds dedicated to AFGP, along with funds for continuation of HSGP and UASI, the Administration and Department are confident that the needs of the emergency response community will be met.

5. Although the President's request increases the amount of discretionary grant funds to be distributed based on threats and vulnerabilities under the Urban Area Security Initiative, you have yet to provide Congressional appropriators and authorizers with a detailed explanation of the intelligence information that you are using to determine which cities receive these grants, despite the fact that we have requested this information. In addition, it still is not at all clear how the Department intends to measure progress in building our preparedness capabilities nationwide.

a. When can we expect the Department to provide this Committee with detailed information that supports your selection of specific cities to receive funds under the Urban Area Security Initiative?

Answer: DHS officials and staff have provided a number of briefings on how the UASI funds were allocated. The methodology was fully consistent with appropriations legislation requiring an allocation that took "into consideration credible threat, presence of critical infrastructure, population, vulnerability. . ." Yet as our methodology relies on information provided from other Federal agencies, we must be sensitive to their requirements for handling this information, including concerns about the specific formula. DHS is willing to provide additional briefings at the Committee's request.

b. What is your progress to date in building the terrorism preparedness capabilities of states and localities, how are you measuring this progress, and what is your timeline for building a "baseline" level of preparedness capabilities nationwide?

Answer: The Department of Homeland Security firmly believes that it is essential to provide states and localities the support they need to enhance their security against terrorist attacks, and to provide them the resources to identify vulnerabilities and needs. To this end, the Department, through ODP, administered the State Homeland Security Assessment and Strategy Process (SHSAS). This process allowed states and local jurisdictions to update their needs and vulnerabilities assessment to reflect post-September 11, 2001, realities, as well as to identify progress on the priorities outlined their initial homeland security strategies, which were initially conducted in 1999. The SHSAS process allows states to make prudent and informed decisions on how best to allocate and distribute funds they receive from ODP and DHS to enhance their security.

In addition, ODP is continuing its efforts to develop preparedness standards and to establish clear methods for assessing State and local preparedness levels and progress. On December 17, 2003, the President issued "Homeland Security Presidential Directive (HSPD)-8." Through HSPD-8, the President tasked Secretary Ridge, in coordination with other Federal departments and State and local jurisdictions, to develop national preparedness goals, improve delivery of federal prepared-

ness assistance to State and local jurisdictions, and strengthen the preparedness capabilities of Federal, State, territorial, tribal, and local governments.

Earlier this year, the Secretary delegated to ODP the lead for the implementation of HSPD-8. This designation by the Secretary is consistent with ODP's mission, as provided under the provisions of the Homeland Security Act, to be the primary federal agency responsible for the preparedness of the United States for acts of terrorism. HSPD-8 is consistent with the broader goals and objectives established in the President's National Strategy for Homeland Security issued in July, 2002, which discussed the creation of a fully-integrated national emergency response capability. Inherent to the successful implementation of HSPD-8 is the development of clear and measurable standards for State and local preparedness capabilities.

The standards that will result from HSPD-8 implementation build on an existing body of standards and guidelines developed by ODP and other Federal agencies to guide and inform State and local preparedness efforts. Since its inception ODP has worked with Federal agencies and State and local jurisdictions to develop and disseminate information to State and local agencies to assist them in making more informed preparedness decisions, including capability assessments, preparedness planning and strategies, and choices relating to training, equipment, and exercises.

c. A recent Presidential Directive (HSPD-8) required you to develop a national domestic all-hazards preparedness goal. **How do you intend to develop this goal, how will state and local governments be involved in the development of this goal, and when do you expect to be completed with this goal? How will this goal be integrated into both your current grant programs, and your future budget requests?**

Answer: HSPD-8 requires the creation of an all-hazards preparedness goal, mechanisms to improve delivery of federal preparedness assistance to States and localities, and an outline to strengthen preparedness for our nation. To this end, ODP has developed 4 initiatives to implement HSPD-8: (1) create a National Preparedness System, (2) balance the Federal portfolio of preparedness investment, (3) establish a National Training and Exercise Program, and (4) develop a National Preparedness Assessment and Reporting System. To execute these strategies, a Senior Steering Committee has been put together to oversee the implementation and guide the interagency Integrated Concept Teams (ICTs). The ICTs must develop comprehensive and executable program implementation plans. Since preparedness is capability based, the National Preparedness Goal will be determined by analyzing existing scenarios, defining baseline capabilities, establishing metrics, and issuing national guidance. This will help DHS establish preparedness requirements and scorecards that indicate gaps, deficiencies and excesses in the nation's preparedness. It will also help generate tools and processes to assist in the prioritizing the allocation of resources.

State and local stakeholders have been closely involved in the planning and development related to HSPD-8. State, territorial, tribal, and local participation in the Integrated Concept Teams (ICTs) and Senior Steering Committee for HSPD-8 Implementation was carefully selected to balance stakeholder views. Participation includes 4 members per ICT and 7 on the Senior Steering Committee, to keep the groups to a manageable size. DHS is funding travel for these representatives to make participation easier:

Further, DHS is committed to the nation-wide review of key drafts in the process—through a secure website, targeted conferences for some activities, and other means. The intent is to obtain broad review before final drafts are submitted to the Senior Steering Committee and DHS Leadership.

Additionally, an initial version of a homeland security universal task list (UTL) is being reviewed by the preparedness community, including over 50 national associations representing State and local stakeholder groups and ICT members. The UTL will define the tasks that must be performed at the federal, state, and local levels to prevent, respond to and recover from the incidents described in the 15 Illustrative Planning Scenarios (IPS) developed by the Homeland Security Council. The IPS will define the range of threats and hazards for incidents of national significance.

MAJOR MILESTONES

- March 26, 2004—Secretary Ridge approves concept for HSPD-8 Implementation.
- July 31, 2004—Establish Universal List of Mission Essential Tasks for the Homeland Security Community. Submit a multi-year Exercise plan to the President.
- September 1, 2004—Submit to DHS a Program Implementation Plan and Requirements.

- September 15, 2004—Submit National Preparedness Goal to the President.
- October 1, 2004—First Annual Report on the Use of Funds for Preparedness Assistance Programs to the Secretary.
- December 31, 2004—Complete Federal Response Capabilities Inventory.
- March 15, 2005—Quantifiable Performance Measurement for Planning, Equipment, Training, and Exercises for Federal Preparedness.
- September 1, 2005—Full implementation of Process to Develop and Adopt First Responder Equipment Standards and R&D Needs, National Training Program, and National Lessons Learned / Best Practices System.
- September 15, 2005—First Annual Report to the President.
- September 30, 2005—Full Implementation of a Closely Coordinate Interagency Grant Process.

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Balanced Investments Integrated Concept Team

Errol Etting, Fraternal Order of Police (FOP)

W. R. Zwerschke, International Association of Emergency Managers (IAEM)

Michael Fraser, National Association of City & County Health Officials (NACCHO)

Training and Exercises Integrated Concept Team

Captain John P. Salle, International Association of Chiefs of Police

Robert Cumberland, National Volunteer Fire Council

Thomas J. Fargione, National Emergency Management Association (NEMA)

Mark H. McCain, American Public Works Association (APWA)

Assessment and Reporting Integrated Concept Team

Chief John M. Buckman, International Association of Fire Chiefs (IAFC)

Tim Stephens, Association of State and Territories Health Officials (ASTHO)

Mike Brown, National Sheriff's Association (NSA)

Emily B. DeMers, The Council of State Governments

Senior Steering Committee

Governor Dirk Kempthorne, Boise, ID

Mayor Anthony Williams, Washington, DC

Commissioner Karen Miller, President, National Association of Counties

Chief William Phillips, Aroostook Band of Micmacs, Presque Isle, ME

Dale Shipley, Director, Ohio Emergency Management Agency

Chief Michael Freeman, Los Angeles County Fire Department

DHS is committed to the nation-wide review of key drafts in the process—through an online electronic program management office (ePMO), targeted conferences for some activities, and other means. The intent is to obtain broad review before final drafts are submitted to the Senior Steering Committee and DHS Leadership.

Additionally, the initial version of the universal task list (UTL) is being reviewed by the preparedness community, including over 50 national associations representing State and local stakeholder groups and ICT members. The UTL will define the tasks that must be performed at the federal, state, and local levels to prevent, respond to and recover from the incidents described in the 15 Illustrative Planning Scenarios (IPS) developed by the Homeland Security Council. The IPS will define the range of threats and hazards for incidents of national significance.

6. Deputy Secretary Loy recently testified to this Committee that achieving interoperable communications was “one of the Secretary’s top four or five priorities for the Department.” Although interoperable communications systems remain a critical need for the first responder community, the President’s Budget requests no funds for grants—a reduction of \$85 million from fiscal year 2004 that was appropriated by Congress—to enhance state and local interoperability.

a. How does the Department intend to address this “priority” issue when you have requested no grant funds for this purpose?

Answer: The Department is working to improve interoperable wireless communications in a number of ways.

SAFECOM, a program within the Science and Technology Directorate, hosted a strategic planning meeting in December 2003 with representatives of the state and local public safety and government communities. This group helped SAFECOM plan specific efforts to promote public safety communications and interoperability with

the funding available for fiscal year 2004. The following are initiatives SAFECOM will pursue, leveraging resources from other federal programs where possible to maximize resources available to all levels of government in support of improved public safety communications and interoperability.

Research, develop, test & evaluate (RDT&E) existing & emerging technologies for improved public safety communications and interoperability. Public safety is in need of equipment that has been tested and has been proven to meet their operational requirements. To accomplish this, SAFECOM is developing a Broad Agency Announcement (BAA) to be released in the Spring of CY 2004 to select and fund critical field tests for the cutting edge technologies necessary to improve public safety communications and interoperability. In addition, SAFECOM provides funding to the National Institute of Standards and Technology (NIST) to perform laboratory testing of interim technologies that can assist public safety in developing short term solutions for interoperable communications.

Developing a process to advance standards necessary to improve public safety communications and interoperability. To accomplish this, SAFECOM will identify, test, and, where necessary, develop standards in coordination with the public safety community and ongoing standards activities. These activities will be performed in conjunction with NIST.

Creating a one-stop shop for public safety communications and interoperability. A national public safety wireless communications portal will be developed to provide planning and management applications, collaborative tools, and relevant and timely wireless information to the public safety community. The first step in delivering this one-stop-shop will be to build a prototype combining a limited number of existing applications, tools, and sites. A toll-free telephone number will be established to provide technical assistance and other information to the practitioner community.

Integrating coordinated grant guidance across all grant making agencies. Coordinated grant guidance provides criteria to avert the creation of public safety communications systems stovepipes at the local and state levels. To integrate grant guidance, we will work with the Federal Interagency Coordination Council (FICC) to ensure that federal money is spent to promote a consistent vision of interoperability.

Creating a baseline of public safety communications and interoperability across the country. A mechanism will be established to assess the current state of interoperability across the nation. This will be the basis for measuring future improvements made through local, state, and federal public safety communications initiatives. To accomplish this, we will define the optimal metrics, assess previous studies into the state of interoperability, conduct a gap analysis, and launch and support a project team to conduct the baseline assessment.

Completing the comprehensive Public Safety Statement of Requirements (SoR). The SoR defines the functional requirements for public safety practitioners to communicate and share information when it is needed, where it is needed, and when authorized. To accomplish this, we will complete Version 1.0 of the SoR in partnership with public safety. This document is expected to be available by the end of March 2004.

Providing technical assistance for public safety communications and interoperability. Technical assistance, which includes support for planning, development, implementation and assessment of public safety communications systems, is a stated need of the public safety community. To provide this, we will develop a coordinated, consistent approach for the entire lifecycle of a communications system in partnership with FICC.

SAFECOM and the public safety community assembled believe that this set of initiatives will move the country towards improved public safety communications and interoperability.

b. Your own Project SAFECOM officials have noted that no standard, guidance, or national strategy exists on interoperability. Justice Department officials informed GAO that they are working with SAFECOM to develop a statement of requirements for interoperability—not interoperability standards, but **requirements** for such standards—that should be ready for release by May 1, 2004. **First, will these requirements be ready by May 1st of this year, and second, how long after the requirements are ready can we expect standards to be issued?**

Answer: The Statement of Requirements is now in draft form and will be finalized and released before May 1, 2004. After its completion, SAFECOM will perform a standards gap analysis against the SoR to continue the promotion and adoption of standards developed by the user community and existing standards-defining organizations. This is an ongoing task as technology changes and improves. Standards must evolve with technology to ensure the backwards compatibility of new equip-

ment with legacy systems. Such an approach helps maximize the current investments that public safety has made.

To ensure that appropriate standards are promulgated and adopted SAFECOM is partnering with the National Institute of Standards and Technology Office of Law Enforcement Standards and the Department of Justice's Advanced Generation Interoperability Law Enforcement (AGILE) program to continue to support current standards efforts, as well as to continue the testing and evaluation of new technologies and equipment. In addition, SAFECOM is funding a Broad Agency Announcement (BAA) to field test new technologies that may be applied to the public safety environment and working with its federal partners to promote the adoption of currently available standards when applicable through coordinate grant guidance. An example of this is the fiscal year 2003 SAFECOM guidance used in the Office of Community Oriented Policing Services (COPS) and Federal Emergency Management Agency (FEMA) grant solicitation.

7. Before the Department of Homeland Security was established, U.S. Customs had responsibility for investigating unfair trade practices. Since Customs investigations were moved to ICE a year ago, what activities has ICE undertaken to investigate unfair trade practices—especially dumping cases? **Specifically, what resources have been requested in the Fiscal Year 2005 budget to pursue these cases, including FTEs and total funds requested, and is there a strategy plan for ICE that reflects how ICE will continue to pursue non-DHS mission investigations? If so, what is it?**

Answer: In August 2003, in order to combat potential fraud and facilitate legitimate trade, U.S. Customs and Border Protection (CBP) published its Trade Strategy Document. This strategy was developed under the guidance of the CBP Modernization Board and with the direction of the Trade Strategy Board. ICE is a full member of the CBP Modernization Board and is represented by the Director of the Office of Investigations (OI). The ICE representative on the CBP Trade Strategy Board is the Chief of the Commercial Fraud Investigations Unit within OI. ICE's partnership within CBP's Trade Strategy Board is a highlight of the ICE/CBP shared trade enforcement mission. ICE is the principal provider of investigative services to CBP. As such, ICE is committed to the success of the CBP Trade Strategy Board.

ICE's trade enforcement program and commercial fraud investigations mission is to detect, deter, investigate, penalize, and dismantle organizations that employ fraudulent, predatory, and unfair trade practices that threaten U.S. economic stability, market competitiveness, and public health and safety. To detect and/or deter the circumvention of anti-dumping duties on imports into the U.S., ICE is actively working with CBP on targeting initiatives on such commodities as catfish, crawfish, shrimp, garlic, steel, and honey, to name a few. In addition, ICE and CBP have met on several occasions with representatives of domestic industry who are being injured by the illegal practices of other importers.

ICE currently has numerous investigations open nationwide involving the evasion of anti-dumping duties, especially on commodities from China. In the last year, ICE has made significant progress in the investigation and convictions of importers who evade or attempt to evade payment of anti-dumping duties. Included in these "milestones" are increased cooperation with the Department of Commerce (DOC) and the ability to obtain proprietary documents from DOC.

During the past year, ICE has made significant civil and criminal cases. One such case is a civil settlement of \$5.25 million in penalties against the Bank of China for its role in conspiring with, and financing, Nature's Farm, et al, in a scheme to evade the payment of anti-dumping duties on Chilean mushrooms imported from China. Also, in the Central District of California, a jury convicted Young Sen LIN for Conspiracy to Evade Payment of Anti-dumping Duties, a violation of 18 USC 371. LIN defrauded the government of approximately \$3 million in anti-dumping duties on imported crawfish tail meat.

ICE has provided increased training to special agents and federal prosecutors, including steel training seminars hosted by the Steel Industry. During fiscal year 2004, seminars were held in eight cities throughout the U.S. and Puerto Rico.

Funding to support anti-dumping investigative efforts, as well as investigations of other unfair trade practices, is contained within the base budget of the Office of Investigations. There is no additional funding requested in the fiscal year 2005 President's Budget supporting the investigation of unfair trade practices.

8. Several strategic industries in the United States are being weakened by what seems to be this Administration's benign neglect of aggressive Chinese trade into our country. For example, a company in Congresswoman Slaughter's district (FMC) makes a chemical crucial to the information economy. In fact, it is the only U.S. producer of this chemical which is necessary to etch circuit boards. This company

has alleged unfair trade practices, but this Administration has, so far, failed to pursue this case against the Chinese. **Beyond the lost American jobs, what is the Department's position concerning the potential security threat posed if critical U.S. industries, which provide equipment for our war on terror or military, are weakened or lost overseas, such as steel? What actions, if any, is DHS taking to prevent this from happening?**

Answer: DHS is responsible for border security and that includes the enforcement of our trade laws. The Administration has shown its willingness to pursue policies to help vital sectors of the economy. When it is necessary to take measures to create a fair and level playing field, it is DHS that enforces these measures at the border. We will continue to vigorously enforce our trade laws, while at the same time allowing legitimate commerce to move freely and thereby strengthen our economic growth. We are pursuing the development of the Automated Commercial Environment (ACE) which will become the foundation of a 21st century trade data system providing enhanced support for cargo processing and enforcement operations. The increasing availability of early and accurate trade information is allowing DHS to identify risks earlier so that we can respond sooner to protect the homeland.

9. Has DHS communicated with those responsible for administering our trade policy? How frequently does that occur?

Answer: DHS is actively engaged in trade policy development. The Assistant Secretary for Border and Transportation Security (BTS) Policy and Planning is a member of the Trade Policy Review Group (TPRG). The TPRG is a senior group lead by the United States Trade Representative with participants from the Department of State, the Treasury Department, the Department of Commerce, the Department of Justice and many other federal agencies. Through this and subordinate groups, the Department of Homeland Security communicates our interests during the development of trade policy. Border and Transportation Security staff participate on a weekly basis in working level trade discussions through the Trade Policy Staff Committee (TPSC) of the TPRG.

