

THE HOMELAND SECURITY DEPARTMENT'S BUDGET SUBMISSION FOR FISCAL YEAR 2015

HEARING

BEFORE THE

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS UNITED STATES SENATE ONE HUNDRED THIRTEENTH CONGRESS

SECOND SESSION

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THURSDAY, MARCH 13, 2014

COMMITTEE ON HOMELAND SECURITY
AND GOVERNMENTAL AFFAIRS,
Washington, DC.

The Committee met, pursuant to notice, at 10:02 a.m., in room 342, Dirksen Senate Office Building, Hon. Thomas R. Carper, Chairman of the Committee, presiding.

Present: Senators Carper, McCaskill, Coburn, McCain, Johnson and Ayotte.

OPENING STATEMENT OF CHAIRMAN CARPER

Chairman CARPER. Good morning. This hearing will come to order.

Secretary Johnson, nice to see you. I have not seen you in a while. And, how are you today?

We are happy that you could come by and visit.

I understand you have not had a chance to testify yet on the budget, the President's budget for the Department of Homeland Security (DHS), and so this is a unique opportunity.

What is this? One of four?

Secretary JOHNSON. This is three of four. Each opportunity is an opportunity to say something new. That is how I look at it.

Chairman CARPER. All right. We will be looking for consistency in all of those different budget appearances.

I like to say, if it is not perfect, make it better. Well, you have had an opportunity to make it better each time.

Secretary JOHNSON. I am happy to be here.

Chairman CARPER. And we are delighted that you are here, but our thanks to you for joining us today.

We are pleased that in recent weeks we have been able to help you at least begin to put together a talented group of people around you, and I am very grateful to Dr. Coburn for the work that he has done with his leadership to help make that possible.

In fact, last week, we scored something like a hat-trick by confirming individuals, good people, to three key positions at the Department including Suzanne Spaulding as Under Secretary of National Protection and Programs Directorate (NPPD), John Roth, to be the Inspector General (IG) at the Department of Homeland Security, and Gil Kerlikowske as the Commissioner of Customs and Border Protection (CBP). They are ready to go, anxious to go, and some of them have actually been there working for a while.

And we still have more to do. We are going to try to—as Dr. Coburn says, we are going to try to do an off-the-floor markup for Reggie Brothers as well.

Providing strong and steady leadership is critically important to the Department and the security of our Nation. Providing adequate funding for the Department to carry out its mission is also vitally important and a central part of our job here in Congress, as you know.

The President's request for \$38 billion in discretionary funding for the Department makes some very tough choices and cuts the Department's discretionary budget by \$1 billion, or almost 3 percent below 2014 appropriated levels.

Many other departments, including several without national security missions did not see these kinds of cuts. In fact, they saw some increases.

If you factor in the requested, and much deserved, one percent pay raise for Federal employees in this budget, DHS will receive about \$100 million less than it did after sequestration reduced its fiscal year (FY) 2013 appropriation.

As the Government Accountability Office (GAO) recently reported, the sequestration cuts had a real and negative impact on DHS. For example, operations were scaled back at some components, and first responder and preparedness grant funding was reduced, resulting in canceled training and hiring freezes across the country.

While some of the impacts of sequestration were immediately visible, many of the negative effects may not be felt for some years to come. Some DHS officials have expressed concern that if funding levels were to be further reduced the Department's ability to meet mission priorities may be affected as well as employee morale.

The fact that the budget request for DHS is below the sequestration level of funding is just, frankly, concerning. I am concerned that these reduced funding levels will negatively impact the ability of the Department to effectively carry out all of its missions.

In recent years, we have had a number of incidents that remind us of just how important that mission is—the attempted airline bombing on Christmas Day in 2009, the attempted terrorist attacks in Times Square a year later, the devastation wrought by Hurricane Sandy in 2012 and the tragedy in Boston less than a year ago. When we factor in the growing cyber threat and the threat we face from foreign fighters gaining experience in places like Syria and perhaps traveling here to do us harm, it is easy to understand why this budget request raises both concerns and questions from Congress.

That said, we all know we are facing extremely difficult budgetary times and we must be diligent to ensure the taxpayer funds are well spent.

I have said it before, and I will certainly say it again, all Federal agencies and departments, including DHS, have to shift from a culture of spendthrift to a culture of thrift so that we can assure American taxpayers that their hard-earned money is being spent responsibly and effectively.

Our new Secretary seems to have taken this message to heart, identifying \$200 million in cost savings in the proposed budget, and we welcome that.

It is also good to see that this budget proposes much needed funding for cyber security. However, I will be carefully examining this proposal—we will be carefully examining this proposal to determine whether the funding request is sufficient to support the Department's efforts to help companies adopt the cyber framework that has been released by the National Institute of Standards and Technology (NIST).

Of course, resources are low and are not going to get the job done, and that is why passing bipartisan legislation to complement the President's cyber security Executive Order (EO) remains one of my highest priorities this year. And, as I say, I think that is a priority that is shared by our Ranking Republican.

I also welcome the Administration's continued commitment to the security of our Nation's borders demonstrated in this budget. The budget maintains the current record level of staffing for the border patrol and makes targeted investments in what I call force multipliers—technologies such as advanced radars, cameras, and ground sensors. And these efforts will build on the tremendous progress that has been made in securing the border over the past years.

The President's budget request includes proposals to help pay for these smart investments, in part, by raising the fees that Customs and Border Protection charges for inspecting passengers and goods at our airports and seaports. This new revenue would be used to deploy some 2,000 new officers at our ports of entry.

Let me say that again—2,000 new officers at our ports of entry. That would be a positive development for both our economic and national security.

The budget also includes a proposal to raise fees to continue efforts to secure our aviation system against potential attacks.

I like to say that if something is worth having it is worth paying for, and I support these fee increases.

I am not the only Member of Congress who supports these types of fee increases to cover the cost of providing critical government services. Republican Congressman and Budget Committee Chairman Paul Ryan said this last December, when speaking about authorizing new aviation security fees. This is quoting Chairman Ryan. He said, "If you use a government service, pay for the government service. If you use airport security, pay for the airport security."

I could not agree more. If we want more officers expediting travel and trade at our airports, border crossings and seaports, and if we want more secure airplanes—and I think we do—then we ought to be willing to pay for it, just as Congressman Ryan suggested.

If Congress does not support the requested fee increases, either the Department will have to cut about a billion dollars in additional funding from a budget that is already stretched thin or Congress will have to increase the discretionary funding it provides to the Department.

Speaking of smart, strategic investments, I am encouraged to see the increase in funding for the consolidation of the Department

headquarters at the St. Elizabeths campus. The funding request will help move this project along. Completing it is critical to improving the efficiency and effectiveness of operations and management of the Department. I think it is also critical for enhancing the morale of the members of the Department.

And I also welcome the President's request for \$45 million for the modernization of the financial management systems at the Department. That is a key investment to ensure that DHS can sustain its recently obtained clean audit.

Again, we applaud that progress on the audit side. It is something Dr. Coburn and I have focused on for years, and it leaves one outlier now. That is the Department of Defense (DOD), and you put them on the spot.

And my hope is that Tom and I and our colleagues can have a hearing here in a couple of months where we invite the Army, Navy, Air Force, and Marines, maybe somebody from the Coast Guard, and say, if they were able to do it over in the Coast Guard and Homeland Security, now it is your turn, and maybe get a little bit of interservice rivalry going on for a good cause.

But, with that said, I am concerned about some of the budget's significant cuts to other key Homeland priorities. For example, I am troubled by the proposed cuts to the homeland security grants that DHS provides to State and local governments. As we saw clearly in response to the Boston Marathon bombing and the severe winter storms this year, State and local officials are the ones who will inevitably be on the front lines, responding to a terrorist attack or a natural disaster.

While acknowledging that our approach to grant funding must be risk-based—and I would underline that, must be risk-based—we want to make sure that the Department is able to continue to adequately support State and local responders to respond effectively where the risk is the greatest.

Now let me turn to Dr. Coburn for whatever comments he wants to make.

Again, welcome this morning.

OPENING STATEMENT OF SENATOR COBURN

Senator COBURN. Mr. Chairman, I do not have a formal opening statement, but I would like to say for the record how much I appreciate the service and sacrifice that the Secretary is willing to make in fulfilling this position.

The other thing I would like to say is that it is such a breath of fresh air to have real leadership installed at Homeland Security, and I think the morale problem is going to go away under your leadership regardless of all the other problems that are going forward.

So I would just like to personally thank you for both your leadership and your service, and I will have plenty of questions. Thank you.

Chairman CARPER. You bet.

Secretary Johnson, your whole statement—in fact, I understand from Senator Landrieu, at whose Appropriations Subcommittee you testified yesterday, that you do not actually use a formal state-

ment, that you had entered it for the record. We are happy to do that again. And she said you summarized and did a very nice job. So, however you want to proceed, please do.

**TESTIMONY OF THE HONORABLE JEH C. JOHNSON,¹
SECRETARY, U.S. DEPARTMENT OF HOMELAND SECURITY**

Secretary JOHNSON. Thank you very much, Mr. Chairman, Dr. Coburn, Senator Johnson, and Senator Ayotte.

Let me just say I do have a prepared statement for the record, which has been submitted. Let me just make a few comments myself.

First of all, I want to thank the Members of this Committee for your support and your courtesy. It means a lot to me, personally. It is a reaffirmation for me to work with terrific colleagues in the Legislative Branch on our common mission, and I very much appreciate that.

I also very much appreciate the three confirmations of our DHS leadership last week—Mr. Kerlikowske for CBP; Suzanne Spaulding, our new Under Secretary; John Roth, our new IG.

And we have three awaiting confirmation now, who I believe have been through committee—General Frank Taylor for Intelligence and Analysis (I&A), Dr. Brothers for Science and Technology (S&T) and Leon Rodriguez for Citizenship and Immigration Services (CIS).

You probably can, but perhaps you cannot, appreciate how important it is for the morale of the Department to have new leadership, Senate-confirmed new leadership, coming into the Department. It injects new energy, and I think it is going to do a lot for morale.

Mr. Chairman, you are correct that this budget submission reflects hard choices in a time of fiscal constraints. Not everyone is happy with our budget submission. We requested some cuts in certain places and some increases.

I think given the environment which we are in this budget request adequately funds the Homeland Security mission.

In terms of our counterterrorism effort, we make a number of requests for grant authorization and aviation security.

We devoted right now a record amount of resources to border and port security. We are maintaining 21,370 border patrol agents at the borders. We have, with this request, a request to take our number of CBP officers up to 25,775. That is a record number.

We have requested \$90 million for surveillance at the border, which I think is particularly important. Surveillance technology aligns with what our agents on the front lines tell me when I visit the border, what they believe they need for added border security. So I am glad that the request includes \$90 million for surveillance technology.

In terms of cybersecurity, as you know, I am determined to make real progress on behalf of this country in the world of cybersecurity. Overall, across DHS, we have requested \$1.2 billion for cybersecurity, which includes law enforcement efforts by the Secret Service. It includes our cybersecurity efforts at headquarters.

¹ The prepared statement of Secretary Johnson appears in the Appendix on page 40.

It includes the system that we are about to fully deploy to protect the “.gov” world.

We have requested funding for the new national bio and agro facility in Kansas.

Transportation Security Administration (TSA) Precheck, which is popular with the American public—I think it is an effective, efficient use of taxpayer dollars in that it both adds to our security and it is user-friendly, so to speak, because it shortens lines at the airports for those who conduct background checks.

We are moving forward with our recapitalization of the Coast Guard fleet. We have requested funding for the eighth National Security Cutter (NSC). We have requested funding to move forward with the selection for the design phase for the Offshore Patrol Cutter (OPC), and we have requested funding for two new Fast Response Cutters (FRC).

You are correct that we are asking for a restoration of the aviation infrastructure fee restoration to \$420 million, and for the aviation security fee we have asked for an increase from \$5.60 to \$6.

I agree with your observation that these requests reflect the general philosophy that if you use it you should pay for it as opposed to having the taxpayer in general pay for it.

Someone like me, when I was in my private law practice, would fly frequently for business reasons. Other Americans do not. And so the budget submission reflects the request that for those who use aviation more often than those who do not, some emphasis ought to be on us paying a little bit more. So that is what is reflected here.

I do believe that in these current fiscal times I am obligated to look for inefficiencies across the Department, and I believe we are doing that.

We are creating a budget process—first time in the history of this Department—that is mission-based. It will start from a headquarters-level review of what our strategic missions ought to be. We then identify resources. And we then give the components overall guidance in terms of what they should be requesting of us and of the Congress rather than simply having it stovepiped, coming up from the components.

We are also building a better acquisition process along the same lines that begins with an overall strategic review of what we think we need and an acquisition process which is more headquarters-centric, with an eye toward looking for inefficiencies and duplication.

You are correct that for the first time we have a clean audit opinion. I would like to take credit for that, but I cannot. That reflects a number of years of hard work by our management personnel to get to that point. I do enjoy, however, being ahead of the pace of the Department of Defense in that regard.

Again, thank you for your support and your friendship, and I look forward to your questions.

Chairman CARPER. OK. Thanks. Very nicely done.

I want to start off with the last point that you made, and that is the clean audit. It is the kind of thing you have to continue to earn every year.

Jane Holl Lute, who was our previous Deputy Secretary of the Department, testified before our Committee just before she left, and she talked about how she would literally go meet with Gene Dodaro who testified here yesterday—He is the head of GAO.

And she would go meet with him almost monthly to literally go through the high-risk list. This Department has been on GAO's high-risk list since its inception.

And she would go meet with Gene and say, OK, what do we have to do to get off the high-risk list in this area, and they would hammer it out.

And she would take it back for action items and help make sure that what was needed was done.

I would strongly encourage our new deputy to do that.

And I would urge you, if you have not had a chance to work with Gene—he is a very strong and capable leader, and I would urge you to spend a little bit of time with him when your schedule allows.

You mentioned TSA Precheck. I had the opportunity to use it this year, and also, Global Entry.

I was in El Salvador to try to figure out how do we reduce the amount of illegal immigration coming from El Salvador, Honduras and Guatemala, 2 weeks ago, and I had a chance to use Global Entry. Those are really smart ideas.

Dr. Coburn and I, and you, and others on our Committee, focus a whole lot on risk-based decisions. We have limited resources to spend. Let's just send those resources to where the risks are the highest.

And I think TSA Precheck and Global Entry are smart approaches, and we commend those who are coming up with those.

I want to go back to the borders. I know you have been down along the border.

I was privileged to go last year with Senator McCain to the borders in his State, and also, I was joined for a little bit of time there by your predecessor, Janet Napolitano and had a chance to talk to a bunch of your people in Arizona.

And then later I went over to Texas and had an opportunity to visit the South Texas border, which I believe you have already visited as well.

I was struck by the high morale, of the folks in the green uniforms that we met with. They are proud of the work they do. I would say it is challenging work; it is not easy work, but it is important work. And I think they sensed our appreciation.

Among the things that I learned about, or I came away with, is the idea that we do not need to add a whole lot more people in green uniforms between the ports of entry; we need to add people in blue uniforms at the ports of entry. The need to facilitate the movement of commerce and expedite trade is critical for our economy, and I think certainly helpful for the Mexican economy.

With that in mind, would you go back and talk again about the user fees?

As a former Governor, I used to call for, from time to time, an increase in the gas tax so that we could actually build roads, highways, and bridges in our State and support rail transit. And I do believe the things that are worth having are worth paying for, but

it is a hard sell around here to convince folks to raise user fees, even from \$5.60 to \$6.

And so I am going to ask you and give you another shot to make the case. And, know that it is something I support. I just want my colleagues to hear it again.

Secretary JOHNSON. The 9/11 security fee, my understanding is that the increase to \$5.60 last year was the first increase we have had in years. I think it was half that before then, and we just could not bring ourselves to increase the fee. And we did it last year by doubling it, essentially.

This year, we are asking for a relatively modest 40-cent increase to \$6.

I agree with the basic philosophy that a user fee—a fee increase targeted at the people who use it, is generally a good thing.

And the way I would make that case, politically, is rather than all of your constituents in general paying through general income tax for aviation security, why not place some emphasis on having those who use it more often bear a little more of the price tag for it?

If I am a corporate lawyer in business, as opposed to being the Secretary of Homeland Security, I would not mind paying a little more each time I get on an airplane, which is in my private life probably once or twice or three times a month, versus having your constituent in Delaware, who may not fly nearly as often, share that cost with me.

So I do not have a problem making that case, and I think that when you look at the overall scheme the fee increases we are asking for are relatively modest ones.

Chairman CARPER. All right. Thanks very much.

Let's go back to the border for just a minute. I was talking about my view. I do not want to put words into the mouth of my compadre here, Dr. Coburn, but if you look at the Senate-passed immigration bill, we put huge increases in there for border patrol. I think we basically doubled the number of human beings we have between the ports of entry.

That is not what we need to do. In my view, we need to add more people at the ports of entry, not between the ports of entry.

And what we do need to do—and this budget does it to some extent—is provide funding for what I call force multipliers, where we can use technology to enhance the abilities and the capabilities of the men and women in the green uniforms, the Border Patrol. It could be handheld devices. It could be land-based radar. It could be air assets, including tethered dirigibles, which we used to great effect in Afghanistan.

In one area of the budget I was very concerned about, I think they zeroed out funding. They may have zeroed out funding for aviation assets between the ports of entry.

And I want us to come back. There may be a mistake in there, but I want us to come back to the idea that we have these drones and we do not have the resources to fly them.

We have these drones, and we do not have the resources to actually put in the vehicle and dismount exploitation radar (VADER) systems that are highly sophisticated, very effective radar systems

that enable the drone at 25,000 feet to see at night, to see during the bad weather, to see in dust storms—you name it.

Instead of doing that, we are sending out these drones with people with binoculars.

I spent some time in the Navy P3 aircraft, doing search and rescue out in the ocean and looking for people in lifeboats. And doing that from 25,000 feet in a drone or 500 feet in a Navy P3 aircraft—that does not work.

And I would just ask us to consider as we go forward, how do we invest money into force multipliers to better enable the people between the ports of entry to do their jobs? Dr. Coburn.

Senator COBURN. Can you talk a little bit about your desire to consolidate the grant programs, one?

And, No. 2, one of the things that concerns me about your proposal is the fact that you take a stakeholder contribution requirement away from that, which I think is a very good inhibitor in eliminating wasteful requests for grants, and just talk about—this is the second year we have heard this proposal.

As you know, I am highly in favor of consolidating this, just through the efficiency and effectiveness that would occur because of it. But, could you talk a little bit about that so that my colleagues can hear that and, also, discuss specifically why you would take the participation requirement and eliminate that as you consolidate those programs?

Secretary JOHNSON. I am sure everybody here is familiar with the booklet—maybe Congress does not participate in this—the Combined Federal Campaign (CFC), the book that gets passed around and the listing of all the potential grant recipients.

And one of the things that is always listed is the percentage of your dollar that is going to go to overhead versus going to the ultimate intended beneficiary. In some charitable organizations, it is 3 percent. Sometimes the overhead is higher; it is 10 percent.

The theory behind the grant consolidation request is that it is our judgment that if grants are consolidated that makes for more efficient oversight at the Federal level and at the State level, at both levels, on the level of the grantor and the level of the grantee, therefore, leaving more of that dollar for the intended beneficiaries.

It also reflects our judgment that if the grants are consolidated it enhances oversight—how the money is used.

I know Federal Emergency Management Agency (FEMA) Administrator Craig Fugate, for example, whose judgment I have a lot of respect for, is a big believer in this, and he is the one that manages these programs on behalf of the Federal Government.

So I believe that he is correct, that this is a good idea. There are significant concerns about the proposal, but we in the Administration think it is a good idea.

I think when you talk about grants we need—grants are becoming more and more important from where I sit, from my counterterrorism/natural disaster preparedness seat. Because of the nature of how the terrorist threat is evolving, I think grants to State and local governments are important.

In terms of the risk factors and the various stakeholder requirements, we are where we are. I am a relative newcomer in how I evaluate the risk factors and the criteria that we use, Senator, and

it is something that in future years, in connection with next year's request, and the year after that, I intend to take a close look at to make sure we have it exactly right. There is probably always room for improvement.

Senator COBURN. Was the elimination of the cost-share requirement put in there to try to balance the loss of parochial benefit to members of Congress because what we have done is legislated that a certain percentage has to go to everybody, whether there is a risk there or not, or even whether there is a need there or not?

I mean, is that the thinking behind this so that those that get it—so here is the balancing act between a parochial concern that 25 percent of all this money has to go out on a population basis, and we are going to eliminate cost-share so that we can offset that?

Secretary JOHNSON. I would like to take that question for the record because I suspect I could give a better informed answer to that if I took it for the record, if you do not mind, sir.¹

Senator COBURN. Yes.

Let's talk about TSA for a minute, if we could. Precheck is going to collect about \$14 million in fees for Precheck this year. It will continue to grow.

I think you estimate about \$100 million in savings in terms of costs associated with Precheck, which should grow as well.

So why is it that the budget is needing to increase in TSA if, in fact, your fees are going up already and your costs are going down? Why is it that we need to have a fee increase?

Secretary JOHNSON. I suspect it is to fund other aspects of TSA's operations, and I suspect the answer is just an answer of basic math.

I know where we would like to be in terms of TSA Precheck. And you are correct that the more people who enlist, the fees go up; the costs ought to go down.

But, in terms of the overall request, I think the answer is basic math. I do not have the answer sitting here for you.

Senator COBURN. It loosens up money for other areas, correct?

Secretary JOHNSON. Plainly, yes.

Senator COBURN. OK. All right.

I do want to have a discussion with you, but we cannot have it in an open setting, on Federal Air Marshal Service (FAMS), and so I will have a discussion with you at an appropriate time on that, on some criticism on the budget on that.

The request for Federal Emergency Management Agency preparedness grants last year—I think you are requesting a billion dollars in grant money for this year, and \$5.7 billion right now going back to 2007 has not even been spent, including 95 percent of the \$1.6 billion from last year.

Secretary JOHNSON. Yes.

Senator COBURN. Why don't we just do a timeout for one year and get caught up and make sure the grants are going where they need to go and that we are managing them right?

That is 7 years' worth of grant money that has not gone out, and we are requesting more grant money. To me, I do not understand.

¹ The response to Senator Coburn's question appears in the Appendix on page 79.

I understand the need for preparedness grants. I think it is more a State responsibility than it is a Federal responsibility, essentially, since I have done a ton of oversight and seen how this has not been well spent, and I think you are aware of a lot of that.

Why request more preparedness grant money when, in fact, we have in excess of almost \$6 billion sitting in the pot that has not gone out?

Secretary JOHNSON. You are correct; it is multiyear money.

And we have to keep the ball rolling—new challenges, new disaster preparedness each year.

We have a policy of strongly encouraging grantees to spend down what we give them. And I have personally been on the phone with disaster response officials and local governments to say, all right, I am going to give you this extension, but this really has to be the last extension, and you have really got to spend this down because we need to move on.

So we have a policy to encourage grantees to spend it down, and I am committed to enforcing that and encouraging them to spend it.

Senator COBURN. But that begs the question—No. 1, in the long run, is there ever a time in which we get disaster preparedness done?

And No. 2 is if we are having to beg them to spend it down, it obviously is not a high priority in their minds or they would have spent it down.

Secretary JOHNSON. I understand that.

Senator COBURN. So it says to me we have way too much money in the pipeline for what we say we need to do, and we spent billions in the past on preparedness, and we are going to ask for another billion dollars.

And my worry is it is not being spent well—I think you and I have had discussions about that—or it has been spent on low priority that is not risk-based.

So my thought would be may we take a timeout and not give the billion dollars this year and then prioritize for next year what are the real needs in the States for preparedness grants rather than continue to feed money that does not get well spent.

Secretary JOHNSON. I have seen enough instances and examples of where preparedness grant money has been used very effectively, and I believe that we need to continue to fund this program to prepare for the unanticipated and for the real disasters.

So I understand that concern. I guess I would hesitate to take a complete timeout. I think we need to keep funding this.

Chairman CARPER. OK. Welcome to our colleague, Senator Ayotte. You are up next, followed by Senator Johnson, Senator McCaskill and Senator McCain.

OPENING STATEMENT OF SENATOR AYOTTE

Senator AYOTTE. I want to thank the Chairman and Ranking Member.

I want to thank you, Secretary Johnson, for the important position you hold and for your leadership.

I wanted to followup. Senator Coburn and I have inquired about the after-action lessons learned report on the Boston Marathon bombings that I know your Department has been preparing.

Secretary JOHNSON. Yes.

Senator AYOTTE. So I wanted to know what the status was of that report. I think all of us are anxious to understand what lessons we can learn from the Boston Marathon bombings to ensure that those types of events do not happen again, to ensure that the right communication is happening among all the different agencies.

So, if you can give me an update on when we may expect that, and then, in turn also, I am interested in knowing what other reports or investigations are being conducted beyond that report, the after-action lessons learned, that we will receive to understand that we are conducting a full analysis, which I hope we are, of what occurred and what we can ensure that if there are lessons to be learned, which I think that there will be, that we incorporate those in protecting the homeland.

Secretary JOHNSON. In terms of the Boston after-action report, we are almost done, and we need to do a little more scrubbing, and then we will get it to you in the short term.

In terms of other reports, particularly those that are due to Congress, I have directed my staff to be far more diligent in getting these things done in a timely way and in particular the reports that we owe Congress. So we are playing catch-up in that regard as well.

But, on the Boston after-action report, I am told we are almost done.

Senator AYOTTE. Great. We look forward to receiving it.

Just to clarify, it is my understanding that in addition to the report that you will provide our Committee, that there are in fact other reviews going on beyond DHS with regard to the Boston bombing. Can you give us any insight just so that we get a full picture, so we can understand this may not be the sole report, after-action report, so that we can make sure we are looking at the full picture?

Secretary JOHNSON. OK. I have to take that for the record, and I will inquire, Senator.¹

Senator AYOTTE. I really appreciate it. Thank you.

Secretary JOHNSON. OK.

Senator AYOTTE. One of the things that I have been troubled about is testimony that we have had before the Senate Armed Services Committee fairly recently from Director of National Intelligence (DNI) Clapper and General Michael Flynn, and the testimony has really been about how al-Qaeda is not on the run, how we have seen al-Qaeda morphing, metastasizing, that we have seen the proliferation of al-Qaeda in Africa and now even your own testimony, I believe, that the threat of al-Qaeda in Syria actually presents a potential threat to our homeland, including the over 7,500 foreign fighters that are now in Syria.

So I would like you to give us an assessment of how you view that threat, how you believe we are addressing that threat of increased presence of al-Qaeda and potential new threats to our

¹ The response to Senator Ayotte's question appears in the Appendix on page 106.

homeland and how, in your position, you think we are prepared to meet those threats, to the extent that you can. Obviously, some of that you may not be able to discuss in a public setting.

Secretary JOHNSON. Sure. I believe that through our efforts in both the Bush and Obama Administrations, we have put core al-Qaeda on the path to strategic defeat. We are not at a point of strategic defeat. I think core al-Qaeda is still active, largely as an ideological center and leader.

In my time at the Department of Defense from 2009 to 2012, our focus on al-Qaeda affiliates was a large part of our counterterrorism effort in the military. And, by that, I mean al-Qaeda in the Arabian Peninsula (AQAP), which then and probably now was the most active al-Qaeda affiliate in terms of attempts of attacks on the homeland. We made some progress there, but we have more work to do.

And the al-Qaeda affiliates are becoming more splintered and are probably multiplying in ways that are sometimes hard to surmise because there is sometimes sort of a generic affiliation to al-Qaeda, without a strict command and control affiliation there.

In my view, some of the seminal attacks that we have seen that represent this evolution—the underwear bomber on December 25, 2009—that was an al-Qaeda affiliate, AQAP.

Benghazi is an attack of a different nature. In that, you have several groups who came on the compound at once, and there was no clear leader, no clear command and control of the type we had seen before.

And then the terrorist threat that in many respects most concerns me is the domestic one because it is the hardest to detect in my view, represented by the Boston Marathon bombing last year.

I think we have to be vigilant on all of these, from my homeland security perspective. With the concern about the domestic threats, it is particularly important that the Federal Government establish solid working relationships with State and local law enforcement and first responders, as evidenced by the Boston Marathon attack last year.

And a lot of the preparedness grants, a lot of the grants that the Department has issued, went to some of the emergency response equipment that was used that day in Boston, which is one of the reasons I think our grants are so important.

But it is an evolving threat, and we have to be vigilant against all of it.

I read the intelligence reports every morning. It is probably the most important part of my day. There is a lot of noise that you have to sometimes discount, but we have to stay vigilant on a number of fronts, Senator.

Senator AYOTTE. Thank you.

I think we could have a whole hearing, and I am sure we will, on this particular issue.

One followup. So I have it in my State, and I know it is not unique to New Hampshire; across the country, we have a heroin epidemic right now. And so today in the Armed Services Committee, we have the commander of U.S. Southern Command (SOUTHCOM) and the commander of U.S. Northern Command (NORTHCOM).

And I wanted to get your assessment of how your agency is working with those agencies on the defense level, on, obviously, the drug trafficking issues, but also how are we coordinating with State and local officials on this epidemic. As you know, these drug trafficking networks also support a whole array of other criminal activities, including human trafficking, including terrorist funding as well.

So this heroin epidemic—I do not know if you are hearing about it, but we are seeing it in my own State, and I think that it is unfortunate. It is something that we have to get a hold of and better coordination among all the agencies on it.

Secretary JOHNSON. I agree with that, and one of the virtues of having worked in the Department of Defense for 4 years is I am very familiar with NORTHCOM/SOUTHCOM leadership. I know General Jacoby and General Kelly well. I have already had conversations with them about this exact subject.

A big part of our mission is counternarcotics, and we have to attack the networks. I believe that.

Senator AYOTTE. All right. Thank you.

Chairman CARPER. Thank you, Senator Ayotte.

Next, Senator Johnson, please.

OPENING STATEMENT OF SENATOR JOHNSON

Senator JOHNSON. Thank you, Mr. Chairman. Secretary Johnson, welcome.

You mentioned homegrown terrorist threats.

I was alarmed a couple weeks ago when I was back from Wisconsin. I had a constituent come up to me, reporting that it was either her cousin or niece was a nurse in a hospital and she was reporting multiple times where Arab women were coming into Florida, having babies, paying cash, getting the birth certificate and going home. Is that something you have heard about?

It sounded like an alarming trend. It was not just a one-off.

Secretary JOHNSON. Not that specific scenario, no.

Senator JOHNSON. OK. I would like you to followup on that and just see if that is something more widespread. I would like to go back to what Senator Coburn was talking about in terms of spend-down.

My wife, when she first became an Internal Revenue Service (IRS) agent, she learned two government terms right off the bat—“good enough for government work” and then “use it or lose it.” Can you describe the spend-down policy and whatever happened to “use it or lose it?”

Secretary JOHNSON. We have a 2-year spend-down policy. We can grant extensions. And I intend to be pretty vigilant in enforcing that.

There are various reasons why a grantee may not be able to spend it down within the allotted time. And so on the one occasion where I granted an extension, I personally got on the phone to the emergency response official and the grantee and said, you have really got to—like 85–90 percent of it had been spent already, and there was a little bit left.

And I wanted to personally emphasize to the recipient that you have really got to spend this down. Go tell the mayor you have heard that directly from the Secretary of Homeland Security.

Senator JOHNSON. By spent, is that defined as obligated, or is that like money actually out the door? Can they commit to multiple year purchasing projects, that type of thing? Is that considered spent?

Secretary JOHNSON. That is a good question. Let me get back to you on that. That is a good question.

Senator JOHNSON. Can you enlighten me about what happened with Malaysia Flight 370 in terms of the passport issue—the stolen passports not being detected right away? Can you describe what gap in the system that represents, and can you tell us anything about that?

Secretary JOHNSON. Well, what I can tell you is that—because I asked the same question.

What I can tell you is that at least with the U.S. Government we do a pretty good job of checking the Interpol database for stolen passports. And the assessment I received in terms of U.S. domestic flights and in terms of flights out of this country and into this country, we do a pretty good job of detecting and stopping anyone who is trying to fly on a stolen passport.

Senator JOHNSON. Can you describe pretty good? I mean, is it instantaneous?

The passport is scanned. It is a unique number, I would think. Is that immediately compared to a database?

Secretary JOHNSON. Yes, that is my understanding.

Senator JOHNSON. So it should actually be instantaneous, correct?

I mean, that would have been—in the age of computers, that would have been my assumption, that airport security had gotten to the point where you are scanning a passport and there is—I do not know how many millions or billions of passports there are issued, but still, within computer technology, I would think it would be instantaneous. So, for us, it is instantaneous?

Secretary JOHNSON. That is my understanding, Senator. And other nations do not quite have the same capability, and we need to focus on this more globally.

Senator JOHNSON. Now there are direct flights from Malaysia into the United States, correct?

Secretary JOHNSON. Yes. I cannot say I have flown one.

Senator JOHNSON. So would it be your understanding that the check-in point for flights to China would be handled differently than check-in points directly to the United States?

Secretary JOHNSON. It is probably a different airline.

I am not sure of the answer to that, but I am told that flights from last points of departure airports to the United States—we are pretty good at picking up stolen passports.

Senator COBURN. We have TSA in most of those major airports on direct flights here, and people on the ground.

Senator JOHNSON. Good. Thank you, Senator.

Senator JOHNSON. One of my ongoing questions in terms of just the creation of the Department of Homeland Security is cobbling all these agencies together.

Again, when you consolidate that in business, you take a look for efficiencies and where there is duplication of departments and efforts. I am not so sure that has been the case with Homeland Security. You say you just completed an audit. Is that something you are looking at?

Can you render any opinion in terms of the efficiencies of the overhead of all these agencies? Are we going to be gaining efficiencies? Have we gained efficiencies? Is that one of your management priorities?

Secretary JOHNSON. Yes, definitely. First of all, when we talk about merging all these entities together in 2003, you have to remember where they were before. We had what are now DHS components spread across the Department of Agriculture, Department of Energy, Department of Treasury, Department of Justice (DOJ), including departments that did not have homeland security law enforcement as their core mission.

I have already seen the symmetry and the advantage of having aviation security, port security, maritime security, border security, all at one conference table, when I focus on the counterterrorism threat—the terrorist threat to this country. So I have seen that symmetry.

Now, out of that merger, are there inefficiencies, duplications of headquarters, effort? I would be doing you a disservice if I tried to make the case that there is not, and I suspect you would wonder about my judgment.

Senator JOHNSON. I just want to make sure you are looking at that and trying to——

Secretary JOHNSON. Yes, we are.

One of the things we are doing is developing a budget process that starts at the headquarters level with the essential mission, the overall mission—counterterrorism, border security. You start from there. You develop your resource requirements, and then you inform the components of what you expect to see from them in terms of a budget request rather than just a straight stovepipe. So that is a process we are building to get at this exact question.

Senator JOHNSON. OK, two-part question because I am running out of time.

Both Senator McCaskill and I have been certainly investigating the problems in the IG's office. We have some resignations. We have a new IG. I want to make sure that is a top priority, to take a look at that. I think that is an office that has really got low morale and is incredibly important from that standpoint. You also mentioned we have confirmed a number of positions.

So, two-part question—talk to me about your dedication and what you are going to be doing in terms of the IG's office, and then second, how many other key positions do you need to fill?

Secretary JOHNSON. Well, IG's office, I am very pleased that we have new leadership there. I think that is going to go a long way toward boosting morale. My model for the relationship a department leadership should have with its IG is from my DOD experience, which is the IG has to have a good deal of autonomy and independence. The IG has a level of oversight directly from Congress.

I know and I believe that the Secretary, for example, cannot direct the IG to conduct an investigation. I think that that is something that should be a matter of discretion for the IG. I should not direct the IG, go interview these 20 people and report back to me. I do not think that is the proper relationship.

I do, on the other hand, want to be mindful of the IG's overall priorities, overall strategy. There might be instances where I want the IG to go conduct an audit to look for inefficiencies and the like. So I think we have some work to do there, and I intend to work on improving the function of that office and its reputation.

In terms of the senior leadership positions, we have three awaiting Senate confirmation right now. We have somewhere around five or six more Senate-confirmed positions that we need to fill. I spend at least a part of every single day, recruiting, working on getting these people through the vetting pipeline. I have at least one candidate for every single vacancy right now that I am working on.

Chairman CARPER. Before I recognize Senator McCaskill, a former State auditor, I would just note that I think there are some symmetries here, or parallels, between the role that the State auditor played in my State and the role that the IG plays in the various departments.

We look at the State auditor, who was a Republican in my State when I was a Democratic Governor, we did not have an adversarial relationship. We felt the role that the auditors play is an important role, and we looked to them to help us figure out how to do our jobs better.

I think John Roth is a very impressive guy. Dr. Coburn and I are very impressed with him. The Committee is very impressed with him. I think he will do us proud.

But I would urge you to just establish right from the start that kind of cooperative relationship.

And, in response to Senator Johnson's questions. I am very proud of the work we have done on this Committee in expediting the consideration of the President's nominees to fill the many vacancies in DHS. We are going to try to do a markup probably off the floor today and have our first vote on Reginald Brothers for the Under Secretary for Science and Technology.

We have a vacancy in Immigration and Customs Enforcement. That is a big one. We have no nominee, and we need a nominee. That is a big vacancy. We have DHS Under Secretary for Management. We have no nominee. We have DHS Chief Financial Officer. We have no nominees.

So those are three instances where the Administration needs to get their act together and get us some nominees. We are getting to be pretty good at moving them along if they are good nominees.

General Francis Taylor has cleared the Committee. He has been through our Committee. He still needs to be cleared by the Intelligence Committee. He is good to go, I think, for the floor.

And Leon Rodriguez has been before the Judiciary Committee for 3 months. He has not had a nomination hearing. I would urge you to reach out to the Chairman and Ranking Member of the Judiciary Committee. And Tom and I, we, should do the same and urge them to get going.

All right. Thanks. Senator McCaskill.

OPENING STATEMENT OF SENATOR MCCASKILL

Senator McCASKILL. Thank you. Welcome.

I am concerned about the decrease in the budget for acquisition personnel. You are cutting 18 full-time employees, all of which will come from the Office of the Chief Procurement Officer, about a \$729,000 cut.

The number of contracting officers has decreased by approximately 45 full time equivalents (FTEs) since you began working at DHS 3 years ago. At the same time, S&T has requested and gotten a million dollar increase in its management and administrative account.

In my questions today, I want to emphasize that I think you have it backward. I think that it is worrisome to me that we think we can oversee contracts. And you and I have had discussions about the level of contracting that occurs at DHS. It is worrisome to me that we continue to increase the number, size and complexity of contracts, but the contracting workforce continues to shrink. That is a recipe for disaster. It is a dangerous path.

Does your chief procurement officer get any guidance on what the proper workload for a given contracting officer is in terms of number of contracts they have to oversee, dollar amount and complexity of the contract they are supposed to be managing; do you know, Secretary?

Secretary JOHNSON. That specific question I would like to take for the record.

I understand the phenomenon from my Department of Defense experience of larger, more complex contracts and a smaller workforce to try to manage it, and I agree that that is a problem that should be addressed. I want to work with this Committee to make sure we have that balance exactly right.

With regard to the specific funding request in this year's budget, I want to work with you to make sure we get that exactly right.

Senator MCCASKILL. The decision was recently made in May of last year that fundamental documentation requirements were waived for 42 of DHS's most expensive acquisition programs. These are the documents that allow us to do cost-benefit analysis in a way that is accurate. It allows us to track what the original scope of the contract was supposed to be.

The excuse that has been made is that these programs are all in the sustainment phase; so why go back and retroactively create these foundational documents? Well, that brings up another question. How in the heck did they get to the sustainment phase without the foundational documents? And maybe it is because we keep cannibalizing the acquisition workforce.

I think I would encourage you to revisit that decision about foundational documents. I think it is another recipe for disaster.

Now let's compare and contrast S&T. I think you know that there are issues there. Nearly all of S&T's work is based on technology foraging—taking things other Federal departments or the private sector have made and tweaking them a little bit to make them applicable to DHS.

What is even more concerning, which gets back to my concern about lack of cohesion at DHS, is S&T is supposed to be managing all of DHS's research and development (R&D) work. That is just not true.

GAO found that other components continue to do as much as \$255 million of R&D activities on their own. And if you ask the National Labs, and we have, they will tell you they continue to get a lot of work from other DHS components.

Not too long ago, there was an S&T project where we had spent a lot of money and then all of a sudden they abandoned it, and the reason they abandoned it is because they had to acknowledge that the commercial sector had outpaced them, that what they were looking at had already been done in the private sector.

Do you believe that the scope of responsibilities given to S&T is too broad, and do we really need to be spending a billion dollars for a standalone directorate doing just technology foraging?

Secretary JOHNSON. Well, I think it is important that we have an S&T function to do additional research in the area, for example, of cybersecurity, and there is a request in the S&T part of the budget for, I think, \$70–72 million. Insofar as cybersecurity is important, I think that is a national priority.

In terms of R&D, many members of Congress, including Members of this Committee have asked me to look at this exact question, and I have committed to undertake to make sure that we identify any inefficiencies in the way we conduct R&D across the entire Department of Homeland Security, to make sure that there are no duplications and having different components undertake R&D or request R&D does not lead to inefficiency. So that is one of my commitments to look at, Senator.

Senator MCCASKILL. Well, that is terrific, and I will be monitoring and following up on that. I think it is really important.

I do not know why they need another million dollars in management and administration at S&T. I do not think they have done particularly a stellar job up to date. And getting another million dollars while at the same time you are taking away 18 FTEs in acquisition for less than that price—I would love to see those flipped. I would love management and administration in S&T to stay flat and you restore those funds, and I will be talking to appropriators about that—restore those funds on acquisition personnel. It is not a good idea.

Why do we need two separate stockpiles of medical countermeasures? Why do we need a separate stockpile at DHS from the national stockpile?

Secretary JOHNSON. Let me get back to you on that, Senator.¹

Senator MCCASKILL. OK.

Secretary JOHNSON. Thank you.

Senator MCCASKILL. And then, finally, the senior executive service (SES) workforce. I went back and did some research on—I was not here, but when the senior executive staff workforce was created, it sounded really good.

It sounded like what we were going to do is develop executive-level leaders, and they were going to move through the govern-

¹ The response to Senator McCaskill's question appears in the Appendix on page 63.

ment, and it was going to allow cross-pollination of excellent executives as it relates to government. That cross-pollination would be very important because the Federal Government is a large endeavor and having some kind of rotating superior executives that could help with government management issues sounded like a great idea.

Well, that is not what happened. What has happened is these folks have burrowed in at the agencies they work, and they never go anywhere. The vast majority of the SES personnel, and we are up to 7,000 of them, have stayed in the same position and in the same organization for the entire SES portion of their career. Do you know what percentage of the SES employees at DHS have worked for more than one DHS component in their career?

Secretary JOHNSON. I do not.

I can tell you from my own personal experience working with SES-level civilians that they bring real value in terms of their level of sophistication and talent and their knowledge base in a particular area, like fiscal law, acquisition, environmental issues. I have worked with SESers who I am sure were the foremost experts in their particular area of what they do, and I was very pleased to receive their advice.

I understand there is an overall goal to move people around within departments, but I think there is also value in having an SES talent pool that is devoted to a particular—

Senator MCCASKILL. That knows the subject matter.

Secretary JOHNSON. That knows the subject matter.

Senator MCCASKILL. I agree with you.

They are highly compensated, and in many agencies of the government they get automatic bonuses no matter what. No matter if they have had a good year or a bad year, and many times those bonuses are five figures.

So I just would like you to take a look at whether or not we should go back and acknowledge that the original goal of this was a wrong goal and we want to burrow in and get expertise and look at it from a departmentwide situation because you probably have a huge number of SESes at DHS.

Secretary JOHNSON. I am sure we do.

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

Chairman CARPER. Senator McCaskill, thanks. Thanks so much for the questions. Senator McCain.

OPENING STATEMENT OF SENATOR MCCAIN

Senator MCCAIN. Thank you. Thank you, Mr. Secretary, for appearing before us.

I had not planned on mentioning it, but your response concerning al-Qaeda is, of course, one of the sophistry that “core al-Qaeda” has been defeated—that could be, but let me just remind you in the second battle of Fallujah we lost 96 soldiers and Marines, 600 wounded, the bloodiest battle of the War in Iraq, and now the black flags of al-Qaeda fly over the city of Fallujah.

Now, whether they are core al-Qaeda or not, it is a fact that the Iraq-Syrian border has become a base for al-Qaeda moving into Syria. They cannot be denied. And, when we look at “affiliated al-

Qaeda” throughout North Africa, throughout the Middle East, on the increase, and we still stick to this language—well, we have defeated core al-Qaeda—who cares? Al-Qaeda is on the move. Al-Qaeda is spreading.

I travel to the region all the time. Every single one of those leaders in the Middle East will tell you that the threat of al-Qaeda is increasing, not decreasing. And it grows a little frustrating—well, we have defeated core al-Qaeda. What is core al-Qaeda? Is that because they live on the Pakistan-Afghanistan border?

So I wish that you would look at exactly what al-Qaeda is doing. Whether they are core or affiliated, every expert that I know of says that they are on the rise, and therefore, sooner or later, pose a threat to the United States of America, which brings us to your responsibilities. So it just grows wearisome.

Mr. Secretary, I just came from a hearing where General Kelly and General Jacoby, commanders of NORTHCOM and SOUTHCOM, and I discussed with them a couple items that are—and I know you work very closely with them.

In South Texas now, 82 percent of those who are apprehended crossing our border are other-than-Mexican (OTM), and I asked both the witnesses—that is a very significant change.

And I asked both the generals of SOUTHCOM and NORTHCOM, doesn’t that mean that sooner or later—although a lot of these new other-than-Mexican obviously come from Central America, where the economic conditions are terrible, there is still a large number of people from all over the world that are landing in Central America, being in contact with the human smugglers, who are also drug smugglers.

Isn’t it just a matter of time before someone who is not coming for a job but wants to do something bad to the United States of America would find it a likely way to get to the United States of America?

Secretary JOHNSON. Senator, as you and I have discussed, I, too, am very concerned about third-country nationals who are coming into this country through South Texas.

That 82 percent number that you quote and cite is absolutely accurate, and I personally have observed that phenomenon in our detention center in South Texas. We are talking about, on the particular day I visited, 30 different nationalities from across the globe coming through a specific path into South Texas. Most of them are from smuggling organizations.

And I believe that it is a Homeland Security imperative that we address that phenomenon. I agree with you, sir.

Senator MCCAIN. I thank you.

And, by the way, I would like to express my appreciation for the abundance of information that you provided me and other Members of the Committee and staff concerning what we need to do to establish an environment on the border that comports with the requirements of the comprehensive immigration bill that we passed through the Senate.

It is my understanding that the effectiveness rate varies, obviously, in each of the nine sectors. Does this budget move us toward the requirements of the bill that we passed through the Senate, of 90 percent effectiveness and 100 percent situational awareness?

Secretary JOHNSON. I believe that with the resources that have been requested in personnel and technology it moves us in the right direction.

I also believe that the comprehensive immigration reform bill passed by the Senate would give us much more resources to get toward that goal, and the experts that I talk to have told me that if we got comprehensive immigration reform along the lines of the Senate bill we could probably get to what most people would consider border security, yes, sir.

Senator MCCAIN. And, without that, it would take a longer period of time, would you agree?

Secretary JOHNSON. That is absolutely correct.

Senator MCCAIN. I hope that some of my colleagues would listen to what you just said.

Also, in the hearing that I just left, General Kelly, Commander of SOUTHCOM, said that he is watching drugs being transported into the United States. He says, I am watching, but I am unable to apprehend because of lack of resources.

We also had a chart that showed a reduction in flight hours, in surveillance, et cetera.

So he made a strong argument that because of sequestration and other cuts—sequestration is one of the factors—that we are really unable to even intercept drugs that we know are being transported, and that, I think, is rather disturbing.

One, I would like your comments on that. And, second of all, I am not sure if that is the situation as he describes it, why we see the single largest decrease in the budget request be in the Coast Guard, which obviously is a major element of drug interdiction capabilities.

Secretary JOHNSON. First, on our anti-narcotics efforts, the budget reflects some hard choices, absolutely.

We have better technology when it comes to aerial surveillance. So some people have noted the decrease in flight hours. That is because we have better technology in terms of surveillance.

I believe that the key here is to go after the cartels, go after the networks that engage in smuggling. Almost every narcotic shipment, almost every individual who comes into this country illegally, is the result of a smuggling organization. They do not freelance. There is no freelancing going on.

So I think we need to attack the networks. I have spoken to General Jacoby and General Kelly on this. I think, they agree with me on that.

I am concerned about the phenomenon that General Kelly described to you. I have talked to him about that myself. I am as concerned as he is.

In terms of Coast Guard recapitalization, and again, this reflects hard choices—but I am dedicated to recapitalizing the fleet in all three classes of the cutters, where we are trying to make that effort—the National Security Cutter, the Offshore Patrol Cutter and the Fast Response Cutter.

Given the realities of the fiscal situation we were in, we did not ask for as much as we would have liked to get to where we want to be as fast as we would like to be, but we are maintaining each

of the three lines of effort and trying to move forward on all three fronts.

Senator MCCAIN. Thank you, Mr. Chairman. I thank you for the time.

I would just add to it; I understand we certainly technologically made great advances that have been experimented and proven in conflicts overseas, but if the commander is saying that he is watching, then I think we ought to at least give him the capability.

And, by the way, I agree with your premise that you have to go to the source, it is the cartels and all that, and how complicated that situation is. But, if he is watching drugs being transported and does not have the capability to intercept, I think at least we ought to try to make sure that that is not the case. And I know you agree with that. I thank you, Mr. Secretary.

Chairman CARPER. Senator McCain, thanks for those questions.

Let me just mention something, if I could.

I was in El Salvador, as I said earlier, a couple weeks ago, and the Ambassador there and some of her people took me to an air base not far from San Salvador. I was not sure why they were taking me there, but I said, well, let's see what they have to show me—a Navy P3 squadron.

Senator MCCAIN. I think one of the most problem areas—and the Secretary might want to respond—is Honduras, where there has really been a takeover of that country. It is really a lawless country, and that is one of the reasons why we are seeing this increase in OTMs, because of the horrific economic conditions that exist in those Central American countries. And I am glad you are going.

Do you have a comment on that, Mr. Secretary?

Secretary JOHNSON. I am going back to Mexico next week. I have had three conversations now with my Mexican counterpart. Next week will be the fourth, on a variety of subjects, and this will be one of them.

I believe that we need to address the situation of third-country nationals coming into this country as a matter of our border security, our homeland security. I am concerned, like you are, about this situation, and I also think that the Mexicans are concerned as well. We have a shared interest in addressing this situation.

Senator MCCAIN. And the Southern Border of Mexico is an issue you have been discussing with them?

Secretary JOHNSON. Their border security is an issue that I have been discussing with them; that is absolutely correct.

Senator MCCAIN. Thank you, Mr. Chairman.

Chairman CARPER. You bet.

One of the reasons why the net migration of Mexicans coming into the United States has pretty much leveled out—my understanding is it is actually a somewhat greater number of folks going back into Mexico from the United States than actually coming into America.

One of the reasons I am told this is happening is because the economy is stronger in Mexico. There is an emergence of a middle class. And, while they still have problems with narco drug lords and so forth, we are really the root cause of that because we buy the drugs and send weapons down there. So we are a big part of that problem.

But there is a strong, vibrant economy and I think more effective governance in Mexico.

Secretary JOHNSON. Can I add one more thing, Mr. Chairman? Chairman CARPER. Please.

Secretary JOHNSON. Senator McCain, I was in Arizona a couple weeks ago to talk about the border situation there. I met with a number of your constituents. I asked to meet with the ranchers. I do not mean to dime out my staff, but my staff said, you do not do that; it might get kind of contentious. And I said, no, I need to hear what they have to say. And I have to say that they were wonderful, courteous people. We had a very productive conversation. They asked me to come back, and I agreed to come back again.

Senator MCCAIN. I am very grateful you met with them. It meant a lot to them, and I am sure you understand some of their concerns. Many of them still have people crossing their property at night. And I am very pleased that they were courteous to you. I cannot tell you how much they appreciated the fact that you met with them. I thank you for that.

Chairman CARPER. Yes, when I was down there last year, Senator McCain was good enough to take me to meet with a lot of the same people, and that was my experience as well.

I want to come back to we are pretty good at addressing symptoms of problems. We have a lot of people coming across the border. We put more Border Patrol there. We have a lot of people coming across our borders illegally. We try to go after the employers to say, if you hire illegals here, we will fine you; we will put you in jail if we need to do that.

We address these symptoms of the problems.

The reason why I am convinced that so many people come up from El Salvador, Honduras, and Guatemala is because some of them are living lives where it is a hell hole.

And there are wonderful people there, but there is so much crime. People are fearful to go out at night. The opportunity for work, to actually make a living, is diminished.

If all we do is strengthen our borders, or even strengthen the borders between Mexico and those countries, that will not solve the problem. It has to be a more comprehensive approach.

And I would just ask if you have any thoughts along these lines. I think we cannot just focus on symptoms of problems. We have to focus on underlying causes as well. But, any thoughts you have on that?

Secretary JOHNSON. I agree with that, and economic pushes and pulls have a lot to do with it. We saw a decrease in apprehensions at our border over the last 10 years or so. I suspect some of that has to do with our economy.

And we have seen a more recent modest spike upward again in border apprehensions, and I suspect that too has something to do with our economy as our economy improves. That is a good news story. The Mexican economy is a good news story as well for them and for us.

But these are contributing factors to overall migration, legal and illegal.

Chairman CARPER. We are told that the adoption of a comprehensive immigration reform bill, getting it done and actually

saying to the folks south of us, if you are thinking of coming in, forget it because you are not going to be able to obtain any kind of legal status if you come across after a certain date.

Correct me if I am wrong, Dr. Coburn, but I think in the legislation that we passed on immigration reform last fall, that the cutoff was the beginning or near the beginning of last year.

So we are trying to send a message to say, if you are in El Salvador, Honduras, Guatemala, Mexico or any of these places, and you are thinking about coming north, forget it because if you do the door is already closed. You are not going to be able to get on the road or a road map to a legal status.

I want to come back to force multipliers again and the areas between the ports of entry along particularly Texas and the Arizona portions of the Mexican border. You have had a lot of experience in your old job with drones.

I mentioned earlier we have drone assets down there. My recollection is we had about four of them, I think. On any given day, a couple of them could fly. They could fly maybe 16 hours a day, 5 days a week. And there were days when they could not get into the airspace, the controlled airspace, in Arizona because it was used by military aircraft.

We see in the Administration's budget, as I recall, not an increase in resources for flight hours for the drones, but I am not sure we see an increase in the kind of sophisticated detection systems, surveillance systems called VADER, that are available, I think, off the shelf.

With the drones we have there, my recollection is we have one that is actually in a drone, and it is borrowed, I think, from DOD. That just seems foolish to me. Your thoughts, please.

Secretary JOHNSON. The decrease in requested flight hours reflects a judgment that because of improved technology we can do the job more efficiently with fewer flight hours. I think we are going from 100,000 to about 73,000. That reflects a judgment that with the technology we have, we can do the job more efficiently.

I believe that aerial surveillance is very important to border security, coupled with adequate privacy protections. And one of the things I have discussed with both you and Senator Coburn, and one of the things that I am working on with our staff, is improving and sharpening the privacy guidelines we have with regard to use of aerial surveillance. But I agree that aerial surveillance is very important.

And added surveillance, new surveillance technology, is something that people on the border, our border patrol agents, have told me is particularly important.

Chairman CARPER. All right. I do not pretend to be an expert on these things, but I can tell you a drone flown with somebody with binoculars as opposed to a drone that has VADER and a VADER operator with it is a whole different ball game.

And the other thing I would say is when we were in South Texas we were with a bunch of your people there in the green uniforms, and they said to us—I think they had about 10 different helicopters that were available to them to use.

And they told us if they would send this one particular helicopter, they were happy to have it because it was reliable and had

the equipment on it that was needed and helpful. They were going to send in the other nine. We just said, basically, keep it.

And we got a taste of that ourselves when we were going to go for a helicopter tour of that part of the border, and our helicopter, before it even left the ground, had to be grounded, and we ended up scurrying to get onto another helicopter.

I would just urge you to take a look at that. The other thing I would urge you to take a look at is the tethered aerostats, the dirigibles. We have used them to great effect in Afghanistan, I think as you know, in Kabul and other places. And they do not chew up any flight hours. They get up in the air, way up in the air. They can be up there for a long period of time.

And, if we are interested in trying to do a better job of understanding how many people are trying to get across our borders, how many turn back before they get to the borders, how many are stopped and apprehended at the borders, and try to figure out how to get to a 90 percent effectiveness rate, the air assets can actually be very helpful in enabling us to better estimate when we have reached those goals.

Let me yield to Dr. Coburn, and then I want to come back and talk to you about cybersecurity and the funding that is requested to enable you guys to do the followup on the framework that has been adopted. Thank you.

Senator COBURN. We continue to see reports of tunneling across the Southern California border discovered—and most of it is for drug trafficking rather than human trafficking.

For years, I have sent information to Homeland Security and gotten nothing back on the use of the technology that is available in the energy industry. There is no reason to allow one tunnel to come into this country because we have both the sonar and seismic capability in the energy exploration industry to identify any tunnel that comes across that border.

So what that would mean is once a week you sweep across the Southern Border with technology, and you identify every tunnel. I mean, it is not hard, and yet, we still do not see any of that technology being applied—because you can stop it all. And it is not hard. It is hard in rough terrain, but it is not hard in the terrain in Southern California.

So I just have that one for a note for you to take.

In your response yesterday for the appropriators, you were asked about the EB-5 program. Your statement was EB-5 is a worthwhile program for job creation, but DHS has to be mindful of security concerns.

I do not disagree with the second part of that. Where is the basis in fact for the metrics to know that it is an effective program?

Secretary JOHNSON. My understanding is that it has contributed to job creation in this country. I believe there is data to support that, which I am happy to provide, but—I do not talk about the EB-5 program, Senator, unless I talk about the other half of my answer.

Senator COBURN. I understand that, but the point I am trying to make is we have been trying for 2 years to find any metrics to evaluate that program and nobody can give them to us. So, if you can supply that, I would very happily receive it.

Secretary JOHNSON. OK.

Senator COBURN. I would note that Canada used to have a program similar to that and disbanded it because the economic benefits versus security risks did not fly.

Secretary JOHNSON. Well, that is a balance that I think we continually need to evaluate.

Senator COBURN. Well, if we cannot see the top part of the program in real time in terms of job creation, it is worrisome.

Secretary JOHNSON. I will not argue with that.

Senator COBURN. OK. Let me just get to my other questions here for a second.

The President's budget includes a separate fully paid for \$56 billion program called the Opportunity, Growth and Security Initiative (OGSI). FEMA has included the OGSI in their budget request where it would support \$400 million in additional pre-disaster grants and \$300 million for the consolidated national grant program.

What is the effect of the OGSI on the current pre-disaster mitigation program? What is the plan?

Secretary JOHNSON. Well, you are correct that we are requesting that part of the Disaster Relief Fund (DRF) be funded by the Opportunity, Growth and Security Initiative.

I think there, again, the way this is structured reflects hard choices. Consistent with the bipartisan budget act, there is a top line that we have to adhere to. And so we went through, and we selected the 500 or 700 or so highest priorities of the Department to stay within that top line. And then there were others that we also regard as important that we highlight for you, and we say if we are able to close certain loopholes, bring certain efficiencies to the budget, we can fund these things, too.

So what you see is the end result of that.

Senator COBURN. I have the same high regard for Administrator Fugate that you do.

We have this problem called the per capita damage indicator, which in effect allows small States like mine to receive, relative to large States, disaster monies at a much lower level of damage as compared to the same thing in the larger States. And it is my feeling that we have an imbalance on how we treat the States on disasters.

Any thoughts on how we approach that and make that a fairer process?

I think Oklahoma had 35—maybe it was 25—last year, and it is because we only have 4 million people, whereas a State that had exactly the same damages, the same incident, would not qualify. To me that seems inherently unfair to the taxpayers of this country, that we are helping the smaller population States and not helping those that are larger.

Secretary JOHNSON. First of all, I never regarded Oklahoma as a small State.

Senator COBURN. Well, relative to Texas, they would tell you differently.

Secretary JOHNSON. Right.

Chairman CARPER. In Delaware, we think they are huge in Oklahoma.

Secretary JOHNSON. Right.

Senator COBURN. Well, we have 4 million people and Texas has—what?

Secretary JOHNSON. Understood.

Let me answer the question this way. I came into office in December. We have a budget request that came out earlier this month. There are a number of things that I want to look carefully at from the beginning of the budget cycle to this time next year.

How we devise the formulas for our grants, the risk formulas and so forth, are things that I believe I want to take a close look at because people raise issues like this one and say, why are we doing it this way?

I know from dealing with bureaucracies for years that very often we do things a certain way and the answer is that is because we have always done it that way and it is too hard to change.

That is not the right answer. In fact, that is the worst answer.

So situations like this are things that I—every time I hear about something like this that you or other Senators or Congressman raise in correspondence or in hearings, I take it back, and I say, what about that? Why are we doing it that way?

And I want answers. And I want good answers. Otherwise, I am not prepared to defend continuing to do it that way.

Senator COBURN. All right. Well, thank you very much.

And, again, we will have some additional questions for the record for the Secretary, if we could.

Chairman CARPER. Fair enough.

Let's come back and talk a little bit about the Immigration and Customs Enforcement (ICE), if we can. We talked a little bit about it over breakfast today. I think we all appreciate how important the work that is done there.

My recollection is we have no nominee. Am I mistaken, sir? No nominee to fill that position?

Secretary JOHNSON. There is no nominee to be the Director of ICE, but it is a top priority of mine to bring you one, for the President to bring you one, and we are actively recruiting and vetting people right now.

Chairman CARPER. Good. I am glad that is a priority. Get us a good name, and we will do our part to vet that person and try to get him or her confirmed and at work.

One of the things we saw—I mentioned this to you earlier this week. One of the things we saw in El Salvador was that we deport Salvadorans that come to this country illegally. We send them back. Fly them back into El Salvador.

They are processed through a facility there. I think it can handle about 100 people. There is a proposal to double that space and actually improve the services that are provided by that return center for returning detainees to help them reassimilate into their communities and their country, to help them a little bit with their efforts to find a job, to maybe get some of the education they need to help them be eligible for the jobs that are there.

One of the things we learned was for an expenditure of about \$2 million they could double the space from 100 to 200 people. Take them anytime with the flights coming back in. They receive flights

like one flight a day except, I think, Wednesdays they have two flights. I think Sundays they do not have any.

But, meanwhile, we have thousands of Salvadorans that are waiting to be flown back, and we have them in beds in this country. I forget what the price is for beds in these detention centers in our country, but it is substantial.

Do you recall what it is? I am thinking it is \$100 per person, \$150 per person for a day.

Secretary JOHNSON. I have heard \$110 a day. That could be wrong, but that is the number I have heard. And I agree; it is expensive.

Chairman CARPER. Anyway, where I am going is for the expenditure of \$2 million to double the capability of receiving people back, Salvadorans back in their native country, it would reduce significantly our head count of Salvadorans in this country, taking up these beds where we spend over \$100 a day.

I think that is an expenditure we ought to figure out to get that made, and I would just urge you and your folks to look at that—again, going at root causes. So, going back at root causes, this is one of them that we ought to look at.

Also, the Administration—it might actually help us with the President's proposal on detention beds in this country for illegal detainees. I think the budget of the President takes the number of beds down from about 34,000, which is what we have mandated in the Congress, down to about 30,500.

I am not sure how we are going to do that unless we take the kind of step that I just mentioned. So I urge you to keep that in mind.

Secretary JOHNSON. Well, I would add to that also; there is a funding request for \$94 million for an alternatives to detention program, which is pretty good.

Chairman CARPER. Yes. Take a minute and talk about it, please.

Secretary JOHNSON. Well, it involves various, different types of monitoring of those who are released on bond or parole, and it is an effective program. We do not need to detain every single person who is in the system in the process.

And you are correct that in this year and in prior years Congress has mandated that we maintain a 34,000-bed capacity.

Our request this year is for 34.6 based on our best assessment that given our removal priorities those who are threats to national security, public safety, border security, that is the level we ought to be funding. And with an effective alternatives to detention program, we think that is the level and that is the wisest use of taxpayer dollars. So that is our request. That is our submission.

Chairman CARPER. Yes, we have seen braceletting and that sort of thing work in Delaware and in other States in order to bring down the head count in our prisons. You have to be careful of the folks we select for that kind of treatment, but I think it has real potential.

The important thing is for the Administration to present to us in a compelling way, in a convincing way, that these alternatives to detention can be highly effective, and I think that is part of the solution to getting the Congress to go along.

The other thing is what I talked about earlier about expanding the size of the return facility in places like El Salvador.

I want to return, if I can, to cybersecurity and the—I mean, your thoughts on the work that has been done on the framework by the folks at NIST. They spent basically a year working on it and reaching out to a lot of different companies—financial services companies, technology companies, communications, telecoms.

And, your thoughts in terms of the quality of the work that has been done, the result, and what is the next step particularly with respect to Homeland Security, and what kind of resources do you have and do you need to do it?

Secretary JOHNSON. The framework stems from the Presidential directive and the Executive Order that was issued 13 months ago.

I think we did a lot of things right in connection with the framework. We worked with the private sector. We collaborated with them on a set of best practices, not regulations, but best practices.

It was an inclusive process. We issued the framework publically a month ago, and I am told that it is getting a good reaction in the private sector.

And we want to move forward with that, take any additional public comments and have a set of best practices that will work for the benefit of the private sector.

As I have said to you before, I think, Chairman, I think that, for us, recruiting the top cybersecurity talent in this country to come serve their country at least for a time is critical to our cybersecurity future.

I believe that we need to build trust between the Federal Government and the private sector right now insofar as cybersecurity is concerned. I want to position DHS at the center of that role.

There is a fair amount, and this is unfortunate, of distrust of the Federal Government by the American public right now. A lot of people believe that the American public does not work for them.

I want to try to build trust. I have a plan for meeting with those in private industry to talk to them about cybersecurity.

One of the other issues we have is to a lot of people this whole topic is impenetrable because of the complexity of our terminology. So I would like to try to explain it in very simple, plain English terms, what the cyber threat means, to the average American.

When I was at Georgia Tech a couple weeks ago, they have terrific cybersecurity talent like I know we do in other parts of the country. But a large university like Georgia Tech, or others, faces hundreds or thousands of cyber attacks almost daily that they have to address. So the young people in this country get it and understand it, and I think we in national leadership need to be in the same place.

You and I have talked about various legislative proposals that I think we need to move on, and it sounds as if, politically, the time might be right to kind of re-attack on this issue. I very much support that, and I have laid out what I think would be good.

And I know, Senator, you are thinking about this and working on this, and I want to work with you on that.

Chairman CARPER. Yes, we had a good conversation earlier today with you, Dr. Coburn and myself, and I am encouraged.

We are talking about billions of dollars in different parts of your budget for one aspect or the other. My staff told me that the President's budget for DHS, with respect to helping industry adopt a framework, was a bargain-basement \$6 million. For a big threat, and for a lot of industry and a lot of business players, that is not a whole lot of money, and some folks in industry have actually questioned whether that is really enough to be able to get the job done.

I would just ask you to comment on that and the steps that DHS is taking to help industry to use the framework.

It took me a while to get my head around the term, framework. You talked about this stuff that is kind of dense. And we used the words that we used—

Secretary JOHNSON. I did not use the word, dense.

Chairman CARPER. OK.

Secretary JOHNSON. Your word, not mine.

Chairman CARPER. Well, I would.

We had a really smart guy from the Dartmouth Institute in Delaware the other night to talk to us about health care, how to get better health care results for less money. He has been very much involved in accountable care organizations, and we are seeing a rapid growth of accountable care organizations.

Most people say, what is that? And, is that something for accountants? No, it is not. It is actually a way of how we coordinate and collaborate in the delivery of health care to get a better result for less money, but it is just misnamed.

And, a framework—I said to someone, why do they call it a framework, and what is it really?

I was told it is really a road map. It is really like a blueprint.

And when I hear that technology, well, I can identify with that. I can sort of understand that.

But, in terms of having the financial resources, human resources—to help industry use that road map, to use that blueprint, to strengthen their defenses and enable them to turn back those who are trying to hack in and create harm, any further thoughts you can give us along the line of the resources that we need?

Secretary JOHNSON. I am sure if Suzanne Spaulding or Phyllis Schneck were here, they could spend the rest of the day answering that question.

I think we are on the right path. I think that the key is establishing a set of best practices that is disseminated publically by the U.S. Government, that is a set of practices that private industry agrees with, embraces, helps to create, so that everyone else in private industry knows what the best in private industry considers to be the best practices.

And I hope to be pretty visible myself in talking about cybersecurity, building on that framework, because this really is a national priority.

And \$6 million may be bargain-basement, but at various points along the way we will be asking Congress for more because this really is a national priority—\$6 million is for that particular piece of the overall effort.

Chairman CARPER. All right. Well, I think the point I am trying to make is we just want to make sure that the budget that we ulti-

mately adopt and put into place supports the cyber activities of the Department and does so effectively.

One last point I would make, and then I am going to ask you just to give us just a short closing statement and kind of wrap up things, if you will.

I want to go back to an issue raised by Senator McCaskill, who—I describe myself as a recovering Governor. She is a recovering auditor, and she chairs our Subcommittee that focuses on acquisition within this Committee.

In your opening statement, you reported that you have initiated—I think you called it—a top to bottom review of the governance processes for the Department's acquisitions.

As you know and as Senator McCaskill has referred to, the challenges that the Department had in managing in acquisition is a major reason that DHS's management remains on GAO's high-risk list.

If you look closely at GAO's analysis of the Department, you will see that GAO reports the Department has taken a number of positive steps, that when fully implemented should get better results for the money that the Department spends on major acquisitions.

And an example or two—the Department is putting more effort into developing cost estimates, assessing the risk that might cause programs to go over budget or beyond schedule or not perform well. And we were told that the Department is developing a department-wide approach to planning investments so it can do a better job of prioritizing spending and—one of Dr. Coburn's favorite things—eliminating duplication.

That having been said, the Department still has some ways to go to mature these processes.

Let me just ask a couple of questions. One is, can you tell us a bit more about what your review of the acquisition structure will look at?

Secretary JOHNSON. The overall goal is an efficient, competitive process that manages to the right priorities.

So every time I talk about acquisition in the Department of Homeland Security, I ask myself, well, where was the Department of Defense in 1958, in its 11th year, in this whole thing? And we need to do better than that.

I am sure that as DOD came along the acquisition process got more and more mature. And we are in the same place, but we have a lot of lessons that we can learn from other Federal agencies.

So sometimes we bristle against a centralized process because sometimes a centralized process can micromanage at levels that do not make a lot of sense in the field. But this is an area where I think if we have a more centralized process in terms of defining the priorities of the Department, defining what our resource needs are and go from there, we can, with the components, build a more efficient process.

With some of the staff that I have hired over the last 3 months, that is the mission I have given them, and we are spending a lot of time on that.

And when I leave this job, I would like to leave that process, in particular, in a better place.

Chairman CARPER. All right. Going back to DOD, when were they created? That was 1947?

Secretary JOHNSON. 1947.

Chairman CARPER. The year I was created and one of my favorite years.

Secretary JOHNSON. I think that was a Brooklyn Dodgers year, too.

Chairman CARPER. Maybe so.

Gene Dodaro was just in here the other day, testifying. That was yesterday. And GAO tells us in terms of their high-risk list that they give us every 2 years, that major weapons systems cost overruns have actually grown in DOD from a couple hundred billion dollars to, I think, about \$400 billion.

So you can do better than that. And they can, too. And we want to make sure that you do.

I know I have urged you to talk to a variety of different people. Again, one of the people I would urge you to just establish a good working relationship with, you and Ali Majorkas, your deputy, is with Gene Dodaro and the folks at GAO. They are not in the gotcha business. They have their heads and their hearts in the right place.

I would urge you to consult with Gene Dodaro and maybe some of his folks and to get maybe some of their views. Just make sure you have their views on some of the specific initiatives or policies that ought to be part of your review when you look at the acquisition reforms that you all are going to adopt.

The last thing is this; the key—and I have said this a number of times as I try to encourage my colleagues to move nominations through the Senate.

We have had an Administration—five years into this Administration, it looked at the beginning of this year still like Executive Branch Swiss cheese. So many openings, so many holes, especially in the higher levels of the Department of Homeland Security.

We have made real progress and continue to make, hopefully, progress. Again, Dr. Coburn has been a great partner in doing that, and our Committee has been very helpful. And we hope to fill—at least move one more nomination today with the Under Secretary for Science and Technology.

The Administration needs to send us good people. I will be sending that message to the folks at the White House, and they need to hear that from us all.

Secretary JOHNSON. And I believe there is no shortage of good people in the country, who want to serve their country.

Chairman CARPER. Yes, there are also a lot of people coming out of the military that are looking for jobs, and they have been warriors for us across the globe. A bunch of them would like to be cyber warriors, could be cyber warriors.

You need resources. We need resources in the private sector and the public sector all across the country. So we have to make sure we are taking advantage of those opportunities.

I want to say I think you are off to a good start. I think you are the key to any organization doing well.

In my experience, I do not care whether it is a military organization, if it is a business, if it is a school, if it is a government unit.

I do not care what. The key is leadership. There is nothing that is more important than that.

And I think you are providing that kind of leadership, and your deputy is providing that kind of leadership. You need to make sure you have the team around you, and that is a shared responsibility.

But any closing thoughts that you would like to share with us?

Secretary JOHNSON. I guess two things, Senator. And thank you for the opportunity to comment, and thank you for your comments.

One, when I first heard that DHS was on the GAO high-risk list, I went back and read the report myself, and I agree with your assessment that the GAO notes in a number of places the progress that DHS has been making to get off the high-risk list. So we are definitely moving in the right direction, and I think that reflects a lot of hard work by a lot of people in management. So that is a good thing.

The last thing I would like to say is something that I did not fully appreciate until I got into this job. I knew it intellectually, but now I fully appreciate it, even after 3 months.

When you are Secretary of Homeland Security, you are not only the guardian of this country's homeland security; in a very large respect, the Secretary is also the guardian of a lot of our American values.

So there are ways to achieve perfect homeland security if you devote the resources to it, but we would also be sacrificing a lot of our values. I could build you a perfectly secure structure, but it would look like a prison.

In this country, we cherish privacy, freedom of movement, liberty. We celebrate diversity. And those are things that I feel as though I am responsible for as well.

So homeland security is something that we have to be vigilant about, but it always is striking a balance between—and we talked about this at my confirmation hearing—the places that Americans should be allowed the freedom to go publically.

If you want perfect security in this building, you would keep every private citizen out, without a lot of screening. But that should not be the case. This is a public building, and your constituents, the American public, ought to be able to come see their representatives in Congress with the relative ease of movement.

So homeland security, any type of security, is always a balance between the safety of the American public and the safety of the things that we cherish in this country. So thank you very much.

Chairman CARPER. That is a great note to close on.

I gave blood last Friday in a town just north of Dover, in a town called Smyrna, and when I walked in I had to go fill out some paperwork and do a questionnaire. As I was walking in there to actually give blood, I walked by the canteen where people were recovering, not really recovering, but they were having something to eat and something to drink before they let them leave or go out on their own after giving blood.

And this one woman looked at me, not with a smile, but she said to me just very abruptly; she said, get the government out of my life. That is what she said. Get the government out of my life. I said, well, good morning. How are you, ma'am? I started to walk away. I said, well, thank you for that.

I started to walk away, and then I went back, and I said, ma'am, if you had any idea the threats that our Nation faces from within and without on a daily basis, you would probably want the government to be in some ways more involved in your life.

But there is tension here. As you point out, there is a tension between trying to make sure that we are secure but also to make sure that we are protecting our privacy and our civil liberties.

I think some people in our country today believe that all their e-mails are being read and all their phone calls are being listened to. We do not have enough cyber warriors in the National Security Agency (NSA), Homeland Security, or any other place to begin to do that.

And the key for us, again and again and again, is to figure out where the risks are, where do we face the risks, to the best of our ability, and make sure we have the kind of resources to address them. The higher the risk the more the resources, human and otherwise.

Again, being as respectful as we can and ought to be for our civil liberties and our privacy, but to make sure at the same time that we are more secure. Not an easy job. It is a tough job. And it is a shared responsibility for you and your team.

For the Navy, the P3 squadron, in El Salvador, flying drug interdiction, the people on the border, all kinds of folks that are working for our country—shared responsibility.

And we are encouraged that the Department of Homeland Security is in good hands, and we very much look forward to making sure you have your team and making sure that we work together and you have the resources that you need but also making sure that you do not have the resources you do not need.

All right. With that having been said, the hearing record will remain open for 15 days. That is until March 28, at 5 p.m., for the submission of statements and questions for the record.

This has been a good hearing. We are grateful for your presence and your preparation, and we look forward to working with you. Thank you so much.

This hearing is adjourned.

[Whereupon, at 11:57 a.m., the Committee was adjourned.]

A P P E N D I X

**Opening Statement of Chairman Thomas R. Carper
“The Homeland Security Department’s Budget Submission for Fiscal Year 2015”
March 13, 2014**

As prepared for delivery:

My thanks to Secretary Johnson for joining us today. I am pleased that in recent weeks we have been able to help put in place a team of talented people around Secretary Johnson. In fact, last week we scored a hat trick by confirming individuals to three key positions at the Department of Homeland Security (DHS)—Susan Spaulding as the Undersecretary of the National Protection and Programs Directorate, John Roth to be the Inspector General, and Gil Kerlikowski as the Commissioner of Customs and Border Protection.

Providing strong and steady leadership is critically important to the Department and the security of our nation. Providing adequate funding for the Department to carry out its mission is also vitally important – and is a central part of our job here in Congress.

The President’s request for \$38 billion dollars in discretionary funding for the Department makes some very tough choices.

It cuts the Department’s discretionary budget by one billion dollars, or almost three percent below 2014 appropriated levels. Many other Departments, including several without national security missions, did not see these kinds of cuts. In fact, some saw increases.

If you factor in the requested—and much deserved—one percent pay raise for federal employees in this budget, DHS will receive about \$100 million less than it did after sequestration slashed its Fiscal Year 2013 appropriation.

As the Government Accountability Office (GAO) recently reported, the sequestration cuts had a real, and negative, impact on DHS. For example, operations were scaled back at some components and first responder and preparedness grant funding was reduced, resulting in canceled training and hiring freezes across the country.

While some of the impacts of sequestration were immediately visible, many of the negative effects may not be felt for years to come. Some DHS officials have expressed concern that if funding levels were to be reduced further, the Department’s ability to meet mission priorities may be affected, as well as employee morale. The fact that this budget request for DHS is below the sequestration level of funding is, frankly, concerning.

I am concerned that these reduced funding levels will negatively impact the ability of the Department to effectively carry out its mission.

In recent years, we have had a number of incidents that remind us just how important that mission is—the attempted airline bombing on Christmas Day in 2009, the attempted terrorist attacks in Times Square in 2010, the devastation wrought by Hurricane Sandy in 2012, and the tragedy in Boston less than a year ago.

When you factor in the growing cyber threat, and the threat we face from foreign fighters gaining experience in places like Syria and perhaps traveling here to do us harm, it is easy to understand why this budget request raises both concerns and questions from Congress.

That said, we are facing extremely difficult budgetary times and we must be diligent to ensure taxpayer funds are well spent. I've said it before and I'll certainly say it again, all federal agencies and Departments, including DHS, have to shift from a culture of spendthrift to a culture of thrift so we can assure American taxpayers that their hard earned money is being spent responsibly and effectively.

The Secretary seems to have taken this message to heart, identifying \$200 million in cost-savings in the proposed budget. This is good to see.

It is also good to see that this budget proposes much needed funding for cybersecurity. However, I will be carefully examining this proposal to determine whether the funding requested is sufficient to support the Department's efforts to help companies adopt the cybersecurity framework that was recently released by the National Institute of Standards and Technology (NIST).

Of course, resources alone are not going to get the job done. That is why passing bipartisan legislation to compliment the President's cybersecurity Executive Order remains one of my highest priorities this year.

I also welcome the Administration's continued commitment to the security of our nation's borders demonstrated in this budget.

The budget maintains the current record level of staffing for the Border Patrol, and makes targeted investments in force-multipliers—technology such as advanced radars, cameras, and ground sensors—that help those agents work more effectively and efficiently. These efforts will build on the tremendous progress we have made in securing the border over the past decade.

The President's budget request includes proposals to help pay for these smart investments in part by raising the fees that Customs and Border Protection charges for inspecting passengers and goods at our airports and seaports. This new revenue would be used to deploy 2,000 new officers at our ports of entry. Let me say that again, 2,000 new officers at our ports of entry. That would be a positive development for both our economic and national security.

The budget also includes a proposal to raise fees to continue efforts to secure our aviation system against potential attacks. I like to say that, if something is worth having, it's worth paying for, and I support these fee increases.

And I'm not the only Member of Congress who supports these types of fee increases to cover the cost of providing critical government services. Republican Congressman and Budget Committee Chairman Paul Ryan—said this last December, when speaking about authorizing new aviation security fees: "If you use a government service, pay for the government service. If you use airport security, pay for airport security." I couldn't agree more.

If we want more officers expediting travel and trade at our airports, border crossings and seaports, and if we want more secure airplanes—and I think that we do—then we ought to be willing to pay for it, just as Congressman Ryan suggested.

If Congress does not support the requested fee increases, either the Department will have to cut about a billion dollars in funding from a budget that is already stretched thin—or Congress will have to increase the discretionary funding it provides to the Department.

Speaking of smart, strategic investments, I am encouraged to see the increase in funding for the consolidation of the Department's Headquarters at the St. Elizabeths Campus. The funding requested will help move this project along. Completing it is critical to improving the efficiency and effectiveness of operations and management of the Department.

I also welcome the President's request for \$45 million for the modernization of the financial management systems at the Department. This is a key investment to ensure that DHS can sustain its recently obtained clean audit.

With that said, I'm concerned about some of this budget's significant cuts to other key homeland priorities.

For example, I am troubled by the proposed cuts to the homeland security grants that DHS provides to state and local governments. As we saw clearly in the response to the Boston Marathon Bombing and in severe winter storms this year, state and local officials are the ones who will inevitably be on the front lines responding to a terrorist attack or a natural disaster.

While acknowledging that our approach to grant funding distribution must be risk based, I want to ensure that the Department is able to continue to adequately help state and local responders be prepared to respond effectively.

Statement for the Record

The Honorable Jeh Johnson

Secretary

United States Department of Homeland Security

Before the

United States Senate

Committee on Homeland Security & Governmental Affairs

March 13, 2014

Chairman Carper, Ranking Member Coburn, and Members of the Committee:

I begin by thanking this Committee for the strong support you have provided to the Department the past eleven years. I look forward to continuing to work with you in the coming year to protect the homeland and the American people.

I am pleased to appear before the Committee to present President Obama's Fiscal Year (FY) 2015 Budget Request for the Department of Homeland Security (DHS). The FY 2015 Budget request builds on our accomplishments over the past eleven years while providing essential support to national and economic security.

The FY 2015 Budget reflects President Obama's strong commitment to protecting the homeland and the American people. It supports and continues our focus on preserving frontline priorities across the Department by cutting costs, sharing resources across DHS components, and streamlining operations wherever possible. It will ensure our men and women on the frontlines are well trained, equipped, and supported while continuing to maximize Department-wide efficiencies. It will also continue to make responsible investments in personnel, technology and asset recapitalization that are critical to ensuring our future security, while recognizing that difficult fiscal choices must be made.

The basic missions of DHS are and should continue to be preventing terrorism and enhancing security; securing and managing our borders; enforcing and administering our immigration laws; safeguarding and securing cyberspace; and strengthening national preparedness and resilience. The President's FY 2015 Budget request provides the resources necessary to maintain and strengthen our efforts in each of these critical mission areas.

In all, the FY 2015 Budget requests \$60.9 billion in total budget authority, \$49.0 billion in gross discretionary funding and \$38.2 billion in net discretionary funding.

The cornerstone of the Homeland Security mission is protecting our nation against terrorist attacks. Through the efforts of both the Bush and Obama Administrations, we have put al Qaeda's core leadership on a path to strategic defeat. But the terrorist threat has continued to evolve. We must remain vigilant in detecting and preventing terrorist threats that seek to penetrate the homeland from the land, sea or air. We also must continue to build relationships with state and local law enforcement, and the first responders in our communities, to address the threats we face from those who self-radicalize to violence, the so-called "lone wolf" who may be living quietly in our midst, inspired by radical, violent ideology to do harm to Americans—illustrated last year by the Boston Marathon bombing.

The FY 2015 Budget strengthens the Department's antiterrorism efforts. It requests \$3.8 billion for TSA screening operations to continue improving aviation security effectiveness by aligning passenger screening resources based on risk. It also requests more than \$1 billion for FEMA's preparedness grants with particular emphasis on building and sustaining capabilities that address high consequence events that pose the greatest risk to the security and resilience of the United States and can be utilized to address multiple threats and hazards.

Border security is essential to homeland security. Good border security is both a barrier to terrorist threats, drug traffickers, transnational criminal organizations, and other threats to national security and public safety, and a facilitator for legitimate trade and travel. We are gratified by the support Congress has provided to improve security at our borders and ports of entry. With that support, we've made great progress. There is now more manpower, technology and infrastructure on our borders than ever before, and our men and women in and around the border are producing results. But we must remain vigilant.

The FY 2015 Budget builds on this progress by providing \$362.5 million to maintain the necessary infrastructure and technology along the Nation's borders to ensure that law enforcement personnel are supported with effective surveillance technology to improve their ability to detect and interdict illegal activity in a safer environment. The Budget invests \$90 million in technology that will improve remote and mobile video surveillance systems and \$11.7 million to recapitalize non-intrusive inspection equipment. The Budget will allow DHS to complete the hiring of up to 2,000 new Customs and Border Protection officers, which commenced in FY 2014, and an additional 2,000 officers funded by fees in FY 2015, resulting in faster processing and inspections of passengers and cargo at U.S. ports of entry, which is projected to add nearly 66,000 new jobs, add \$4 billion to GDP and result in more seizures of illegal items, such as drugs, guns, and counterfeit goods. The FY 2015 Budget supports the salaries, benefits, and operating costs for 21,370 Border Patrol agents and 25,775 CBP officers.

With respect to removals and immigration enforcement, we must continue to prioritize our resources on those who represent threats to national security, public safety and border security. The FY 2015 Budget will provide \$2.6 billion to support Immigration and Customs Enforcement (ICE) activities to identify, apprehend, and remove aliens from the United States. The FY 2015 Budget also includes \$124.8 million to continue expansion and enhancement of the E-Verify program.

We will continue to streamline and facilitate the legal immigration process while enforcing U.S. immigration laws through the smart and effective use of resources. As I have said many times, we must also take serious steps forward on immigration reform legislation and find common sense solutions to a problem we all know we have. I am committed to working with Congress to achieve that goal.

In addition, we must continue efforts to address the growing cyber threat to the private sector and the ".gov" networks, illustrated by the real, pervasive, and ongoing series of attacks on public and private infrastructure. The FY 2015 Budget includes \$1.27 billion for DHS cybersecurity activities, including \$377.7 million for Network Security Deployment, including the EINSTEIN³ Accelerated (E3A) program, which enables DHS to detect malicious traffic targeting civilian Federal Government networks and prevent malicious traffic from harming those networks. It also includes \$143.5 million for the Continuous Diagnostics and Mitigation program, which provides hardware, software, and services designed to support activities that strengthen the operational security of Federal civilian networks. In support of Executive Order 13636, the Budget will also provide \$8.5 million to establish a voluntary program and an enhanced cybersecurity services capability.

DHS also must be vigilant in preparing for and responding to disasters, including floods, wildfires, tornadoes, hurricanes, and most recently, chemical leaks like the 2014 spill into the Elk River in

West Virginia that threatened the water supply of hundreds of thousands of people. We have come a long way since the days of Hurricane Katrina. We have improved disaster planning with public and private sector partners, non-profit organizations, and the American people. With the help of Congress, we have also improved the Department's emergency response agility through important changes to the structure of the Disaster Relief Fund, which brings immediate help and resources to our communities in their most dire times of need.

Of particular note, the President's FY 2015 Budget funds production of National Security Cutter 8, as part of the recapitalization of the Coast Guard, and requests \$300 million to complete the funding necessary to construct the National Bio- and Agro- Defense Facility, a state-of-the-art bio-containment facility central to the protection of the Nation's food supply and security.

The FY 2015 Budget will provide \$10.2 billion to support disaster resiliency, primarily through the grants programs that are administered by FEMA and the Disaster Relief Fund. Of this total, \$2.2 billion in total grant funding will support state and local government efforts to prevent, protect against, respond to, and recover from incidents of terrorism and other catastrophic events. Also included are Firefighter and Emergency Management Performance Grants that support local first responders in achieving their missions, and \$7 billion in DRF funding to provide immediate and long-lasting assistance to individuals and communities stricken by emergencies and major disasters.

Lastly, the Budget includes the President's Opportunity, Growth, and Security Initiative, which provides a roadmap for additional investments to help secure our nation's future. Specifically, this initiative funds \$300 million for FEMA's reformed, risk-based approach to increase preparedness, mitigation, and emergency response to disasters and other threats in communities across the country. The Opportunity, Growth, and Security Initiative also dedicates significant resources to help our communities prepare for the effects of climate change, including \$400 million to support planning and pilot projects for cities and communities through FEMA hazard mitigation assistance and national preparedness grants, and \$10 million to help the National Protection and Programs Directorate identify critical infrastructure facilities and analyze their ability to remain functional after disasters.

As Secretary of Homeland Security, I am mindful of the environment in which we pursue each of these important missions. The days are over when those of us in national and homeland security can expect more and more to be added each year to our top line budgets. I therefore believe I am obliged to identify and eliminate inefficiencies, waste, and unnecessary duplications of resources across DHS's large and decentralized bureaucracy, while pursuing important missions such as the recapitalization of the aging Coast Guard fleet. Over the past two years, the Department has found innovative ways to reduce cost and leverage efficiencies, reducing DHS-wide expenses by over \$2.7 billion during that period. We also reached a major milestone last year when the Department achieved its first unqualified or "clean" audit opinion on its financial reporting. These are important steps in maturing the Department's management and oversight functions, but there is more to do.

As part of this agenda we are tackling our budget structure and process. DHS currently has 76 appropriations and over 120 projects, programs or activities, and there are significant structural inconsistencies across components, making mission based budget planning and budget execution analysis difficult. We are making changes to our budget process to better focus our efforts on a

mission and cross-component view. I, along with the Deputy Secretary, am personally engaged to provide the necessary leadership and direction to this process. I look forward to further discussing these ideas and strategies with this Committee as we develop ways to refine our planning process and appropriation account structure in order to improve how the Department resources its missions.

As part of a management reform agenda, I am also doing a top to bottom review our of acquisition governance process – from how we develop our strategies, to the development of our requirements, to how we sustain our platforms, equipment and people and everything in between. Part of this will include the thoughtful, but necessary, consolidation of functions to provide the Department with the proper oversight, management and responsibilities to carry out this task. This will allow DHS to more fully ensure the solutions we pursue are responsive to our strategy, technologically mature, and cost effective. I look forward to sharing our ideas and strategies with this Committee as we move forward in this area.

In closing, the Department's FY 2015 Budget request recognizes our current fiscal realities and works within them. It is a responsible plan that will strengthen our Nation's security while allowing the Department to continue to achieve its core objectives. I thank the Committee for inviting me to appear today. In the pursuit of our important mission, I pledge to this Committee my total dedication and all the energy I possess. I look forward to working with you to meet our shared priorities.

**Post-Hearing Questions for the Record
Submitted to The Honorable Jeh Johnson
From Chairman Thomas R. Carper**

“The Homeland Security Department’s Budget Submission for Fiscal Year 2015”

March 13, 2014

Question#:	8
Topic:	review
Hearing:	The Homeland Security Department’s Budget Submission for Fiscal Year 2015
Primary:	The Honorable Thomas R. Carper
Committee:	HOMELAND SECURITY (SENATE)

Question: In your opening statement you report that you have initiated a top-to-bottom review of the governance process for the Department’s acquisitions. When do you expect to complete that review? Will you consult with GAO to get their views on specific initiatives or policies that you should look at as part of your review? Is the proposed reduction in the Acquisition Professional Career Program (APCP) program fully aligned with and supported by the ongoing review? If this budget proposal was enacted would you be able to sustain the Acquisition Career Intern Program to ensure a future supply of qualified acquisition specialists?

Response: I have tasked my Chief of Staff to conduct an assessment of all phases of the Department’s planning, programming, budget, and investment processes, including governance. An area in need of attention occurs early in this cycle – the development of requirements. We intend to address this shortfall, while concurrently strengthening already existing process elements.

My staff has assembled a dedicated team of DHS employees to focus on this review. The team will consult with a variety of leaders from within the Department and other federal agencies, as well as former DHS officials who can provide some historical context.

The Deputy Secretary also meets regularly with the Comptroller General and GAO’s senior staff to discuss the status of several ongoing efforts to strengthen DHS management.

With regard to the Acquisition Professional Career Program (APCP) program, administered by the Office of the Chief Procurement Officer, the proposed 36% reduction in the number of interns aligns with the ongoing review and recognizes the fiscal realities facing the Department. While the proposed number of “new” interns is lower than past years, it will allow us to sustain the APCP program and provide a sufficient number of qualified acquisition specialists in future years.

Question#:	9
Topic:	cost analysis
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Thomas R. Carper
Committee:	HOMELAND SECURITY (SENATE)

Question: What is DHS doing to improve cost analysis, and to strengthen the oversight over major acquisitions, so that we see better results and fewer cost increases in major programs? How many cost analysts are supported in the FY15 budget request? How many are currently employed by DHS?

Response: To ensure program managers are executing within cost and schedule parameters, every program is required to have an approved Acquisition Program Baseline which includes a Life Cycle Cost Estimate (LCCE). The LCCE documents the program's critical cost parameters in measureable, quantitative terms.

In an effort to contain and prevent cost growth in our major acquisition programs, DHS is institutionalizing cost estimating across the Department by embedding experienced, certified cost estimators in Operational Components. The Department has 28 federal cost estimators; 13 are located in the Management Directorate, and 15 are employed by DHS Components. These cost estimators provide consistent application of the best practices and establish cost estimating standard operating procedures at the Component level.

The FY 2015 budget includes base funding for these existing staff.

Question#:	10
Topic:	ports of entry
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Thomas R. Carper
Committee:	HOMELAND SECURITY (SENATE)

Question: The Administration continues to support our ports of entry, and is requesting funding for 2,000 additional officers to process travelers and goods. The fees that are requested to fund the additional 2,000 CBPOs have remained basically flat since they were created in the 1980s, and no longer fully fund the services they were originally intended to cover. How important is it to DHS, and to our economy, that we increase staffing at our ports of entry?

Response: One of our Fiscal Year (FY) 2015 operational and budget priorities is to strengthen and optimize resources at our Nation's ports of entry to secure and facilitate increasing volumes of travel and trade. We appreciate the Congress' support and providing funding for an additional 2,000 U.S. Customs and Border Protection Officers (CBPO) funded in the Consolidated Appropriations Act of 2014. CBP continues to maximize resources to support economic growth by automating processes, employing mobile technology and self-service kiosks, and exploring public-private partnerships. While recognizing the success in business process improvements and an increase in CBPOs, the FY 2014 CBPO Workload Staffing Model results show a need for additional officers. The President's FY 2015 budget request addresses the need for an additional 2,000 CBPOs through a combination of increases to user fee rates and adjustments to fee accounts.

Effective operation of our ports of entry is essential to our economy and American jobs. Border and economic security go hand in hand. CBP officers play a vital role identifying and intercepting threats, while efficiently processing the lawful trade and travel that are critical to our economic growth and the addition of American jobs.

Since 2009, we have seen growth in both trade and travel. Total passenger volume in FY 2013 was 6.4 percent higher than in FY 2011, and non-immigrant arrivals during the same time period increased by nearly 9 percent. Every year, more than \$2 trillion dollars' worth of goods come through our ports of entry. Total import value in FY 2013 was nearly 40 percent higher than FY 2011 – and we expect these trends to continue.

In April 2013, the National Center for Risk and Economic Analysis of Terrorism Events (CREATE) estimated the impact on the U.S. economy of changes in wait times due to staffing adjustments to primary inspectional processing at 33 major ports of entry. The report measures changes in tourist and business travel expenditures and changes in freight costs. The changes are then measured as they translate into ripple, or multiplier, effects in port regions and the overall U.S. economy. The report ultimately determines the

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resultant economic impact on three main components: Gross Domestic Product (GDP), time value opportunity costs, and jobs (at both the regional and national levels). The study indicates the addition of one officer at 33 key crossings could have the following impact on the U.S. economy as a whole: \$65.8 million increase in GDP, \$21.2 million in opportunity cost savings and 1,094 annual jobs added. You can find the entire report at <http://create.usc.edu/CBP%20Final%20Report.pdf>.

The 2,000 CBPOs funded in FY 2014 and the proposed 2,000 CBPOs in the FY 2015 budget request will help address our current challenges and support CBP's increasing workload through FY 2015. CBP will continue to allocate all of our resources as effectively as possible, recognizing that there are resource needs in all environments – air, land, and sea – to address all modes of transportation.

We look forward to continuing to work with Congress and our stakeholders to implement additional investments that will allow us to support growing volumes of trade and travel that are vital to our economic prosperity.

Question#:	11
Topic:	Improvised explosive devices (IEDs)
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Thomas R. Carper
Committee:	HOMELAND SECURITY (SENATE)

Question: This Administration, through Presidential Policy Directive 17, has placed a high priority on countering Improvised explosive devices (IEDs). At the one year anniversary of the tragic Boston bombings, and given the high level of concern placed on the IED threat by state and local governments (2012 data from the Threat and Hazard Identification and Risk Assessment, nearly 90% of UASIs and 70% of states indicated that improvised explosives devices (IEDs) were of serious concern), why are DHS and the National Protection and Programs Directorate proposing cutting the Office for Bombing Prevention's budget by 20%?

Response: NPPD is realigning resources within the Infrastructure Analysis and Planning Program Project Activity to support priorities related to implementation of Presidential Policy Directive 21: Critical Infrastructure Security and Resilience and Executive Order 13636, Improving Critical Infrastructure Cybersecurity. The constrained fiscal environment is forcing difficult choices based on careful review and prioritization of work across multiple policy areas.

Question: Will DHS be able to meet its responsibilities under PPD-17 for FY15 with the proposed reductions?

Response: The Joint Program Office for Countering Improvised Explosive Devices (JPO C-IED) is the Federal coordination point for the programmatic coordination of counter-IED efforts across the U.S. Government. The Office for Bombing Prevention (OBP) is a critical link in the Department of Homeland Security (DHS) and USG-wide schema for counter-IED partnership and collaboration, with the Chief of the Office for Bombing Prevention—who is also designated as the Deputy Administrator of the JPO C-IED—leading coordination of counter-IED efforts across DHS. DHS has a lead or supporting role in 88 percent of the PPD-17 tasks and actions, with OBP playing a critical role in both directly executing and coordinating support to PPD-17 strategic objectives.

The constrained fiscal environment is forcing difficult choices based on careful review and prioritization of work across multiple policy areas. Some activities will be slowed, deferred, or reduced from prior fiscal year levels, including the number of assessments of state, local, tribal, and territorial counter-IED capabilities, the number of Multi-Jurisdiction IED Security Planning events, and counter-IED training events and initiatives. DHS will continue to build efficiencies in program capabilities and work with the Joint Program Office to better align counter-IED resources across the federal government.

Question#:	12
Topic:	NPGP
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Thomas R. Carper
Committee:	HOMELAND SECURITY (SENATE)

Question: The President's budget proposes to reform the homeland security grants, eliminating all of the Department's terrorism-related grants and replacing them with a single, all-hazards "National Preparedness Grant Program" (NPGP). Funds that now must be used to enhance terrorism preparedness could instead be used to prepare for routine natural disasters where there is no nexus to terrorism at all. Why is the administration proposing making the grants all-hazards? Does the administration believe that the threat of terrorism is lower (and natural hazards are higher) than when the grant programs were established?

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

The primary purpose of proposed National Preparedness Grant Program is to build and sustain core capabilities associated with the five mission areas described in the National Preparedness Goal: prevention, protection, mitigation, response and recovery. Particular emphasis will be placed on capabilities that address high consequence events that pose the greatest risk to the security and resilience of the United States and along its borders and can be utilized to address multiple threats and hazards.

Priorities will vary by region according to the core capabilities and targets set in the Threat and Hazard Identification and Risk Assessment. The prioritization of deployable national capabilities will be based on the FEMA Regional Threat and Hazard Identification and Risk Assessments, an analysis of State Preparedness Reports, aggregated by region, and an analysis of the various sources informing the National Preparedness Report.

All National Preparedness Grant Program awards will continue to be informed by an assessment of the jurisdiction's risk from terrorism. FEMA will base funding allocation decisions on that risk and will emphasize the need to use grant funding to sustain or build the core capabilities identified in the National Preparedness Goal. A competitive allocation will be introduced to focus on areas of greatest need identified in the National Preparedness Report and through a comprehensive threat/risk assessment and gap analysis.

Question#:	12
Topic:	NPGP
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Thomas R. Carper
Committee:	HOMELAND SECURITY (SENATE)

The current authorization for grant programs such as the State Homeland Security Program and the Urban Area Security Initiative allows for the use of multi-purpose funds that enhance preparedness for disasters unrelated to acts of terrorism as long as the funds also support capabilities related to acts of terrorism. The proposed National Preparedness Grant Program would continue this practice.

Question#:	13
Topic:	homeland security grants
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Thomas R. Carper
Committee:	HOMELAND SECURITY (SENATE)

Question: The homeland security grants have played an important role in building and maintaining state and local capabilities—contributing to improved planning and equipment. Over the past few years, we've seen dramatic cuts to the homeland security grant programs. Funding in several years was over \$4 billion. This year, the budget proposes further cuts to the grants, reducing them by 12 percent from \$2.5 billion last year to \$2.2 billion. What is the justification for further cutting homeland security grant funding this year? With these continued reductions, are we at risk of setting back the gains that state and local governments have made?

Response: FEMA has been supporting state, territorial, local, and tribal efforts across the homeland security enterprise to build capabilities for the past ten years, awarding more than \$37 billion in funding.

As we look ahead, in order to address evolving threats and optimize resources for state and local grant programs, the Administration is re-proposing a new structure for the preparedness grants portfolio to help create a robust national preparedness capacity based on cross-jurisdictional and readily deployable state, territory and local assets. The proposed National Preparedness Grant Program would work to build and sustain core capabilities in the National Preparedness Goal, recognizing that a secure and resilient Nation is one with the capabilities required, across the whole community, to prevent, protect against, mitigate, respond to, and recover from the threats and hazards that pose the greatest risk.

FEMA's FY 2015 preparedness grants budget request would continue to provide a high level of needed resources to the state and local first responder community. The proposed National Preparedness Grant Program would be focused on building and sustaining core capabilities that address high consequence events, and prioritizes those capabilities that lead to risk-reduction efforts.

Question#:	14
Topic:	NPGP 2
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Thomas R. Carper
Committee:	HOMELAND SECURITY (SENATE)

Question: Transportation systems and cargo ports present attractive targets for terrorists. However, the administration's NPGP proposal would eliminate dedicated grant funding for transit and port security. Do you believe that without these dedicated programs, that states and localities will allocate their increasingly limited dollars to transit and port security efforts? What will the Department do to ensure that adequate funding goes to transit and port security efforts?

Response: The National Preparedness Grant Program consolidates several grant programs, including the Transit Security Grant Program and the Port Security Grant Program, eliminating direct funding for port areas and transit agencies. Funds would be awarded to State Administrative Agencies; however 80 percent of all funds must be obligated to "local units of government." The expanded definition of "local unit of government" combines all of the current eligible applicants from the various preparedness programs into one overarching local eligibility. The change is meant to ensure that more entities qualify for the required 80 percent local share of funding. The new definition of "local unit of government" ensures that all transit and port areas are eligible for the local pass-through. The expanded definition is meant to be more inclusive of areas that may have increased risks and capability gaps, and are therefore in need of homeland security resources.

Grantees would submit one coordinated statewide/territory-wide application to include urban areas, ports and transit systems. Mandatory engagement and concurrence from urban areas, port and transit authorities in state/territory-generated Threat and Hazard Identification and Risk Assessments and investment justifications would be required. The FY 2015 National Preparedness Grant Program will also allow for transit agencies, ports and urban areas to include their own individual applications along with the state/territory application.

Question#:	15
Topic:	research and development
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Thomas R. Carper
Committee:	HOMELAND SECURITY (SENATE)

Question: In the budget request for the Science and Technology Directorate the “Research, Development and Innovation” funding was cut by about \$28 million. How might this cut to research and development impact the near-term and mid-term needs of DHS components for new operational capabilities and improved operational effectiveness and efficiency? What kind of decision-making process is used for determining a prioritization of projects when dealing with such cuts?

Response: In the current restrained fiscal environment, several difficult tradeoffs had to be made. The decision to reduce the Research, Development, and Innovation funding by \$28 million required program levels to be adjusted. S&T retains its specific mission area focuses, but the funding reduction affects the organization’s ability to continue fulfilling some near and mid-term needs of DHS Components. Examples of reductions include the following specific project areas:

- Next generation screening technology has the potential to greatly improve travelers’ screening experience. To continue work on the next generation of screening, S&T redirected some funding away from projects geared toward improving detection capability of existing screening technologies.
- Mass Transit Screening will receive slightly less funding for technologies to screen for threats such as explosives in mass transit or mass gathering settings, but S&T hopes to leverage its aviation security research to secure mass transit.

S&T’s leadership takes advantage of several internal processes to inform budget decisions and maintain strategic alignment to our DHS and Homeland Security Enterprise partners. One critical ingredient is input from S&T’s operational partners. The Science and Technology Resource Allocation Strategy (STRAS) process provides a coordinated framework for interaction with DHS Components and first responders. STRAS captures ongoing work with DHS Components and the first responder community, identifies where capability gaps exist, and plots a course to fill these shortfalls. STRAS and two-way communication with operational partners help the organization prioritize capability gaps and the respective R&D projects addressing those gaps.

By providing S&T leadership context for the organization’s projects, S&T’s annual portfolio review and technology roadmaps are also tools for prioritizing S&T’s investments. The portfolio review process helps S&T leadership ensure that projects reflect organizational strategic priorities such as high return on investment, meaningful impact, and accelerated transition to use. When completed, S&T’s technology roadmaps

Question#:	15
Topic:	research and development
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Thomas R. Carper
Committee:	HOMELAND SECURITY (SENATE)

will link all of S&T's activities in a coherent bigger picture to ensure coordination across the Directorate toward operational outcomes. When making funding decisions and prioritizing projects or program areas, both annual portfolio review results and S&T's technology roadmaps provide S&T leadership with the context necessary make informed decisions.

Question#:	16
Topic:	Centers of Excellence
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Thomas R. Carper
Committee:	HOMELAND SECURITY (SENATE)

Question: The budget proposes a 22% reduction for the University Centers of Excellence, which I understand may lead to the closure of one or two of the nine current centers. Please describe your process in evaluating these Centers of Excellence and the potential impact of having to end the work of one or more of the Centers?

Response: The \$8.7 million budget reduction to University Programs in FY 2015 will require S&T to reduce the number of Centers of Excellence (COEs) by up to three COEs. At the President's Budget request level of \$31 million, reducing the COEs would be necessary to keep the remaining 7 or 8 COEs operating at a fully functional level.

S&T has shifted to a rigorous biennial review process to evaluate the performance of each COE, replacing the current mid-term (3rd year) reviews. The biennial review process will provide timely performance-based information to DHS to inform re-allocation of COE resources. To continue, COE projects will have to show notable progress and have end users integrated into the research. The biennial reviews also will identify promising experimental projects to receive re-allocated funds.

The review is conducted by a panel made up of subject matter experts (SME) from academia, DHS, and other Federal, state, and local agencies. In addition, each COE also holds an annual meeting or performance review. S&T has established a Federal Coordinating Committee (FCC) for each COE, comprised of federal staff SMEs, who advise the program manager on the COE's direction. The FCC members generally attend the COEs' annual performance reviews.

Even with the reduction, S&T will establish a new COE as directed by the FY 2014 Appropriations Act. The intent would be to fund it for three years with the possibility of an extension, subject to availability of funds.

Question#:	41
Topic:	TSA activity I
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Thomas R. Carper
Committee:	HOMELAND SECURITY (SENATE)

Question: Question: What would be the effect on DHS if Congress fails to authorize the \$615 million in aviation security fees requested as part of the Department's budget? If the request is not successful in Congress, how will DHS address this funding shortfall to maintain the current level of TSA activity? Are there steps in fiscal year 2014 that TSA needs to be taking to minimize the impact should Congress not authorize the requested increases to the TSA fees?

Response: A reduction of that magnitude would have to be accommodated across the Department. The proposed reinstatement of the Aviation Security Infrastructure Fee and increase in the Aviation Security Passenger Fee is intended to reflect a better alignment of costs to the direct beneficiaries of aviation security. However, the provision of aviation security is not a fee-for-service program, and it was not the intent of the fee proposal to imply that the funding requirements of the Transportation Security Administration's (TSA) programs would be reduced absent the proposed fee changes. This is especially true given the efficiencies and program savings already included in the request for the TSA.

**Post-Hearing Questions for the Record
Submitted to The Honorable Jeh Johnson
From Senator Claire McCaskill**

“The Homeland Security Department’s Budget Submission for Fiscal Year 2015”

March 13, 2014

Question#:	35
Topic:	expensive acquisitions programs
Hearing:	The Homeland Security Department’s Budget Submission for Fiscal Year 2015
Primary:	The Honorable Claire McCaskill
Committee:	HOMELAND SECURITY (SENATE)

Question: A May 9, 2013 memorandum from Rafael Borrás, Undersecretary of Management, Chief Acquisition Officer, Department of Homeland Security (DHS) to Component Acquisition Executives waived fundamental documentation requirements were for 42 of DHS’s most expensive acquisitions programs. These are basic documents like Mission Needs Statements and Acquisition Program Baselines that are critical to understanding the lifecycle costs of every program. Without them you cannot possibly have realistic estimates for how much these programs cost and, even worse, you can’t hold the contractors accountable at all.

The excuse that has been made is that these programs are all in the sustainment phase so going back and retroactively writing up these documents is unnecessary. But more than half of the cost of a program can be spent in an acquisitions sustainment phase. The other excuse my staff has heard is that many of these programs began before DHS existed. But that also makes no sense to me. Even when CBP or ICE or FEMA was not a part of DHS, these documents were still critical to allowing an acquisition program to move forward.

Will you commit to revisiting this decision?

If you determine not to revisit this decision, will you commit to briefing my staff on an oversight plan for these 42 acquisition programs?

Response: As part of a management reform agenda, I am also doing a top to bottom review of our acquisition governance process – from how we develop our strategies, to the development of our requirements, to how we sustain our platforms, equipment and people and everything in between. During my review, I will revisit the decision to waive acquisition documentation.

Question#:	36
Topic:	contractors
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Claire McCaskill
Committee:	HOMELAND SECURITY (SENATE)

Question: At a 2012 hearing held by my subcommittee, Debra Tomchek, the Executive Director of the Balanced Workforce Program Management Office at DHS reported that DHS had saved \$28 million to date by converting 2,600 jobs from contractors to federal civilians.

Please provide an update on this effort.

Response: Since the 2012 hearing, the Department has transitioned its Balanced Workforce activities from a new-start program office into a sustainment phase, and DHS's activities over the past year provide evidence to the Department's adoption of the Balanced Workforce Strategy. DHS released more robust reporting guidance in May 2013, which has proven helpful to the Components in their data gathering efforts and will be effective in preparing them for future insourcing data calls. Along with updated data reporting guidance, the Department launched the Balanced Workforce Assessment Tool (BWAT) in September 2013 and mandated department-wide use effective February 1, 2014. A key feature of the BWAT is an increased focus on data management through a continuous monitoring section that captures contracting activities and final sourcing decisions (federal and/or contractor). In FY 2015, after a full year of use, the BWAT should have enough activity and information to provide reliable and consistent departmental monitoring of Component insourcing activities.

Question#:	37
Topic:	SES
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Claire McCaskill
Committee:	HOMELAND SECURITY (SENATE)

Question: The SES was meant to be a corps of leaders who would periodically move within and across agencies and sectors to gain an enterprise-wide perspective and provide strategic management expertise across the various agencies. The intention of creating the SES was to build a more capable and cohesive leadership senior management with, according to the SES website, "shared values, a broad perspective of government, and solid executive skills."

What percentage of SES employees at DHS have worked for more than 1 DHS component in their career?

Response: While it would be difficult to determine the percentage of employees who have worked in different components or legacy agencies throughout his or her career, we can provide recent data. To ascertain this information, however, would require a data call. Just over nine percent of DHS's Senior Executive Service (SES) and Transportation Security Executive Service (TSES) members have worked in more than one DHS Component between calendar year 2010 and the first quarter of calendar year 2014. See the table below.

	Current Population of SES/TSES	Number of SES/TSES Members Who Have Worked in More than One Component	Percent of SES/TSES Members Who Have Worked in More than One Component
SES	593	64	10.8%
TSES	143	5	3.5%
Total SES/TSES	736	69	9.4%

Question#:	38
Topic:	S&T
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Claire McCaskill
Committee:	HOMELAND SECURITY (SENATE)

Question: The DHS Science and Technology Directorate (S&T) serves several purposes, but with little actual authority over other DHS components, it struggles to fulfil its mission. It is supposed to be managing nearly all of DHS's research and development work. S&T, DNDO and the Coast Guard are the only components that are supposed to be doing R&D work for DHS. Yet GAO found that the other components continue to do as much as \$255 million of R&D activities on their own. Its operational test and evaluation efforts have been ignored. Its research and development is small-bore and probably something the components or even the private sector could be doing. In fact, at a recent staff briefing, S&T admitted that they are cutting one of their research projects because they discovered that commercial technology had outpaced their own development. The point of federal research and development should be to do work that the private sector cannot or will not.

What is your vision for the S&T Directorate?

How can S&T better add value to the homeland security enterprise?

If other DHS components continue to do their own research and development work, and little or no long-horizon research and development is being done, what is the purpose of continuing to fund S&T?

Response: The Science and Technology Directorate (S&T) serves as the Department's scientific, technical, and analytical core. S&T helps DHS and Homeland Security Enterprise (HSE) operators navigate a global R&D landscape that includes the interagency, academia, industry, and international partners. S&T is responsible for research and early-stage development that is essential to fulfilling the Department's missions and addressing emerging challenges and opportunities in the most effective, most efficient, and safest manner.

In response to the GAO report "Oversight and Coordination of Research and Development Should Be Strengthened," (GAO-12-837 September 2012) S&T developed a departmental definition for R&D that is in the final stages of departmental approval. The purpose of the definition is to provide a common understanding for R&D. In general, the only elements of the Department that would likely conduct basic and applied research would be S&T, the Domestic Nuclear Detection Office (DNDO), and the U.S. Coast Guard. Many elements within DHS, including operational Components and often with support from S&T, are likely to conduct later-stage development activities, which

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include validation and demonstration of a chosen technology in laboratory, representative, and operational environments; improvement of research prototypes; integration into systems and subsystems; addressing manufacturing, producibility, and sustainability needs; and independent operational test and evaluation. Many of these efforts are inextricably tied to acquisition, which is within the purview of the Components. This is reasonable practice, and consolidation of all of this activity under the S&T umbrella would not be possible given the link between late-stage development and acquisition.

S&T's work is tethered to operators through its value added proposition—the idea that S&T's work is operationally focused; highly innovative; and based on building partnerships between operators, scientists, and engineers across the dynamic R&D landscape. S&T's operational focus ensures that considerations of transition to use and mission impact are ingrained in R&D efforts across DHS. Strong relationships with operators throughout DHS and the HSE accelerate S&T's delivery of solutions by tying projects directly to real-world capability gaps, mandating alignment of projects to mission needs across project lifecycles, and ensuring that final products deliver a strong return on investment.

One key to building capabilities is leveraging existing work by other R&D organizations through interagency and academic collaboration and outreach to the private sector. Given the considerable body of existing research in S&T's investment areas, it has selected a strategy of partnering with other R&D organizations and focusing on developmental efforts that adapt existing research to solve homeland security operational issues. This strategy ensures prudent and efficient use of taxpayer dollars, prevents duplication of R&D, and enables S&T to deliver technical solutions faster to the Department and HSE. S&T also leverages its unique perspective working across mission areas and Components to help DHS identify crosscutting issues and make the most of opportunities to consolidate investments.

S&T uses an approach that allows it to support—in collaboration with DHS Components and the HSE—important near-term operational requirements while still looking to the future. There is a natural and sometimes necessary temptation to resource incremental operational capabilities ahead of higher-risk, longer-term investments that are potentially much more innovative and beneficial. Moving forward, S&T recognizes the delicate balance between satisfying near-term requirements and keeping longer-term perspective and will continue to work with DHS and HSE partners to invest appropriately.

Question#:	39
Topic:	medical countermeasures
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Claire McCaskill
Committee:	HOMELAND SECURITY (SENATE)

Question: My staff recently learned that DHS maintains their own stockpile of medical countermeasures separate from the national stockpile. This seems incredibly duplicative. It is also my understanding that the DHS stockpile includes different medical countermeasures than the one reserved for state and local first responders and the general population.

What is the reason for having two separate stockpiles?
 What is the procurement process for the DHS stockpile?
 Who determines what countermeasures to buy and in what quantities?
 What are these determinations based on?

Response: The Department of Homeland Security (DHS) workforce is on the front lines of national security, with mission essential personnel who work throughout the United States and internationally. The DHS Medical Countermeasures (MCM) Program was developed to both protect the DHS workforce, critical contractors and those in its care and custody, and to build organizational resilience in the event of an incident.

The President recognized the importance of mission essential government personnel having a separate method to access MCM in 2009. Section 4(a) of the Presidential Executive Order (EO) 13527 states that: "Continuity of Operations. (a) The Federal Government must establish mechanisms for the provision of medical countermeasures to personnel performing mission-essential functions to ensure that mission-essential functions of Federal agencies continue to be performed following a biological attack." Due to the nature of the DHS mission, a significant portion of our workforce performs mission essential functions, and others could be exposed during daily activities. DHS values the lives and safety of all employees regardless of whether or not they are deemed to be mission-essential. For that reason, the DHS Office of Health Affairs (OHA) purchased MCM sufficient to cover the entire DHS federal workforce, working animals, critical contractors, and those in DHS care and custody. DHS is also working with the Centers for Disease Control and Prevention (CDC) on new guidance for federal stockpiling. When CDC releases the guidance, DHS will reevaluate its personnel coverage needs.

OHA has an interagency agreement with the Department of Health and Human Services Program Support Center for procuring MCM. OHA determines which MCM to buy based on recommendations from the CDC. All medications in the DHS stockpile are also included in the Strategic National Stockpile (SNS) formulary.

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Should an aerosolized biological incident occur that requires massive and rapid dispensing of antibiotics in a certain area of the country, the DHS workforce in the affected part of the country will be protected as Components will stand up Points of Dispensing (PODs) to rapidly dispense MCM if appropriate. This takes some burden off of the community Strategic National Stockpile, will allow for DHS critical functions to continue during an event, and enables the DHS workforce to support the Federal, State, Local, Territorial and Tribal crisis response.

Furthermore, MCM in the DHS stockpile can be used for post-exposure prophylaxis. MCM used as post-exposure prophylaxis can protect a DHS employee from getting sick after a known exposure to an infected individual. Currently, the CDC policy is to use MCM in the SNS for treatment of disease, not post-exposure prophylaxis. The MCM in the DHS stockpile, which is the same MCM contained in the SNS, can be used for both purposes. For example, if a Border Patrol agent processes a detainee who is later found to have a pandemic influenza illness, if local antiviral resources are scarce, MCM from the DHS stockpile can be used for post-exposure prophylaxis, helping protect that Border Patrol agent from becoming ill.

Question#:	40
Topic:	agency witnesses
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Claire McCaskill
Committee:	HOMELAND SECURITY (SENATE)

Question: The Subcommittee on Financial and Contracting Oversight, which I chair, conducts oversight and investigations of federal spending through contracts and grants. As you know, according to USA Spending, DHS spent more than \$350 billion through contracts and grants last year. At many agencies, federal contractors sit side by side with federal employees performing similar work. Given the magnitude of spending and the importance of the work performed by federal contractors and grantees, I was surprised to learn that many federal agencies refuse to permit agency witnesses to appear before Congress on the same panel of witnesses as a contractor or grantee. Although there may be legitimate reasons not to do so in certain circumstances, the blanket refusal to allow a federal official and an individual who is being paid by the federal agency the official represents to sit together at a hearing makes it more difficult to conduct efficient and effective oversight. In addition, I believe that this policy no longer accurately reflects the way the federal government does business.

Absent extenuating circumstances, will you agree to make DHS officials who are not Presidentially-appointed or Senate-confirmed available to testify on the same panel as individuals who receive federal contracts or grants at hearings on the management and oversight of federal spending? If not, please explain why not?

Response: In the proper circumstances, there may not be an absolute prohibition against contractor testimony before Congress. However, it would be improper for a contractor employee who provides work for an agency to testify on *behalf* of the agency.

Allowing a contractor employee to testify as if he or she was a government employee would mean that that contractor employee would be assuming inherently governmental functions. Contractors provide valuable information and assistance to agency officials and the officials may take the information and assistance into account when reaching a decision. However, it is exclusively up to responsible agency officials to reach the decisions and speak on behalf of the agency regarding the decisions and actions executed by the agency.

In point of fact, the Federal Acquisition Regulation 7.5 contains a list of inherently governmental functions that a contractor may *not* perform. (Note: the list is not all inclusive.) Drafting congressional testimony is among the functions they cannot perform. If drafting congressional testimony is prohibited, it is less likely that providing actual testimony on behalf of the agency is appropriate.

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Further, grantees would never have occasion to be knowledgeable on management and oversight of federal spending. This is because grantees do not perform work on behalf of an agency. A grant or cooperative agreement is executed to advance a particular area of interest. This type of transaction may never be used to obtain supplies or services for use of the Federal Government.

**Post-Hearing Questions for the Record
Submitted to The Honorable Jeh Johnson
From Senator Heidi Heitkamp**

“The Homeland Security Department’s Budget Submission for Fiscal Year 2015”

March 13, 2014

Question#:	31
Topic:	training I
Hearing:	The Homeland Security Department’s Budget Submission for Fiscal Year 2015
Primary:	The Honorable Heidi Heitkamp
Committee:	HOMELAND SECURITY (SENATE)

Question: The recent train derailment in Casselton, ND, among other events across the United States has highlighted an increased need to examine the challenges posed to first responders by the transportation of hazardous materials. Given the dramatic increase in the transportation of a wide range of hazardous substances, preparedness, training and transparency is critical for first responders. Integration of emerging threats into emergency response planning and opportunities for critical data to be shared during the planning process is a growing concern for the State of North Dakota. Not only North Dakota, but all the small and large communities across the rail transportation corridors are affected given the exponential increase in the shipments of crude oil by rail in the past 5 years.

The President’s budget proposal for FY15, under FEMA’s State and Local Programs Education, Training and Exercises, is proposing a \$131,385,000 decrease in funding. Can you explain the justification for the decrease in this item within the President’s proposal?

Response: The net decrease from the FY 2014 enacted appropriation to the FY15 President’s Budget is \$71,385,000. The FY 2015 President’s Budget provides \$162,269,000 for education, training and exercises. This amount includes \$102,269,000 for the Education, Training and Exercises Program, Project and Activity (PPA) under the State and Local Programs appropriation. Additionally, this budget proposal includes \$60,000,000 for a Training Partnership Grants Program which funds the consolidated National Domestic Preparedness Consortium and the Continuing Training Grants programs. Collectively, these amounts represent a decrease of \$71,385,000.

There are two reasons for the reduction. First, many States are assuming increased responsibility for training the awareness, refresher, and sustainment levels that will allow our institutional partners to focus resources on the more advanced, specialized training consistent with their expertise. Second, as part of the grant consolidation proposal, the

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Topic:	training 1
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President's FY 2015 budget realizes savings by maximizing training and education efficiencies and building on proven successful training models that target identified capability needs while reducing overall program costs.

Under the proposed Training Partnership Grants, funding will be awarded competitively to entities (e.g., State, local, tribal, and territorial governments; universities and higher education institutions; and nonprofits) that have demonstrable expertise and can develop/deliver training and education curriculum relevant to the core capabilities in the National Preparedness Goal. Recipients of previous training grant programs, including the National Domestic Preparedness Consortium and the Continuing Training Grants, will be eligible to compete for the Training Partnership Grants. Facility-based training and education centers will be awarded multi-year grants in order to ensure year-to-year stability in the delivery of training and education. Training costs will be reimbursable (i.e., Federal, State, local jurisdictions will utilize their respective program or grant funding to attend the training).

Question#:	32
Topic:	training 2
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Heidi Heitkamp
Committee:	HOMELAND SECURITY (SENATE)

Question: The FY14 Omnibus appropriations bill provided \$98 million to the National Domestic Preparedness Consortium (NDPC), which included a \$5 million increase over the FY13 level. Will recent train derailments and the exponential increase in the threat of incidents related to hazardous materials via rail transport inform the spending of these additional FY14 funds and future planning for training based on these emerging threats? How are decisions regarding NDPC funds made? What action does FEMA plan for these funds?

Response: FEMA is committed to providing the most comprehensive, up-to-date training to prepare the nation's first responders for all emergent disasters. FEMA also shares the concern of the risk posed by the transportation of hazardous materials, and is committed to providing the training to the first responders to prepare them to respond to such a disastrous scenario. To meet such a challenge, FEMA has 290 instructor-led, and 14 web-based training programs that educate state, territorial, local and tribal emergency management and response professionals on HazMat response operations, incident management and planning, healthcare, public health, environmental health, and emergency medical response to mass casualty incidents. FEMA's all-hazards HazMat training has been delivered to more than 725,000 emergency management and response professionals from all 50 states, the 6 territories, and the District of Columbia. An additional six million students have taken web-based training through FEMA's Independent Study programs. As part of this effort, FEMA funds the Security and Emergency Response Training Center, through the Transportation Technology Center, Inc., as a member of the National Preparedness Domestic Consortium. The Transportation Technology Center, Inc. provides training for first responders on extensive, hands-on, realistic training to help them be better prepared for HazMat incidents for surface transportation.

The Consolidated Appropriations Act, 2014, provided a total of \$233,654,000 for Education, Training and Exercises Program/Project/Activity under the State and Local Programs appropriation. The Fiscal Year 2014 Omnibus budget for education, training, and exercises included \$64,991,000 for the Center for Domestic Preparedness, \$20,569,000 for the Emergency Management Institute, \$21,094,000 for the National Exercise Division, \$98,000,000 for the National Domestic Preparedness Consortium, and \$29,000,000 for the Continuing Training Grants, for a total of \$233,654,000.

Funding for the individual members of the National Domestic Preparedness Consortium is based upon an analysis of the training needs of first responders. FEMA reviews a

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variety of resources and publications – including Threat and Hazard Identification and Risk Assessments, State Preparedness Reports, the National Preparedness Report, and various disaster after-action reports – to determine which core capabilities require greater training resources. The Agency then works with state/local/tribal partners to validate these training needs through the National Training and Education System.

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Topic:	training 3
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
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Question: What other education and training programs provided by DHS outside of FEMA provide training for hazardous material incident response?

Response: In accordance with Occupational Safety and Health Administration and National Fire Protection Association requirements, the Federal Protective Service conducts Hazardous Materials Awareness, Hazardous Materials Operations, and Hazardous Materials Technician Re-Certification training for Federal Protective Service Law Enforcement personnel. This training covers subject matter such as Hazardous Material identification and incident response, including Hazardous Material containment and personnel safety, and ensures that Federal Protective Service Law Enforcement personnel are able to effectively respond to a critical situation involving Hazardous Materials.

The Office of Health Affairs Chemical Defense Program supports training of responders and healthcare providers by providing an annual Chemical Agents of Opportunity course. In coordination with the U.S. Department of Health and Human Services, CDP is also developing national guidance on Patient Decontamination in Mass Chemical Exposure Incident, drawing on expertise in emergency response, emergency medicine, toxicology, risk communication, behavioral health, and other relevant fields from academic and non-government organizations and federal, state, and local agencies. This guidance is being coordinated for use with state and local first responder training and curriculum programs.

Question#:	34
Topic:	Northern Border Security
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Heidi Heitkamp
Committee:	HOMELAND SECURITY (SENATE)

Question: Understanding there are different geographical, logistical and security challenges between the Northern and Southern borders of the United States, it is critical that appropriate attention is provided to the Northern Border. Ensuring that critical resources and personnel are allocated to securing the Northern Border is an important factor.

What changes or enhancements do you plan to make in FY15 to improve security along the Northern Border, while still ensuring the efficient flow of cross border economic activity?

Response: On December 7, 2011, President Barack Obama and Canadian Prime Minister Stephen Harper released the *Beyond the Border Action Plan (A Shared Vision for Perimeter Security and Economic Competitiveness)*, which specifies a number of initiatives intended to enhance U.S.-Canadian perimeter security and economic competitiveness. The Cargo Pre-Inspection Pilot, which consists of U.S Customs and Border Protection (CBP) officers conducting primary inspections of commercial truck traffic in Canada, is one such initiative. The goal of the pilot is to determine whether this approach has the ability to reduce cargo wait times and border congestion.

The Department of Homeland Security through CBP is partnering with Canada Border Services Agency, Public Safety Canada, and Transport Canada on a phased approach to the cargo pre-inspection pilot. Phase I was a "Proof of Concept" designed to test the feasibility of certain technology and jointly developed procedures to conduct CBP primary truck processing in Canada. It was conducted at the Pacific Highway crossing in Blaine, Washington/Surrey, British Columbia. Phase I began in June 2013.

Phase II began in February 2014 at the Peace Bridge crossing in Buffalo, New York/ Fort Erie, Ontario to test the feasibility of reducing wait times and border congestion to facilitate legitimate trade by conducting United States primary inspection of cargo in Canada. Phase II is expected to continue for up to one year and operate Monday through Thursday, 8:00 AM to 4:00 PM. All commercial trucks with a current transponder are eligible to utilize the two pre-inspection booths located in the Canadian customs plaza. Those trucks that decline to participate can enter through any general cargo lane for processing and clearance in the U.S.

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- Inspection Process in Canada: Pre-inspection processing in Canada includes radiation screening and basic primary processing. Secondary inspections, if necessary, are to continue to be conducted in the U.S. port of entry.
- Inspection Process in the U.S.: Once the primary processing has been completed at the pre-inspection booth in Canada, the truck is to proceed across the bridge to a designated lane in the U.S. port of entry. The driver receives either a red light to wait for further instructions from the CBP officer or a green light to exit the port.
- Monitoring Wait Times: Wait times are to be monitored during the pilot and necessary mitigation procedures implemented to reduce border congestion.

At the end of Phase II, the pilot is to be evaluated to determine the benefits of conducting pre-inspection activities in Canada. Expansion of the pre-inspection concept may be considered based upon, among other things, its ability to reduce wait times and border congestion while ensuring continued safety and security at our borders.

CBP is committed to ensuring the security of our nation's borders, while facilitating legitimate travel and trade. Based on a clear demonstration of staffing needs by CBP – with support from local governments, business groups and the trade and travel industry – the Consolidated Appropriations Act of 2014 included funding for 2,000 additional CBP officers. These additional officers will be allocated across air, land and sea ports of entry based on needs identified by CBP's Workload Staffing Model, as well as CBP's current operational environment. Overall, 44 ports of entry in 18 states, including states on the Northern Border, will receive additional staffing that will reduce wait times, and help speed the lawful flow of goods and people into the nation.

Question: Do you expect a decrease in agents or capability for the Northern Border in your proposal?

Response: We do not expect a decrease in agents or capability for the Northern Border.

Question: What new technology do you expect to deploy to the Northern Border in FY15?

Response: There are currently three projects planned to deploy technology to the Northern Border in FY 2015. The Maritime Detection Project will deploy integrated radar/camera sites on the eastern end of Lake Erie to track vessels crossing the border in Buffalo Sector's area of responsibility. The project's scope will include hardware enhancements to the Buffalo Sector Headquarters command center. There is also a new project to deploy additional Remote Video Surveillance Systems (RVSS) technology

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(remotely controlled day/night cameras) in Swanton Sector, VT. Along with the RVSS project, Swanton Sector is also working with the Department of Homeland Security's Office of Science & Technology to test new equipment, specifically a new style of camera. To date this equipment has proven to be very effective and it is anticipated that additional similar cameras will be installed.

Question: Is there new technology you are planning to deploy to the Southern Border that you are not deploying to the Northern Border, if so, why?

Response: The Integrated Fixed Towers and the Agent Portable Surveillance System technologies being deployed on the Southern Border are not currently planned for deployment along the Northern Border. The geography of the Northern Border is not suitable for radar use. Of the remaining mobile technologies to be deployed, the new Mobile Video Surveillance System, the priority is to deploy to the Southern Border and only deploy to the Northern Border if there is sufficient system availability and funding.

Question#:	48
Topic:	TSA PreCheck 3
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Heidi Heitkamp
Committee:	HOMELAND SECURITY (SENATE)

Question: The TSA noted remarkable accomplishments in expediting and strengthening security screening procedures during FY13 as it expanded the TSA Pre✓™ program. However, an issue of concern in North Dakota continues to be airport security, and the TSA Pre✓™ program is not fully operational at any ND airport. As you know, the TSA transferred AIT scanners out of the airports in Grand Forks, Bismarck, and Minot, yet each of these airports experienced high passenger growth rates. For example the Minot International Airport increased 49 percent in 2012.

What measures is the TSA taking to improve security and expedite screening procedures at smaller airports?

Response: The Transportation Security Administration (TSA) is currently providing expedited screening to qualifying passengers at all airports, regardless of the availability of a TSA Pre✓™ screening lane. Expedited screening is available for passengers under the age of 12 and over the age of 75; military personnel in uniform; and approved TSA Pre✓™ passengers. Passengers presenting themselves for expedited screening are not required to remove light jackets, belts, or shoes. They will, however, be required to remove laptops and 3-1-1 compliant liquids, gels, and aerosols from their bags.

Question: Does the TSA have plans to expand the TSA Pre✓™ service within ND airports in FY15 or thereafter?

Response: The Transportation Security Administration (TSA) has plans to expand TSA Pre✓™ to all U.S. airports capable of supporting TSA Pre✓™ operations. In order to make TSA Pre✓™ operationally viable, a minimum of two screening lanes are required, and those lanes must each have an Advanced Technology (AT) X-ray. In addition, in order to make staffing at TSA Pre✓™ lane(s) fiscally viable, a sufficient number of TSA Pre✓™ approved passengers must take advantage of those lanes at a given airport to sustain an efficient throughput and minimize idle time at any lane.

At this time, many smaller airports do not have the TSA Pre✓™ population to warrant a separate screening lane. Single lane airports, or those operating without an AT X-ray, will continue to offer expedited screening in a standard lane to passengers who qualify (which includes approved TSA Pre✓™ passengers). Those airports experiencing high growth rates will need to expand their checkpoint footprints to make room for additional screening lanes if capacity analysis shows a need.

Question#:	48
Topic:	TSA PreCheck 3
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Heidi Heitkamp
Committee:	HOMELAND SECURITY (SENATE)

Question: The TSA indicated it hopes to acquire the next generation of AIT scanners in 2015. How far along is the TSA in developing the required technology for the scanners, and is this consistent with the TSA's timeframe for acquiring the fully operational scanners?

Response: The testing phase is on-going for the next generation Advanced Imaging Technology 2 (AIT-2) systems. The initial round of Qualification Testing and Evaluation (QT&E) has been completed. The Transportation Security Administration (TSA) is working with both AIT-2 vendors. One vendor is in their second round of Qualification testing, while TSA is operationally testing the other vendor at three airport locations. TSA anticipates production ready systems in 2015 as scheduled.

Question: When the second generation scanners are available, will the TSA be replacing the previously transferred scanners by a one-to-one ratio?

Response: When the second generation Advanced Imaging Technology 2 (AIT-2) systems successfully pass qualification and operational testing requirements, the Transportation Security Administration (TSA) plans to procure additional units first to achieve Full Operational Capability (FOC) requirements. Once FOC requirements have been met, future procurements will then support recapitalization requirements for previously procured AITs that have reached the end of their useful life.

Question: The TSA indicated it will fulfill its duty in monitoring exit lanes in FY15. Are there plans to transfer responsibility for exit lane monitoring to airport operators in the future?

Response: Currently, approximately two-thirds of the airport operators control access at exit lanes by using airport technology or personnel. The remaining exit lanes are staffed by the Transportation Security Administration (TSA). TSA interprets § 603 of the Bipartisan Budget Act, which mandates TSA staffing of exit lanes, to apply only to those sterile area exit lanes that were in existence on December 1, 2013, at the 150 airports where TSA was providing monitoring services on that date. Therefore, if an airport is remodeling an exit lane and the location of this exit remains essentially the same, TSA will continue to staff this lane. If the remodeling significantly changes the location of the exit lane, requiring additional staffing and resources, TSA is no longer obligated to monitor this exit lane. TSA intends to continue to assess options for realizing efficiencies and appropriately satisfying access control functions.

**Post-Hearing Questions for the Record
Submitted to The Honorable Jeh Johnson
From Senator Tom A. Coburn, M.D.**

“The Homeland Security Department’s Budget Submission for Fiscal Year 2015”

March 13, 2014

Question#:	17
Topic:	St. Elizabeths campus I
Hearing:	The Homeland Security Department’s Budget Submission for Fiscal Year 2015
Primary:	The Honorable Tom A. Coburn
Committee:	HOMELAND SECURITY (SENATE)

Question: Regarding the DHS Headquarters consolidation at the St. Elizabeths campus, does the department have a plan in place to tie personnel moves onto the campus, if and when subsequent phases of the campus become available, into corresponding reductions of leased office space throughout the national capital region?

Response: At the start of construction in 2009, the St. Elizabeths Development Plan and Mission Support Consolidation Plans were synchronized with the lease expiration schedules for components throughout the National Capital Region. Planned personnel moves were tied to their ultimate consolidation locations. The plan was coordinated through the General Services Administration (GSA) to minimize vacancy risks, and avoid double moves. With the reductions in St. Elizabeths funding due to the constrained federal budget environment, GSA and DHS had to re-baseline and extend the development schedule. In June 2013, GSA and DHS submitted a revised baseline schedule that extended the development time out to 2026 with smaller, 300,000 square feet severable development segments. The FY2014 Budget request incorporated this revised development strategy.

GSA and DHS have been working on an update to the Headquarters Consolidation Plan that integrates these new standards and flexible design principles to reduce overall development costs and the real estate portfolio in conjunction with the phased development of St. Elizabeths. This update also ties personnel and current occupancies/lease locations to their ultimate consolidation location.

Question#:	18
Topic:	St. Elizabeths campus 2
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Tom A. Coburn
Committee:	HOMELAND SECURITY (SENATE)

Question: DHS reports that it currently plans to locate 20,000 personnel at the St. Elizabeths campus in space designed for 14,500 personnel by use of workplace flexibilities such as teleworking and hoteling. Considering that a significant portion of DHS's leases throughout the National Capital Region are expiring in 2014 and 2015, how, if at all is the Department using teleworking and other workforce flexibilities to reduce its considerable footprint in the National Capital Region?

Response: DHS has made significant progress in the management of its National Capital Region (NCR) real property portfolio. We have developed standard departmental specifications for office space, emphasizing a reduced footprint and increased mobile work/telework. DHS leases expiring in FY14-FY15, and all other leases in the NCR footprint, are being reviewed and scrutinized for efficiencies leveraged from mobile work and telework to include hoteling, touchdown spaces and collaboration spaces. All future office spaces will average under 150 useable square feet per person.

In partnership with GSA's Workplace Solutions group, DHS conducted a space use assessment of headquarters functions. Through this process, we introduced concepts of leading edge workplace designs which are resulting in higher space utilization. We conducted a pilot redesign of an existing office using these concepts within the Management Directorate. The redesign, coupled with implementation of a virtual office, cut the amount of support space required by 50 percent, leading to a cost avoidance of approximately \$1 million in rent and transit subsidies. These principles are being applied throughout the NCR.

Question#:	19
Topic:	NPGP 3
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Tom A. Coburn
Committee:	HOMELAND SECURITY (SENATE)

Question: FEMA's budget request re-proposes consolidating 19 grant programs into one larger grant program. Some of the 19 programs currently have a cost share requirement; however, the proposed NPGP does not require cost sharing. Please describe the primary benefits of consolidating existing grant programs? If the consolidation occurs, does the Department anticipate more applicants under the NPGP since there will no longer be a cost share? Has there been any consideration of requiring a cost share for NPGP and how that might impact the program?

Response: The primary benefit of the proposed National Preparedness Grant Program is to ensure that federal grant dollars are used effectively and efficiently to build and sustain the core capabilities associated with the five mission areas described in the National Preparedness Goal: prevention, protection, mitigation, response and recovery. The proposed consolidation would allow the allocation of grant dollars to address the highest-priority needs in a way that is not possible under the current structure of disparate "stove-piped" grant programs that target specific disciplines and sectors of the economy.

Federal grants merely supplement state and local spending. In cases where cost share requirements are waived, on a project-by-project basis in the Port Security Grant Program, for example, the federal investment do not increase, the grantee is simply required to carry out the project at the lower level of funding.

FEMA recognizes that federal grant dollars represent a small fraction of the investments state and local governments are making in most capabilities funded through the preparedness grant portfolio. A cost share requirement, therefore, would be in addition to the investments grantees are already making and could disincentivize their participation in the program.

The proposed NPGP would be open only to the existing State Administrative Agencies. The proposal is designed to ensure states, in coordination with local units of government, ports, transit agencies and other partners, including tribes and territories can allocate grant dollars more strategically to address the highest priority capability gaps.

Question#:	20
Topic:	grant money
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Tom A. Coburn
Committee:	HOMELAND SECURITY (SENATE)

Question: DHS is requesting \$1 billion in grant money for this year. Yet \$5.7 billion in funding going back to 2007 remains unspent, including 95% of the \$1.6 billion from last year. Describe the methodology DHS used to determine the need for an additional \$1 billion for FY2015.

Response: FEMA has made great strides over the past year regarding unspent grant balances. In January 2013, the remaining balance on grants from FY 2008 through FY 2012 was \$7.6 billion. One year later, in January 2014, the same balances decreased to \$3.9 billion, a 44% decrease. In FY 2012, FEMA introduced a 2-year performance period on all preparedness grants in an effort to ensure that capability gaps are addressed in a more efficient and effective manner. Concurrently, requests for period of performance extensions have received greater scrutiny, and only requests that represent extraordinary circumstances are approved. FY 2013 grant funding was awarded in September 2013 and includes the same 2-year period of performance. FEMA expects those balances to be reduced dramatically over the next fiscal year.

The proposed National Preparedness Grant Program would consolidate 16 preparedness grants into one new, streamlined program designed to develop, sustain, and leverage core capabilities across the country in support of the National Preparedness Goal. Grant consolidation eliminates redundancies and requirements placed on grantees resulting from the current system of multiple individual, and often disconnected, grant programs.

FEMA has undertaken a number of significant initiatives over the past several years to improve the efficiency and effectiveness of grants management business processes throughout the grant lifecycle, including:

- Streamlining the grant budget review process to ensure that initial budget proposals are reviewed and approved within 30 days of receipt, enabling grantees to draw down funds more quickly.
- Increasing the number of Federal and contract staff to eliminate the Environmental and Historical Preservations (EHP) Reviews grant request backlog.
- Providing ongoing technical assistance to grantees with documented challenges managing federal funds and tailoring intensive, short-term deliverables to address their needs.

Question#:	20
Topic:	grant money
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Tom A. Coburn
Committee:	HOMELAND SECURITY (SENATE)

To assess the nation's current level of preparedness, FEMA annually publishes the National Preparedness Report. Looking across all 31 core capabilities outlined in the National Preparedness Goal, the National Preparedness Report provides a national perspective on critical preparedness trends for whole community partners to use to inform program priorities, allocate resources and communicate with stakeholders about issues of shared concern. In addition, FEMA expects grantees to prioritize grant funding to address gaps identified through the annual State Preparedness Report in achieving capability targets set through the annual Threat and Hazard Identification and Risk Assessment. These assessments identify the jurisdictions' capability targets and current ability to meet those targets. Grantees must prioritize grant funds to increase capability for high-priority core capabilities with low capability levels. Grantees are also expected to consider national areas for improvement identified in the National Preparedness Report, which include cybersecurity, recovery-focused core capabilities, the integration of individuals with access and functional needs, enhancing the resilience of infrastructure systems and maturing the role of public-private partnerships. Addressing these areas for improvement will enhance preparedness nation-wide.

Question#:	21
Topic:	OGSI
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Tom A. Coburn
Committee:	HOMELAND SECURITY (SENATE)

Question: The President's Budget includes a separate, "fully paid for" \$56 Billion program called the Opportunity, Growth, and Security Initiative. FEMA has included the OGSI in their budget request where it would support \$400 million for Pre Disaster Grants and \$300 million for the consolidated National Grant Program. What is the effect of the OGSI on the current Pre Disaster Mitigation Program? Please describe how, if at all, OGSI will reduce duplication of current mitigation grant programs.

Response: Enactment of the Opportunity, Growth, and Security Initiative (OGSI) would provide \$400 million for FEMA's Pre-Disaster Mitigation program. Funding would support competitive grants to state, local and tribal governments through the Pre-Disaster Mitigation program. This program provides grants for eligible mitigation planning and projects that reduce disaster losses and protect life and property from future disaster damages. Besides planning grants, the OGSI would provide cost-effective project grants to reduce flood losses, structure elevation, retro-fitting of existing buildings, soil stabilization; and management costs for the State to help administer mitigation programs.

Projects that propose mitigation to address climate change weather extremes such as winter storm severity; land-slides; flooding; earthquake; tsunami; and, drought for example will receive additional consideration.

Each state will receive a minimum allocation of one percent of total funds available. FEMA will allocate the remaining funds to States, Territories and Tribal Governments on a competitive basis.

Question#:	22
Topic:	E-Verify
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Tom A. Coburn
Committee:	HOMELAND SECURITY (SENATE)

Question: The FY2015 budget request seems to be at odds when it comes to funding for detention beds and immigration enforcement. In the budget, DHS requests a \$241.2 million reduction in Enforcement and Removal Operations (ERO). This includes a \$201.86 million reduction in Custody Operations and a \$47.8 million reduction in the Transportation Removal Program. At the same time, it provides \$124 million, an increase of \$6.4 million and 10 FTE for E-Verify to support, expand, and enhance E-Verify. Is it possible that increased funding for E-Verify could lead to an increase in the number of illegal aliens "verified" by the system, and therefore require greater capacity for processing and removal of these individuals from the country at the same the Department is reducing the resources necessary to effect this removal?

Response: The Department does not consider the President's FY 2015 Budget for ICE and USCIS operational activities to be in conflict. While ensuring effective enforcement of U.S. immigration laws, DHS has consistently requested funds to ensure that E-Verify continues to serve as an effective, voluntary tool for employers in maintaining a legal workforce. In FY 2013, USCIS used appropriated funds to further enhance the E-Verify system's reliability, efficiency and customer service features. FY 2014 and FY 2015 funding increases will allow monitoring and compliance analysts to expand on their ability to monitor E-Verify to identify potential instances of misuse by employers, deter noncompliant activities and resolve them quickly. These enhancements support immigration enforcement efforts by offering employers an effective and reliable way to confirm that they are employing authorized workers.

Increased funding will also enable USCIS to further develop robust mechanisms for reducing fraud in E-Verify. In 2010, USCIS expanded the types of documents for which E-Verify provides photo confirmation. In FY 2013 and FY 2014, USCIS added the capability to lock potentially fraudulent Social Security numbers in E-Verify and launched the first implementation phase of an analysis and reporting tool to detect misuse and fraud. USCIS plans to expand on these initiatives in the future.

Question#:	23
Topic:	visa overstays
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Tom A. Coburn
Committee:	HOMELAND SECURITY (SENATE)

Question: DHS reported that CBP officers caught about two-thirds of the 368,000 illegal aliens deported in 2013. CBP turned the captured illegal aliens over to ICE for processing meaning that only 133,000 of those removed were directly removed through ICE investigations and enforcement actions. According to the Council on Foreign Relations, as many as 40 percent of illegal aliens in the United States are from visa overstays. Please describe how or whether ICE is working to enforce immigration laws in the interior, including by investigating and removing visa overstays. Should more resources be devoted to interior enforcement?

Response:

The response to this question has been classified as For Official Use Only/Law Enforcement Sensitive (FOUO/LES) and is on file in the committee offices.

Question#:	24
Topic:	Homeland Security Investigations
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Tom A. Coburn
Committee:	HOMELAND SECURITY (SENATE)

Question: The FY 2015 budget request identified that more than 35 percent of ICE's would go to Homeland Security Investigations (HSI). HSI's work includes areas besides interior enforcement. For example, HSI agents have been involved in intellectual property-related work, investigating counterfeit NFL, NBA, and MLB apparel and products on sale near major sporting events such as the Superbowl. Please provide a breakdown of HSI's budget by mission. Specifically, how much of HSI's budget is allocated to efforts related to interior immigration enforcement and how much of HSI's budget is specific to interior enforcement efforts?

Response: U.S. Immigration and Customs Enforcement (ICE) does not allocate its budget into categories for interior immigration enforcement and other efforts related to interior enforcement. To categorize ICE's budget in this manner would be impractical because of the constantly evolving nature of investigations and flow of people and goods into the United States. Homeland Security Investigations (HSI) does, however, differentiate between broader investigative categories such as illicit trade, illicit travel, and illicit finance. The more than 10,000 women and men who work in ICE HSI focus their efforts on investigating the following types of border nexus crimes:

- Immigration crimes
- Human rights violations
- Human smuggling
- Smuggling of narcotics, weapons, and other types of contraband
- Financial crimes, including cybercrime and import and export criminal enforcement

The rest of the response to this question has been classified as For Official Use Only/Law Enforcement Sensitive (FOUO/LES) and is on file in the committee offices.

Question#:	25
Topic:	S&T Directorate
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Tom A. Coburn
Committee:	HOMELAND SECURITY (SENATE)

Question: There has been discussion of consolidating research and development that is currently occurring throughout the Department in the S&T Directorate. How would the Department benefit by consolidating all of its R&D functions into the S&T directorate? As an alternative, what would the benefits be of moving R&D functions into the operational components?

Response: In response to the GAO report "Oversight and Coordination of Research and Development Should Be Strengthened," (GAO-12-837 dated September 2012) S&T developed a departmental definition for R&D that was approved by the Secretary as part of S&T's global delegation of authority. The definition provides a common understanding for R&D that clarifies the full range of R&D activity across the Department.

The only elements of the Department that would likely conduct basic and applied research would be S&T, the Domestic Nuclear Detection Office (DNDO), and the U.S. Coast Guard. Many elements within DHS, including operational Components and often with support from S&T, are likely to conduct later-stage development activities including validation and demonstration of a chosen technology in laboratory, representative, and operational environments; improvement of research prototypes; integration into systems and subsystems; addressing manufacturing, producibility, and sustainability needs; and independent operational test and evaluation. Many of these efforts are inextricably tied to acquisition, which is within the purview of the Components. This is reasonable practice, and consolidation of all of this activity under the S&T umbrella would not be possible given the link between late-stage development and acquisition.

Moving R&D functions into the operational Components would align the R&D work more closely to operators, but DHS would lose cross-cutting synergy across R&D activities. The Department would lack a scientific, analytic, and engineering center of gravity and lose a platform for connecting to the global R&D network of academia, industry, and international stakeholders. Components would also compete with each other for technical expertise, and it would be more challenging for the Department to maintain adequate technical competency.

Insofar as consolidation of R&D activity relates to consolidation of the Department's weapons of mass destruction (WMD) programs, the Department has concluded an in-depth evaluation, and I am considering the WMD program review as part of a broader assessment of our ability to execute our mission. I am currently reviewing options to

Question#:	25
Topic:	S&T Directorate
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Tom A. Coburn
Committee:	HOMELAND SECURITY (SENATE)

enhance the Department's ability to effectively execute our mission and will brief you when this important effort has concluded.

Question#:	26
Topic:	Federal Cyber Campus
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Tom A. Coburn
Committee:	HOMELAND SECURITY (SENATE)

Question: The GSA Budget requests \$35 million to design a Federal Cyber Campus to co-locate key civilian cybersecurity agencies to promote a whole of government approach to cybersecurity incident response. Describe the planning efforts that have gone into this concept to date involving DHS and its partners to justify spending \$35 million to design such a campus.

Response: The \$35 million in the FY 2015 President's Budget will fund planning and technical design of a civilian cybersecurity campus. A robust planning process is necessary to integrate the specialized security requirements of multiple Federal agencies into a cohesive campus that supports the needs of each component. A full planning and design process includes detailed architectural plans and drawings, a site selection process, workforce analysis, and an environmental impact analysis. Investing in a robust design process up front is necessary to effectively manage and contain overall project costs; shortcuts in the planning process generally lead to greater overruns. Additional funding will be required in future fiscal years to support the construction of the civilian cyber campus. DHS is supportive of the concept of enhancing the integration of U.S. Government cyber operations, including through physical co-location where that is feasible. In this tight fiscal climate, it is critical that funds be prioritized for operations. We support the Administration's view that a cyber campus could be valuable. However, it is critical that this funding for any campus not come at the expense of our operational budgets.

Question#:	27
Topic:	NCCIC
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Tom A. Coburn
Committee:	HOMELAND SECURITY (SENATE)

Question: The DHS OIG recently reported that DHS's cybersecurity coordination center, the NCCIC, had critical flaws in its incident management and continuity of operations plans, meaning if a major cyber incident occurred, it is possible DHS will not be ready to respond. If DHS cannot keep its own computer networks secure, why should we entrust it with securing all of the federal and private sector networks?

Response:

Securing Federal and Private Sector Networks

The Department can be trusted to continue protecting the .gov domain as we have consistently developed tools and established relationships that enable us to do so. DHS, through the National Cybersecurity and Communications Integration Center (NCCIC), has operational responsibilities for securing unclassified Federal civilian government networks and working with owners and operators of critical infrastructure to secure their networks through cyber threat analysis, risk assessment, mitigation, and incident response capabilities. The NCCIC is also responsible for coordinating the national response to significant cyber incidents and for creating and maintaining a common operational picture for cyberspace across the government.

DHS directly supports Federal civilian departments and agencies in developing capabilities that will improve their cybersecurity posture. For example, NPPD through its Office of Cybersecurity and Communications (CS&C) has provided Federal agencies with the capability to continuously diagnose and mitigate cyber vulnerabilities in their critical systems. An array of internal sensors provides data about an agency's cybersecurity posture in a near-real time dashboard so that agency security managers can move quickly to defeat common cyber threats. This capability will be a vast improvement over the formerly expensive and time-consuming process, which required auditors to manually assess an information technology (IT) system and determine whether it meets static requirements under the Federal Information Security Management Act.

In FY 2013, NPPD, in support of CS&C's Continuous Diagnostics and Mitigation (CDM) initiative, is supporting the procurement of monitoring equipment, diagnostic sensors and tools, and dashboards to provide situational awareness for agencies across the Federal Executive Branch. This program will eventually conduct 60 to 80 billion vulnerability and configuration-setting checks every one to three days across the .gov network that will help agencies repair their worst cybersecurity problems first. Currently

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over 96 percent of the civilian Federal Government population is covered by a Memorandum of Agreement with DHS to provide them access to the CDM Program.

CS&C's National Cybersecurity Protection System (NCPS), which includes the EINSTEIN capability, is an integrated intrusion detection, analytics, information sharing, and intrusion-prevention system that uses hardware, software, and other components to support CS&C's cybersecurity responsibilities. In FY 2013, the program expanded intrusion detection and cyber analytics capabilities at Federal agencies, improving NPPD's situational awareness and allowing a more agile response to threats to Federal networks and systems. Additionally, the NCPS intrusion prevention service, known as EINSTEIN 3 Accelerated, has reached its initial operating capability and the first Internet Service Provider's intrusion prevention solution, which provides Domain Name Service (DNS) blocking and Email filtering capabilities, is operational. As of March 25, 2014, DNS and/or Email protection services are being provided to a total of seven Departments and Agencies (approximately 25 percent of .gov). These efforts ensure that Federal cybersecurity capabilities are efficiently keeping pace with cutting-edge technologies and adapting to emerging threats.

Incident Management and Continuity of Operations

In October 2013, the Office of the Inspector General (OIG) released the *report DHS' Efforts To Coordinate the Activities of Federal Cyber Operations Centers* (OIG-14-02). The report included recommendations: to "Update the NPPD COOP Plan to reflect the current operational structure of its subcomponents and include a risk management process to ensure continuity plans are coordinated between subcomponents and continuity objectives are accomplished;" and to "Finalize CS&C's COOP Plan to reflect the recent alignment and test the plan to ensure that component personnel understand their roles in the event of emergency."

DHS has taken steps to address the OIG recommendations. The NCCIC Continuity of Operations Programs (COOP) Plan was issued in October 2013. The COOP Plan outlines different physical scenarios and actions to be taken for each, including checklists that address deployment of personnel to the primary COOP site, seating, telephone procedures, billeting, traveling instructions, and general guidance for the site. Additionally, NPPD updated its COOP Plan to reflect the current organizational structure and processes used in a COOP scenario. It is currently with NPPD senior leadership for review and approval. The NCCIC plan is based on each of the NCCIC components capabilities and missions. This allows the NCCIC to function as a complete unit or make adjustments as the mission situation dictates. NCCIC Mission Essential Functions have been defined and provided to both CS&C and NPPD to be incorporated into the CS&C

Question#:	27
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plan, which in turn feeds the NPPD plan. Lastly, network connectivity at the primary COOP site is tested quarterly as well as during exercises.

In order to continually improve and enhance NCCIC's ability to execute its critical incident response mission areas, NCCIC conducts both discussion-based and operations-based cyber and communications exercises to examine its incident management processes, plans, and procedures with partners in both the public and private sectors. These exercises include participation from DHS components (NCCIC, NICC, NOC, I&A, HITRAC, FEMA Watch Center etc.), Critical Manufacturing Sector Specific Agency (SSA), the Emergency Services SSA, the FBI CyWatch, Health and Human Services (HHS), the Healthcare and Public Health Sector Critical Infrastructure Protection Program, HHS Computer Security Incident Response Center, the Food and Drug Administration (FDA) Center for Devices and Radiological Health, FDA Emergency Operations Center, the Financial Sector Information Sharing and Analysis Center (FS-ISAC), National Health ISAC (NH-ISAC), Critical Manufacturing Sector partners, and Health Care and Public Health Sector partners. NCCIC conducted four major operational floor exercises in March, May, July, and September 2013 and will continue to do so once per quarter in FY 2014. NCCIC also conducted 38 no-notice floor exercises and three international communications tests in FY13, in addition to 11 NCCIC partner Tabletop Top Exercises (with partners such as the Department of Energy; Electricity Sector Information Sharing and Analysis Center; TRANSCOM, a telecommunications company; the Department of Defense Cyber Crime Center; General Services Administration; Canada; HHS, NCCIC Liaison Officers, and others). As of April 14, 2014, there have been 38 no-notice exercise drills for NCCIC floor personnel. Based in part on lessons learned and engagement with Federal interagency partners, ISACs, industry experts, and international partners, the NCCIC has developed a series of classified operational cyber plans and playbooks to better refine national responses to cybersecurity incidents.

DHS Computer Networks

The DHS Office of the Chief Information Officer is the coordinating body for DHS cybersecurity internally. The security of DHS's own networks is work that is distinct from that performed by the NCCIC, DHS's 24x7 operational organization responsible for coordinating the national protection, prevention, mitigation, response, and recovery from both cyber and communications incidents.

Question#:	28
Topic:	FLETC's budget request
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Tom A. Coburn
Committee:	HOMELAND SECURITY (SENATE)

Question: FLETC's budget request included efficiencies of \$6.3 million and a reduction of \$7.8 million and decrease of 31 FTEs to non-recur the costs associated with training the 2,000 additional CBP officers requested in the FY 2014 President's Budget and a decrease of 31FTE. Yet in the FY2015 budget request, FLETC asked for \$16.2 million and 24 FTE to train 1,200 additional CBP officers while CBP requested an additional 2,000 officers. These numbers do not add up. According to this request, it will cost \$2.1 million more to train 800 fewer CBP officers this year than last year with 7 fewer FTEs. How did FTC arrive at these costs and FTE requirement for training 1,200 new officers in FY2015?

Response: The FLETC's FY15 budget submission is responsive to emergent CBP training needs and consistent with decisions made during the FY14 and FY15 budget formulation process. The difference between the FLETC FY14 and FY15 budget requests is attributed to decisions regarding the number of CBP officers (CBPOs) to be trained each fiscal year, as follows:

The FY14 President's budget request contained the request for \$15.5 million, including 31 FTE, to train 1,600 CBPOs.

In the FY14 Omnibus, the Congress chose to phase-in the training and funded FLETC at \$7.8 million, half the request, to train 800 CBPOs. Meanwhile, the FY14 Omnibus funded CBP to hire 2,000 additional CBPOs. Discussions with CBP and DHS revealed CBP planned to train 800 additional in FY14 and 1,200 in FY15. Therefore, FLETC had the necessary FY14 funding to train the numbers CBP was planning to train in FY14. Thirty one FTE were requested initially, but not all 31 were hired, because the training initiative was funded at half the request. FLETC non-recurred the FY14 funding, thus the decrease of \$7.8 million and the 31 FTE.

In the FY15 budget process, FLETC submitted a request to train the remaining 1,200 additional CBPOs requiring funding of \$16.2, including 24 FTE. This funding would cover the remainder of the first 2,000 CBPOs (i.e., 1,200 CBPOs) to be trained in FY15. CBP requested an additional 2,000 CBPOs in the FY15 President's budget. In conversations with DHS Budget, FLETC was instructed to seek funding to train the additional 2,000 CBPOs in the FY16 budget request.

Question#:	29
Topic:	major acquisition program
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Tom A. Coburn
Committee:	HOMELAND SECURITY (SENATE)

Question: Please provide a list of each major acquisition program that does not currently have either an approved acquisition program baseline at the departmental level or a life-cycle cost estimate validated by the Director, Cost Analysis Division. Please provide an explanation for why this is the case for each document, an explanation for what the basis for the FY2015 budgeted amount for the program is, and when the program will have both of these documents approved and validated.

Response: Provided below is a list of major acquisition programs that currently do not have either an approved acquisition program baseline or life cycle cost estimate at the departmental level with explanations as requested.

Programs without Department Level Approved Acquisition Program Baselines			
Program	Explanation	Expected Approval Date	Basis for FY15 Budget Request
A&O - Common Operational Picture (COP)	The Department is planning a review COP within the next six months to determine what is outstanding.	Not Applicable	Program Manager Cost Estimate
CBP – Border Patrol Facilities	This is a portfolio of facilities rather than a single program. If an individual facility meets the criteria for a level 1 or 2 program, acquisition documents will be completed.	Not Applicable	Independent Cost Estimate
CBP – Facilities Management & Engineering	This is a portfolio of projects rather than a single program. If an individual project meets the criteria for a level 1 or 2 program, acquisition documents will be completed.	Not Applicable	Independent Cost Estimate
CBP – OFO Facilities	This is a portfolio of facilities rather than a single program. If an individual facility meets the criteria for a level 1 or 2 program, acquisition documents	Not Applicable	Component Approved LCCE

Question#:	29
Topic:	major acquisition program
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Tom A. Coburn
Committee:	HOMELAND SECURITY (SENATE)

	will be completed.		
CBP – Mission Support Facilities	This is a portfolio of facilities rather than a single program. If an individual facility meets the criteria for a level 1 or 2 program, acquisition documents will be completed.	Not Applicable	Program Manager Cost Estimate
CBP - Non-Intrusive Inspection (NII) Systems Program	This program is in sustainment. The Department is planning to baseline this program within the next few months and determine what acquisition documentation needs to be completed.	Not Applicable	Independent Cost Estimate
CBP - Strategic Air and Marine Plan (STAMP)	The majority of this program has been completed. The Department is planning a review STAMP within the next six months to determine what is outstanding.	Not Applicable	Independent Government Cost Estimate (for one contract only); Actual Cost Experience
CBP - Tactical Communication (TAC-COM) Modernization	The Department is planning a review TACCOM within the next six months to determine what is outstanding.	Not Applicable	Independent Cost Estimate
DHS - CRSO - St. Elizabeth's Headquarters	This facility program is managed to CRSO. This program will be reviewed within the next six months to determine what is outstanding.	Not Applicable	Program Manager Cost Estimate
DHS CHCO – HR-IT	This is a portfolio of projects. If any project is classified as a Level 1 or 2 a Department Level APB will be required.	Not Applicable	Actual Cost Experience
DHS CIO – Enterprise Licensing Agreement	This is a service contract that is already in place. If a new program is initiated acquisition	Not Applicable	Actual Cost Experience

Question#:	29
Topic:	major acquisition program
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Tom A. Coburn
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	documents will be created.		
DHS CIO - Infrastructure Transformation Program (ITP)	The Department is planning a review of ITP within the next nine months to determine what is outstanding.	February 2015	Program Manager Cost Estimate
DHS CIO – National Capital Region Infrastructure Operations	This is a contract that is already in place. If a new program is initiated acquisition documents will be created.	Not Applicable	Actual Cost Experience
DHS DMO – HSPD-12	This is a service contract that is already in place. If a new program is initiated acquisition documents will be created.	Not Applicable	Independent Cost Estimate
FEMA - Logistics Supply Chain Management System (LSCMS/TAV)	The program was previously delegated to the Component and has Component approved APB.	Not Applicable	Component Approved LCCE
ICE – Air Charter Program	This is a service contract that is already in place. If a new program is initiated acquisition documents will be created.	Not Applicable	Program Manager Cost Estimate
ICE – Detention and Removal Operations	This is a level 3 program therefore a Department level APB is not required.	Not Applicable	DHS Validated LCCE
ICE – Enforcement and Removal Operations	This is a service contract that is already in place. If a new program is initiated acquisition documents will be created.	Not Applicable	Actual Cost Experience
NPPD – Protective Security officer (Contract Guard) Services	This is a service contract that is already in place. If a new program is initiated acquisition documents will be created.	Not Applicable	Program Manager Cost Estimate
NPPD - SAFECOM	This is a procurement activity supporting an	Not Applicable	Actual Cost Experience

Question#:	29
Topic:	major acquisition program
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Tom A. Coburn
Committee:	HOMELAND SECURITY (SENATE)

	operational activity not an acquisition program.		
S&T - National Bio and Agro-Defense Facility (NBAF)	The program is currently writing an APB based on the FY14 funding level.	September 14	Component Approved LCCE
USCG - 225 Foot WLB Buoy Tender Mid-life Maintenance	Added in Fall of 2013. The program is currently developing an APB.	September 14	Program Manager Cost Estimate
Programs without Department Level Approved Life Cycle Cost Estimates			
Program	Explanation	Expected Approval Date	Basis for FY15 Budget Request
CBP - Non-Intrusive Inspection Systems Program (NIH)	This program is in sustainment. The Department is planning to baseline this program within the next few months and determine what acquisition documentation needs to be completed. LCCE in process.	August 2014	Independent Cost Estimate
CBP - Strategic Air and Marine Program (STAMP)	The majority of this program has been completed. The Department is planning a review STAMP within the next six months to determine what is outstanding.	TBD	Independent Government Cost Estimate (for one contract only)
DHS - Infrastructure Transformation Program (ITP)	The Department is planning a review of ITP within the next nine months to determine what is outstanding.	January 2015	Program Manager Cost Estimate
USCG - Rescue 21 (R-21)	LCCE update in process to account for a schedule breach	December 2014	Independent Cost Estimate
USCG - National Security Cutter (NSC)	The NSC program has an Independent Cost Estimate that was used as the basis for the Department Level approved APB. The program is expected to update their Life Cycle Cost Estimate in support	September 2014	Component Approved LCCE

Question#:	29
Topic:	major acquisition program
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Tom A. Coburn
Committee:	HOMELAND SECURITY (SENATE)

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Question#:	30
Topic:	security issues
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Tom A. Coburn
Committee:	HOMELAND SECURITY (SENATE)

Question: In a November 1, 2013 letter Senator Grassley and I sent to the Department, we noted the Department's Office of Intelligence and Analysis has conducted a review of security issues related to the EB-5 investor visa program within the previous two years and requested the Department make a copy of the review available to us and our staffs. However, the Department's January 24, 2014 response did not include a copy of the review. When does the Department plan to provide Senator Grassley and me with a copy of that review?

Response: The Department provided the document to Senate security, for review by the Senators who requested it, on August 1, 2014.

Question#:	42
Topic:	PreCheck 1
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Tom A. Coburn
Committee:	HOMELAND SECURITY (SENATE)

Question: The budget shows that TSA expects \$100 million in savings due to PreCheck. How many screener positions or FTEs will TSA be able to reduce due to that \$100 million in savings? Are those reductions included somewhere in the FY 2015 budget request for TSA?

Response: Through efficiencies from Risk Based Security, the Transportation Security Administration (TSA) will reduce the screener workforce by 1,520 positions and 1,368 Full Time Equivalents in Fiscal Year 2015. These reductions are included in the TSA's Fiscal Year 2015 budget request and can specifically be found on page 12 within the Aviation Security Fiscal Year 2015 Congressional Justification in the Screener PC&B Program, Project, and Activity section.

Question#:	43
Topic:	PreCheck 2
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Tom A. Coburn
Committee:	HOMELAND SECURITY (SENATE)

Question: TSA expects to receive \$13.7 million TSA Pre-Check Enrollment Program fees in FY2015. Please explain how the Department plans to use revenue generated from those fees and whether there be a corresponding reduction in the appropriated amount requested and or a reduction in FTEs in the screener force.

Response: The Fiscal Year 2015 fee revenue will be used to fund the operation and maintenance of the Transportation Security Administration's (TSA) Pre✓™ Application Program. Operations and maintenance costs include applicant vetting and information technology platforms, system redundancy, system integration, hardware, software, license, system integration, application processing, helpdesk services, general program management, and positions such as vetting analysts, case management analysts and technology support. All revenue generated by the program will be used to exclusively fund the TSA Pre✓™ Application Program costs. In the absence of these enrollment fees, the budget for TSA Pre✓™ Application Program administrative costs would have to be augmented by a corresponding amount of appropriated funds.

Question#:	44
Topic:	FAMS
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Tom A. Coburn
Committee:	HOMELAND SECURITY (SENATE)

Question: With the other 19 layers of security primarily focused on domestic flights, why are FAMS operations not exclusively focused on inbound flights?

Response: The Office of Law Enforcement/Federal Air Marshal Service (OLE/FAMS) follows a risk-based, intelligence-driven methodology that drives its Concept of Operations for the scheduling of FAM missions. Based on the current intelligence and vulnerability data, the Transportation Security Administration (TSA) believes that the current ratio of FAMS domestic and international missions is appropriate. TSA's layers of security are an integrated system whose ultimate strength is dependent on the combination of all the layers. FAMS complement TSA's other programs and capabilities by providing a flexible law enforcement response to emerging threats and an adaptive strategy for executing the TSA mission. This unique capability is as equally important for the safety and security of domestic passengers as it is for international passengers.

Question#:	45
Topic:	intelligence and vetting
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Tom A. Coburn
Committee:	HOMELAND SECURITY (SENATE)

Question: TSA requests an increase of 278 positions for Intelligence and Vetting. Please provide a detailed explanation of how this realignment enables TSA to combine the intelligence and vetting functions to inform daily operations, and enhance mission effectiveness. How will these new intelligence positions work with the Office of Intelligence and Analysis?

Response: In the Fiscal Year 2015 President's Request, the Transportation Security Administration (TSA) proposes to realign 266 Intelligence-related positions and associated funding from the Transportation Security Support appropriation to the Intelligence and Vetting appropriation (formerly known as the Transportation Threat Assessment and Credentialing appropriation). TSA combined these functions under one office – Office of Intelligence and Analysis – in 2013, and the realignment of people and funding under one appropriation will facilitate management of these funds. This realignment also enables TSA to combine the intelligence and vetting functions to inform daily operations and enhance mission effectiveness by supporting an intelligence-driven, risk-based approach to transportation security. For example, all vetting functions will more easily inform intelligence analysis and intelligence functions will assist in vetting analysis.

Question#:	46
Topic:	VIPR program
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Tom A. Coburn
Committee:	HOMELAND SECURITY (SENATE)

Question: The FY15 budget request highlights a decrease in the VIPR program of \$11 million and 48 FTE. Is TSA transferring these FTEs to other vacant positions or elsewhere within TSA? If so, please specify where TSA plans to transfer these positions. How does TSA expect to realize the \$11 million it plans to save?

Response: The Transportation Security Administration's Fiscal Year 2015 Budget proposes to eliminate four Visible Intermodal Prevention Response (VIPR) teams, each of which includes 1 Supervisory Federal Air Marshal (SFAM), 6 Federal Air Marshals (FAM), 2 Behavior Detection Officers (BDO), 1 Transportation Security Inspector-Surface (TSI-S), 1 Transportation Security Inspector-Aviation (TSI-A), and 1 Transportation Security Specialist-Explosives (TSS-E). The \$11 million in savings is a result of a reduction of VIPR Program general expenses and the elimination of 48 Full Time Equivalents (FTEs). The personnel associated with these FTE will be transferred to their home organizations in the Office of Law Enforcement (SFAM and FAMS) and the Office of Security Operations (BDO, TSI-S, TSI-A, and TSS-E) and will be absorbed through existing vacancies.

Question#:	47
Topic:	SPOT program
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Tom A. Coburn
Committee:	HOMELAND SECURITY (SENATE)

Question: Why is TSA continuing to fund the SPOT program when according to GAO, based on the meta studies they reviewed, a trained BDO only has a slightly better than average chance of identifying a terrorist?

Response: Behavior detection techniques have been an accepted practice for many years within law enforcement, customs and border enforcement, and security communities, both in the United States and internationally. The Transportation Security Administration's (TSA) Screening of Passengers by Observation Techniques (SPOT) behavior detection program is an important element of the TSA multi-layered security approach. TSA's Behavior Detection Officers (BDO) also play a key role in carrying out TSA's risk-based screening (RBS) initiatives. RBS initiatives are intended to provide a more common sense, less-invasive screening experience for low-risk passengers.

TSA's overall security posture is composed of interrelated parts, to disrupt one piece of the multi-layered approach will affect other pieces, thereby negatively affecting TSA's overall mission performance.

In April 2011, the Department of Homeland Security Science and Technology Directorate completed a comprehensive study that examined the validity of using behavior indicators. The study found that the SPOT program provided a number of screening benefits and is more effective than random selection at identifying high-risk passengers.

Since the publication of the 2011 study, TSA has taken steps to improve the entirety of the behavior detection program and the process by which it is validated. In early 2012, TSA began another round of research aimed at further substantiating the behavioral indicators and improving the detection protocols. This effort evolved into what is now known as the Behavior Detection Optimization effort. Optimization encompasses four pillars of behavior detection: 1) Improving recruiting processes for BDOs, 2) Enhancing training content to further enhance BDO skillsets, 3) Instituting greater management and quality control systems, and 4) Revising the Behavioral Indicator Reference Guide (BIRG), which guides BDO operations, and designing a new referral methodology.

Concurrently and integral to the optimization project is a comprehensive operational test designed to collect the data to validate behavior detection over and above what was seen during the original 2011 SPOT Validation Study. Scenario-driven testing will be used in addition to the outcome-based protocols used in the prior study. Each of the GAO

Question#:	47
Topic:	SPOT program
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Tom A. Coburn
Committee:	HOMELAND SECURITY (SENATE)

limitations discussed in their report will be mitigated to the maximum extent possible given the constraints of testing within an operational environment. Initial testing will begin in the Fall 2014, and full data collection is planned for late Winter 2015.

**Post-Hearing Questions for the Record
Submitted to The Honorable Jeh Johnson
From Senator Kelly Ayotte**

“The Homeland Security Department’s Budget Submission for Fiscal Year 2015”

March 13, 2014

Question#:	1
Topic:	after-action, lessons learned
Hearing:	The Homeland Security Department’s Budget Submission for Fiscal Year 2015
Primary:	The Honorable Kelly Ayotte
Committee:	HOMELAND SECURITY (SENATE)

Question: At the hearing, I asked you about the status of an “after-action, lessons learned” report on the Boston Marathon bombings that DHS is preparing. You responded that the report was just about ready. Can you elaborate further on when you expect the report to be done?

When do you expect the Senate Homeland Security and Governmental Affairs Committee to get the report?

Will you ensure that the committee gets the report as soon as possible?

What other efforts is DHS undertaking, either alone or in collaboration with other agencies, to better understand the circumstances leading up to the bombings?

Response: After the incident in Boston, the Department of Homeland Security convened several meetings with Components for the purpose of determining what lessons were learned. The after-action report was sent to Congress on April 10, 2014.

In addition to internal meetings described above, DHS reached out to state and local officials not only involved in Boston, but also in Newtown, Connecticut and Aurora, Colorado. Additionally, we worked with other law enforcement agencies including FBI, International Association of Chiefs of Police, and the International Association of Fire Fighters, among others.

Question#:	2
Topic:	heroin overdoses
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Kelly Ayotte
Committee:	HOMELAND SECURITY (SENATE)

Question: At the hearing, we also discussed how heroin has become a major problem across the country, and particularly in New England and New Hampshire. Last year 64 people in my state died of heroin overdoses, an increase of nearly 70 percent from the year before. What specific steps are you taking to counter this threat?

Which agency components are involved in countering the threat, and what role does each play?

How are they working with state and local law enforcement?

How important is coordination and collaboration, including the sharing of information, to countering this threat?

Response: The United States Coast Guard (USCG), U.S. Customs and Border Protection (CBP), and Immigration and Customs Enforcement (ICE) are the DHS Components which conduct direct counternarcotics operations. In addition, DHS's Federal Law Enforcement Training Center (FLETC) provides counternarcotics training, and the DHS Science and Technology Directorate (S&T) explores and evaluates technological solutions to counternarcotics issues. The USCG is the lead federal agency for maritime Interdiction and Apprehension (I&A) activities on the high seas, where approximately 80% of drug removals occur and before they can reach the challenging land distribution network. CBP focuses extensively on drug interdiction at the borders – both at the ports of entry and between the ports of entry. ICE Homeland Security Investigations (HSI) conducts drug smuggling investigations as well as criminal investigations in a number of other areas such as financial crimes/money laundering, counter-proliferation, human rights violations, weapons smuggling, gang investigations, etc. At last count an estimated 80% of ICE/HSI cases were are counternarcotics-related.

DHS activities support the *National Drug Control Strategy* and the components work in close collaboration with state and local law enforcement. For example, ICE/HSI and CBP work with other Federal, state, local and international law enforcement partners on the Border Enforcement Security Task Forces (BESTs) located along our borders, and participate in High Intensity Drug Trafficking Area (HIDTA) and Organized Crime Drug Enforcement (OCDETF) task forces, and serve in Fusion Centers. Also, through its Title 19 cross-designation program, ICE designates other federal, state and local law enforcement officers to investigate and enforce customs laws.

Question#:	2
Topic:	heroin overdoses
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Kelly Ayotte
Committee:	HOMELAND SECURITY (SENATE)

DHS finds this kind of coordination and collaboration, including the sharing of information, to be of critical importance in combating heroin trafficking, and ultimately in reducing illicit drug use and its consequences in the United States.

Question#:	3
Topic:	drug trafficking I
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Kelly Ayotte
Committee:	HOMELAND SECURITY (SENATE)

Question: Would you agree that drug trafficking, while posing a great threat to end-users and their families, is also a grave threat to our nation's security?

Response: DHS agrees with the assertion that drug trafficking poses a grave threat to our nation's security. It is now widely acknowledged that transnational organized crime poses a threat to our national security as it facilitates corruption and instability in regions of the world of strategic import to the United States. Significantly, the majority of the most serious transnational criminal organizations (TCOs) derive at least some portion of their criminal proceeds from the illicit drug trade. TCOs often fund their other illicit activities through the proceeds generated by the narcotics trade (and other illegal activity). Similarly, DHS is also cognizant of, and investigates, the relationship between profits generated by narcotics sales (and other illicit activity such as IPR violations, smuggling, money laundering) that might support or fund terrorist organizations.

Question#:	4
Topic:	drug trafficking 2
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Kelly Ayotte
Committee:	HOMELAND SECURITY (SENATE)

Question: Would you agree that drug trafficking and transnational organized crime can fund terrorist groups or support human trafficking, for example, and that they should not be underestimated as threats to our national security?

Response: DHS concurs fully with the statement that drug trafficking and other forms of transnational organized crime can fund terrorist groups or support human trafficking, and that they should not be underestimated as threats to our national security. As a function of DHS' efforts in support of the National Strategy to Combat Transnational Organized Crime, we are keenly aware of the drug-terror nexus, and while this nexus is not always the norm, we are working with our interagency partners to target and eliminate any relationships through which terrorist organizations might obtain funding or logistical support (such as provision of fraudulent passports) from transnational organized crime.

Question#:	5
Topic:	countering drug trafficking
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Kelly Ayotte
Committee:	HOMELAND SECURITY (SENATE)

Question: We also discussed NORTHCOM and SOUTHCOM and their responsibility in countering drug trafficking. A primary focus of SOUTHCOM's Countering Transnational Organized Crime (CTOC) efforts is supporting the interdiction of drug trafficking. To what extent does DHS collaborate with SOUTHCOM to interdict illicit drugs bound for the United States? How?

Response: DHS provides a significant contribution to the total number of interagency and international forces that support Joint Interagency Task Force South's (JIATF-South) mission to detect and monitor maritime and air counternarcotics traffic in the Caribbean and Eastern Pacific transit zones to the United States. JIATF-South is a SOUTHCOM command, led historically by a U.S. Coast Guard Admiral and staffed by U.S. interagency and foreign partners to collaboratively detect, monitor, track, and interdict drug traffickers throughout the Western Hemisphere Transit Zone (WHTZ). The United States Coast Guard (USCG) and U.S. Customs and Border Protection (CBP) provide air and maritime assets to JIATF-South. At the same time, Immigration and Customs Enforcement (ICE) coordinate closely with JIATF-South on their drug trafficking investigations to support the air and maritime enforcement missions, and has a Special Agent embedded in Southcom, Northcom and at JIATF-South (as well as JIATF-West). In addition to supporting JIATF-South with assets and staff personnel, key offices within DHS and Component headquarters maintain close collaborative relationships with their counterparts at SOUTHCOM and JIATF-South to facilitate effective planning of interdiction operations and strategies.

Question#:	6
Topic:	drug interdiction
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Kelly Ayotte
Committee:	HOMELAND SECURITY (SENATE)

Question: What is the extent of the Coast Guard's role in drug interdiction?

Response: The Coast Guard is the lead federal agency for maritime drug interdiction. The goal of Coast Guard drug interdiction activities is to reduce the supply of illegal drugs entering the United States by denying smugglers and Transnational Organized Crime (TOC) networks the use of maritime routes. This is accomplished through the projection of an effective, persistent law enforcement presence in and over a seven million square mile region of the Caribbean Sea, the Gulf of Mexico and the Eastern Pacific Ocean called the Western Hemisphere Transit Zone.

As a part of the Department of Homeland Security (DHS), the Coast Guard carries out its responsibilities within the *National Drug Control Strategy*, leveraging its unique maritime security authorities, capabilities and partnerships to mitigate risk and improve security in our domestic ports, on the high seas, and abroad. To maximize operational success, the Coast Guard maintains 45 maritime counterdrug bilateral agreements and operating procedures with partner nations to coordinate detection and monitoring, and interdiction and apprehension endgame activities and coordinate joint operations.

Question#:	7
Topic:	heroin trafficking
Hearing:	The Homeland Security Department's Budget Submission for Fiscal Year 2015
Primary:	The Honorable Kelly Ayotte
Committee:	HOMELAND SECURITY (SENATE)

Question: How does the DHS budget submission provide the tools for DHS to combat heroin trafficking?

Response: Through its budget submission, DHS is provided with funding to conduct the full spectrum of counternarcotics missions (i.e. investigations, interdictions and enforcement) against all illicit drugs bound for this country. The United States Coast Guard, Customs and Border Protection, and Immigration and Customs Enforcement conduct counternarcotics operations, while the Federal Law Enforcement Training Center provides counternarcotics training. Our budget submissions for counternarcotics funding for these four DHS Components is more than \$4 billion annually. Since the various types of illicit drugs bound for the U.S. are transported via similar conveyances, follow essentially identical paths, and are often found in mixed loads, DHS counternarcotics funding is not disaggregated according to drug type.

**Post-Hearing Questions for the Record
Submitted to the Honorable Jeh C. Johnson
From Senator Rand Paul**

**“The Department of Homeland Security’s Budget Submission for Fiscal Year 2015”
March 13, 2014**

Question#:	1
Topic:	SPOT
Hearing:	The President’s FY 2015 Budget Request for the Department of Homeland Security
Primary:	The Honorable Rand Paul
Committee:	HOMELAND SECURITY (SENATE)

Question: Do you share the Government Accountability Office’s assessment of the effectiveness of the TSA Screening of Passengers by Observation Techniques (SPOT) program in their Report to Congressional Requesters (GAO-14-159) of November, 2013? What actions, if any, will be taken by DHS/TSA to address the concerns raised by this assessment?

Response: The Transportation Security Administration (TSA) does not share the Government Accountability Office’s (GAO) assessment of the effectiveness of the TSA Screening of Passengers by Observation Techniques (SPOT) program as outlined in their Report to Congressional Requesters (GAO-14-159) of November 2013.

Behavior detection techniques have been an accepted practice for many years within law enforcement, customs and border enforcement, and security communities, both in the United States and internationally. TSA’s SPOT protocol and the Behavior Detection and Analysis (BDA) program are important elements of the TSA multi-layered security approach. TSA’s Behavior Detection Officers (BDO) also play a key role in carrying out TSA’s risk-based screening (RBS) initiatives. RBS initiatives are intended to provide a more common sense, less-invasive screening experience for low-risk passengers.

TSA’s overall security posture is composed of interrelated parts; to disrupt one piece of the multi-layered approach will have a far reaching adverse impact on other pieces, thereby negatively affecting TSA’s overall mission performance.

In April 2011, the Department of Homeland Security Science and Technology Directorate completed a comprehensive study that examined the validity of using behavior indicators in order to identify high-risk passengers. The study found that the SPOT program provided a number of screening benefits and is more effective than random selection at identifying high-risk passengers. While S&T and GAO both noted

Question#:	1
Topic:	SPOT
Hearing:	The President's FY 2015 Budget Request for the Department of Homeland Security
Primary:	The Honorable Rand Paul
Committee:	HOMELAND SECURITY (SENATE)

some deficiencies in the methodology used as a part of the study, it was an important step in assessing the technique in an operational environment.

Since the publication of the 2011 Study, TSA has taken steps to improve the entirety of the behavior detection program and the process by which it is validated. In early 2012, TSA began another round of research aimed at further substantiating the behavioral indicators and improving the detection protocols. This effort evolved into what is now known as the Behavior Detection Optimization effort. Optimization encompasses four pillars of behavior detection: 1) Improving recruiting processes, 2) Enhancing training content to further enhance BDO skillsets, 3) Instituting greater management and quality control systems, and 4) Revising its Behavioral Indicator Reference Guide (BIRG) and designing a new referral methodology.

Integral to the optimization project is a comprehensive operational test designed to collect the data to validate behavior detection over and above what was seen during the original 2011 SPOT Validation Study. Scenario-driven testing will be used in addition to the outcome-based protocols used in the prior study. Each of the GAO limitations discussed in their report will be mitigated to the maximum extent possible given the constraints of testing within an operational environment. Initial testing will be in Fall 2014, and full data collection is planned for late Winter 2015.

Question#:	2
Topic:	passenger fees
Hearing:	The President's FY 2015 Budget Request for the Department of Homeland Security
Primary:	The Honorable Rand Paul
Committee:	HOMELAND SECURITY (SENATE)

Question: Do you believe that the increase in passenger fees as requested by Transportation Security Administration for FY2015 is a reasonable and appropriate burden to place on the traveling public? Do you anticipate requesting that these fees be increased again, in subsequent budget submissions for subsequent fiscal years?

Please elaborate on what (if any) operating efficiencies and improvements that TSA expects to realize as a result of this fee increase. On what data or other information have you based these assumptions?

By shifting the financial burden more directly onto passengers, can you assure the traveling public that their increased fees will be used exclusively to improve the efficiency and effectiveness of the screening process, and not diverted to other purposes?

Response: The increase in the Passenger Fee is an appropriate step toward better alignment of costs to the greatest beneficiaries. Consistent with the President's original proposal at the start of his first Administration, the Fiscal Year (FY) 2015 increase would raise the fee level from \$5.60 to \$6.00, and thereafter by \$0.50 in each of FYs 2016, 2017, and 2018, to a cap of \$7.50.

Each Administration, since the establishment of the Transportation Security Administration (TSA), has proposed revisions to better align the costs of aviation security to the principal beneficiaries, the passengers, rather than to the general taxpayers.

The intent of the increased fee is to better align the cost to those who receive the benefit, not to fund additional investments in aviation security. In FY 2015, the fee increase is expected to generate an additional \$195 million to further offset the cost of aviation security. Through 2019, the President's proposal is expected to generate over \$4.6 billion in additional offsets to TSA's budget.

Separately, the TSA has implemented several improved security programs and realized extensive efficiencies. TSA's FY 2015 Budget Request is over \$560 million less than its FY 2012 Budget, and is approximately \$60 million less than its FY 2014 Budget, after funding pay adjustments proposed by the President and other program efficiencies.