

SECURING AMERICA'S TRANSPORTATION AND
MARITIME SYSTEMS: A REVIEW OF THE FISCAL
YEAR 2020 BUDGET REQUESTS FOR THE
TRANSPORTATION SECURITY ADMINISTRATION
AND THE U.S. COAST GUARD

HEARING

BEFORE THE

SUBCOMMITTEE ON
TRANSPORTATION AND
MARITIME SECURITY

OF THE

COMMITTEE ON HOMELAND SECURITY
HOUSE OF REPRESENTATIVES

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SECURING AMERICA'S TRANSPORTATION AND MARITIME SYSTEMS: A REVIEW OF THE FIS- CAL YEAR 2020 BUDGET REQUESTS FOR THE TRANSPORTATION SECURITY ADMINIS- TRATION AND THE U.S. COAST GUARD

Tuesday, April 9, 2019

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON HOMELAND SECURITY,
SUBCOMMITTEE ON TRANSPORTATION
AND MARITIME SECURITY,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:04 a.m., in room 310, Cannon House Office Building, Hon. J. Luis Correa (Chairman of the subcommittee) presiding.

Present: Representatives Correa, Cleaver, Titus, Watson Coleman, Barragán, Demings, Thompson (ex officio), Lesko, and Katko.

Mr. CORREA. Good morning, everyone. The Subcommittee on Transportation and Maritime Security will now come to order.

The committee is meeting today to receive testimony on the President's fiscal year 2020 budget request for Transportation Security Administration, or TSA, and the U.S. Coast Guard.

I now recognize myself for an opening statement.

Today's hearing will examine, again, the President's 2020 budget request. I would like to thank the administrator of TSA, Mr. Pekoske, for being here; our commander of the Coast Guard, Admiral Schultz, for appearing before this subcommittee today.

It is often said that the budget proposals that we reflect are priorities. If so, this budget proposal confirms that the President's priorities are sorely misguided and, in fact, dangerous. The proposal reflects an oversight of the real threats facing the homeland and how to secure against them. This budget places funding for a border wall above all else. Take, for example, TSA. Again, sir, Administrator, I want to thank you for the great job your TSA workers do protecting our citizens as they fly.

The TSA, as you know, faces a complex threat picture and constant resource challenges. We have seen in recent years how the growing number of passenger volumes threaten to outpace TSA's ability to securely screen passengers, as long waiting lines and times have grown and created chaos for the aviation industry. TSA has struggled to address persistent morale and attrition problems as well, due in part to staffing shortages.

The recent Government shutdown highlighted to the American public that many TSA officers live paycheck to paycheck. In the

face of these challenges, the President has proposed cutting TSA's front-line staffing by 815 full-time positions and 50 canine teams when compared to currently-enacted levels. The President proposed placing additional burdens on the aviation industry by eliminating critical programs, such as the Law Enforcement Reimbursement Program and the TSA staffing of exit lanes, as well as cutting support for programs like the VIPR program and the Transit Security Grant Program. All these help protect our vulnerable surface transportation system.

This is no way to fund a National security agency. Clearly, the TSA would struggle to operate under these cuts, and the American people would be left vulnerable to attacks.

As for the Coast Guard, the proposal is not much better. Like the TSA, the Coast Guard faces constant resource challenges as it executes its multi-faceted mission. For years, we have asked the Coast Guard to do more with less. Though they have always risen to the challenge, no organization can be sustained indefinitely by being insufficiently funded. Our long-term failure to invest sufficiently in the fleet recapitalization has begun to affect this Coast Guard's mission readiness.

If we do not invest in the construction and maintenance of the crucial assets and infrastructure, the Coast Guard's operational capabilities will be reduced at a time when you are mostly and sorely needed. Unfortunately, the President's budget again fails to make the investments needed.

Although the budget proposes several investments in new cutters and aircraft, it does not include sufficient funding for long lead time materials to keep the Coast Guard's polar security cutters plans on track. The budget also does not provide enough funding to upgrade Coast Guard helicopter assets. Sadly, the President proposed zero funding to begin reducing the Coast Guard's \$2.6 billion backlog of shore infrastructure maintenance and recapitalization projects.

The Coast Guard will need to scale back its operations as it is forced to decommission assets without replacing them on-line.

Already the Coast Guard estimates that it is aware of 80 percent of the targets of interest moving in the maritime environment, including movement, migrants, and illegal drugs. But you only have the—you can only target approximately 20 percent of those targets that you identify.

Despite those constraints, last year, the Coast Guard seized more tons of cocaine and detained more suspected smugglers than all the other Federal agencies combined. If the President truly wants to keep drugs from coming across our borders, he should fully fund the Coast Guard. Instead, the President insists on prioritizing his border wall above all else, including the security of the American people. Instead of having Mexico pay for the wall, the President proposes cutting over a billion dollars from the TSA and Coast Guard budgets to pay for the wall.

This budget proposal is dead on arrival since Congress will not entertain these cuts.

Again, I want to thank the TSA officers who serve as our front-line security aviation, the Federal air marshals who serve as our

last line of defense, and the men and women of the Coast Guard who protect the American interests at home and across the globe.

Despite these difficult challenges and missing paychecks, these patriots have come to put mission first, and I thank them very much for their service.

Again, I look forward to hearing from our witnesses today about the importance of their work of their agencies to keep the American people secure.

[The statement of Chairman Correa follows:]

STATEMENT OF CHAIRMAN J. LUIS CORREA

APRIL 9, 2019

It is often said that budget proposals are a reflection of priorities. If so, this budget proposal confirms that the President's priorities are sorely misguided and, in fact, dangerous. The proposal reflects an ignorance of the threats facing the homeland and how to secure against them, as it places funding for a border wall above all else.

Take, for example, the TSA. The TSA faces a complex threat picture and constant resource challenges. We have seen in recent years how growing passenger volumes threaten to outpace TSA's ability to securely screen passengers, as long wait times have at times thrown the aviation system into chaos. And, TSA has struggled to address persistent morale and attrition problems, due in part to staffing shortages. The recent Government shutdown highlighted to the American public that many TSA officers live paycheck to paycheck.

In the face of these challenges, the President has proposed cutting TSA's front-line staffing by 815 full-time positions and 50 canine teams when compared with currently-enacted levels. He also proposes placing additional burdens on the aviation industry by eliminating critical security programs such as the Law Enforcement Officer Reimbursement Program and TSA's staffing of exit lanes, as well as cutting support for programs like the "VIPR" Program and the Transit Security Grant Program that help protect vulnerable surface transportation systems. This is no way to fund a National security agency. Let me be clear: The TSA would struggle to operate under these cuts, and the American people would be left vulnerable to attacks.

As for the Coast Guard the proposal is not much better. Like the TSA, the Coast Guard faces constant resource challenges as it executes its multi-faceted mission. For years, we have asked the Coast Guard to do more with less, and though they have always risen to the challenge, no organization can be sustained indefinitely by insufficient funding. Our long-term failure to invest sufficiently in fleet recapitalization has begun to affect the Coast Guard's mission readiness. If we do not invest in the construction and maintenance of critical assets and infrastructure now, the Coast Guard's operational capabilities will be reduced at a time when they are sorely needed. Unfortunately, the President's budget fails to make the investments needed.

Although the budget proposes several investments in new cutters and aircraft, it does not include sufficient funding for long-lead time materials to keep the Coast Guard's Polar Security Cutter plans on track. It also does not provide enough funding to upgrade Coast Guard helicopter assets. Strikingly, the President proposes zero funding to begin reducing the Coast Guard's \$2.6 billion backlog of shore infrastructure maintenance and recapitalization projects. The Coast Guard will need to scale back its operations as it is forced to decommission assets without replacements on-line.

Already, the Coast Guard estimates that it is aware of 80 percent of the targets of interest moving in the maritime environment—including movements of migrants and illegal drugs—but is only able to target approximately 20 percent for interdiction due to resource constraints. Despite those constraints, last year the Coast Guard seized more tons of cocaine and detained more suspected smugglers than all other Federal agencies combined. If the President truly wants to keep drugs from coming across our borders, he should fully fund the Coast Guard.

Instead, the President insists on prioritizing his ineffective border wall above all else—including the security of the American people. Instead of having Mexico pay for the wall, the President proposes cutting over a billion dollars from the TSA and Coast Guard budgets to pay for the wall. This budget proposal is dead on arrival, since Congress will not entertain these cuts.

Again, I would like to thank the TSA officers who serve as our front line to secure aviation; the Federal Air Marshals who serve as our last line of defense; and the men and women of the Coast Guard, who protect American interests at home and across the globe. Despite difficult circumstances and missing paychecks, these patriots have continued to put the mission first, and I thank them for their service.

Mr. CORREA. With that, now I would like to recognize the Ranking Member of the subcommittee, the gentlelady from Arizona, Mrs. Lesko, for an opening statement.

Mrs. LESKO. Thank you, Mr. Chairman.

Good morning to everyone that is here today. Good morning to Mr. Chairman and the Members and to the director and the admiral and all those here listening today. I am pleased that the subcommittee is meeting today to receive testimony from our distinguished guests on the President's fiscal year 2020 budget request for both the Transportation Security Administration and the United States Coast Guard.

I used to be the appropriations Chairman in the areas in the Senate, so it is always a difficult but interesting subject. In our case, it was the Governor versus the legislature. In this case, the President dealing with the Congress.

I am pleased that this year's \$7.8 billion budget request for TSA supports robust deployment of new checkpoint technologies, like computed tomography and credential authentication technologies that will make the travelers' public airport screening experience safer and more efficient. So I think that is good news.

I am hopeful that the successful fielding of technologies like CT will mean that, some day soon, Americans will be able to leave their liquids and laptops in their bags as they go through screening. That will make a lot of people happy; I know that.

I am also pleased that this budget request finds efficiencies that will save taxpayers money, because we have a huge deficit and debt in our country that I believe poses a National security threat. The budget includes tens of millions of dollars saved through eliminating contract redundancies, I think that was \$40 million we saved on that, and reducing the size of the headquarters, which I believe was \$24 million.

We know that transportation remains a persistent target for terrorist groups, so it is critical that TSA continuously strives to be innovative and ahead of the curve on emerging threats.

With a strong National economy leading to a steady growth in passenger volume at U.S. airports, which I can attest to from flying back and forth every weekend and the plane is totally packed, TSA's mission is really more important than ever.

Similarly, the United States Coast Guard has broad homeland security mission sets for migrant and drug interdiction as well as port security that are supported in this year's \$11.3 billion budget request. As the only branch of the U.S. military that operates within the Department of Homeland Security as well as the Department of Defense, the Coast Guard's uniqueness reflects the critical role it plays in protecting America's maritime systems.

Recently, Congress has appropriated funding to support new vessels, including the Polar Security Cutter and the National Security Cutter programs, which I am happy we did. That will help achieve mission readiness and provide our servicemen and -women better tools to protect the homeland.

While much-needed attention remains focused on our Southwest Border, as was mentioned, it is also important to remember the critical role of the U.S. Coast Guard, what role it plays in protecting our communities by interdicting drugs and migrants attempting to cross into the United States via our maritime border.

I have been told, Admiral, that sanctuary State and city laws, in some areas dependent upon a robust Coast Guard presence, are inhibiting cooperation between State and local law enforcement and the Coast Guard. This is concerning. Homeland security necessitates close coordination and positive working relationships among Federal law enforcement and State and local partners. I am worried that the resource challenges that the Coast Guard already faces are only further amplified in situations like this, so I look forward to hearing from you to discuss the importance of State and local partnerships.

Again, I wish to thank Chairman Correa for holding this important hearing today, and I look forward to hearing the witness testimonies.

Thank you, and I yield back, Mr. Chairman.

[The statement of Ranking Member Lesko follows:]

STATEMENT OF RANKING MEMBER DEBBIE LESKO

APRIL 9, 2019

Thank you, Mr. Chairman. I am pleased that the subcommittee is meeting today to receive testimony from our distinguished panel on the President's fiscal year 2020 budget request for both the Transportation Security Administration and the United States Coast Guard.

I am pleased that this year's \$7.8 billion budget request for TSA supports robust deployment of new checkpoint technologies like Computed Tomography and Credential Authentication Technologies that will make the traveling public's airport screening experience safer and more efficient.

I am hopeful that the successful fielding of technologies like CT will mean that someday soon, Americans will be able to leave their liquids and laptops in their bags as they go through screening.

I am also pleased that this budget request finds efficiencies that will save the taxpayers money, including tens of millions of dollars saved through eliminating contract redundancies and reducing the size of headquarters.

We know that transportation remains a persistent target for terrorist groups, so it is critical that TSA continuously strives to be innovative and ahead of the curve on emerging threats.

With a strong National economy leading to steady growth in passenger volume at U.S. airports, TSA's mission is more important than ever.

Similarly, the United States Coast Guard has broad homeland security mission sets for migrant and drug interdiction, as well as port security, that are supported in this year's \$11.3 billion budget request.

As the only branch of the U.S. military that operates within the Department of Homeland Security, as well the Department of Defense, the Coast Guard's uniqueness reflects the critical role it plays in protecting America's maritime systems.

Recently, Congress has appropriated funding to support new vessels, including the Polar Security Cutter and National Security Cutter programs, that will help achieve mission readiness and provide our servicemen and -women better tools to protect the homeland.

While much-needed attention remains focused on our Southwest Border, it is also important to remember the critical role the U.S. Coast Guard plays in protecting our communities by interdicting drugs and migrants attempting to cross into the United States via our maritime border.

I've been told that sanctuary State and city laws in areas dependent upon a robust Coast Guard presence are inhibiting cooperation between State and local law enforcement and the Coast Guard. This is concerning.

Homeland Security necessitates close coordination and positive working relationships among Federal Law Enforcement and State and local partners.

I am worried that the resource challenges that the Coast Guard already faces are only further amplified in situations like this, so I look forward to hearing the Commandant discuss the importance of State and local partnerships.

Again, I wish to thank Chairman Correa for holding this important hearing today, and I look forward to hearing the witnesses' testimonies. Thank you, and I yield back.

Mr. CORREA. Thank you, Mrs. Lesko.

I would like to now recognize the Chair of Homeland Security, Chairman Thompson, for an opening statement as well.

Welcome, sir.

Mr. THOMPSON. Thank you very much.

Good morning. I would like to thank Chairman Correa and Ranking Member Lesko for holding today's hearing on examining the President's fiscal year 2020 budget request for the Transportation Security Administration and the U.S. Coast Guard.

I would also like to thank Administrator Pekoske and Commandant Schultz for appearing before the subcommittee today. It is a pleasure to have two qualified, Senate-confirmed DHS leaders here, a rarity these days given recent events. I hope that whoever the President nominates to be the next Secretary will be more qualified than the last Secretary and more capable of standing up for American values and the rule of law.

Both TSA and the Coast Guard execute missions critical to Homeland Security. Unfortunately, the President's proposal would undercut these critical missions in order to fund a border wall. The President plans to place the homeland at risk.

To start with the TSA, the threat environment facing the Nation's transportation system is active and constantly evolving. Yet the administration's budget fails to address major staffing and morale challenges facing TSA's front-line security work force.

TSA has consistently struggled with low morale and high attrition across its work force, and these struggles threaten TSA's ability to execute its mission. Earlier this year, we saw the debilitating impact the Government shutdown had on TSA's work force, as many transportation security officers, or TSOs, struggled to provide for their families and pay their bills. The strain on unpaid TSOs during the Government shutdown magnified financial pressures already facing the TSO work force, which is underpaid compared to other Federal workers. TSOs in many instances had to shop at local food banks during the shutdown.

Entry-level TSOs are paid as low as \$32,600 per year, a little more than some less-demanding jobs elsewhere in the airport. Unlike employees at most Federal agencies, TSOs do not receive regularly-scheduled salary increases and lack basic work-force protection and rights.

Mr. Administrator, you have acknowledged that better pay and increased staffing would result in lower attrition and better mission execution, and you have the authority to grant those pay increases if we give you the money. Some of us really would love to give the money so our TSOs can make more money.

But when I look at the budget request for 2020, it fails to include any money for salary increases. To make matters worse, the President's fiscal year 2020 budget actually cuts TSA staffing by 815 full-time equivalent positions compared to current enacted levels. A proposal making such cuts in the face of pressing threats against

our transportation system and steadily increases its passenger volume is a dire indictment of President Trump's understanding of how to keep our country secure.

Moreover, the President proposed cutting or eliminating several critical security programs. He proposes cutting 50 canine teams which are critical to ensuring effective and efficient passenger screening. He also proposes eliminating the VIPR program, which is TSA's most visible and mobile resource for surface transportation security and eliminating TSA's exit lane staffing.

Additionally, he will cut the Law Enforcement Reimbursement Program, which supports placing uniformed officers near screening checkpoints in over 300 airports world-wide. The Trump administration should be focused on bolstering Federal support for such programs, not eliminating them.

In addition, the budget fails to propose making significant investments to improve air cargo security, including funding a pilot to test new cargo screening technology as required under the TSA Modernization Act which Congress enacted last fall.

The President proposed many of these cuts in each of his previous budgets, and Congress has repeatedly rejected those cuts. In fact, Members of this committee worked to include in the TSA Modernization Act language to protect many of these programs.

The Coast Guard. The Coast Guard carries out critical homeland security missions, including maritime law enforcement, drug and migrant interdiction, port security, and the protection of U.S. security and sovereignty throughout the world. With such a vast footprint and mission, the U.S. Coast Guard work force is under constant pressure. Yet, like the TSA work force, the Coast Guard work force constantly delivers for the American people.

During the recent Government shutdown, Coast Guard members went to work with no pay, with some struggling to provide for their families. That military service member would have to work without pay is unconscionable.

Instead of fully supporting their efforts, the administration proposes underfunding the Coast Guard at a time when natural disasters, cyber attacks, and drug trafficking are making its effort more difficult every day.

Last fiscal year, Congress made significant investments in modernizing Coast Guard assets, including funds to make the Coast Guard acquisition of a new Polar Security Cutter possible. These investments, however, do not fully compensate for years of deferred maintenance and recapitalization of the Coast Guard fleet and shore infrastructure.

Finally, I must convey my frustration and disappointment that the Coast Guard and the Department of Homeland Security have stonewalled the efforts of this committee, along with the Committee on Oversight and Reform, to conduct oversight of the Coast Guard Academy. Last year, the DHS Inspector General substantiated claims that the Coast Guard retaliated against a Black lesbian officer after she reported she was subjected to harassment and a hostile work environment due in part to her race, gender, and sexual orientation.

Following multiple incomplete and heavily-redacted responses from the Coast Guard to our request for documents on these mat-

ters, Chairman Cummings and I, along with Chairman Correa and others, wrote Secretary Nielsen demanding a full production of documents by today. If we do not receive a response by the close of business, we will be forced to pursue other means to compel production.

As Chairman of this committee, I will not stand for misconduct within any department, nor will I stand for anything less than full transparency when this committee attempts to carry out its oversight responsibilities.

Again, I thank the Chairman for holding today's hearing and the witnesses for their participation.

I yield back the balance of my time.

[The statement of Chairman Thompson follows:]

STATEMENT OF CHAIRMAN BENNIE G. THOMPSON

APRIL 9, 2019

It is a pleasure to have two qualified, Senate-confirmed DHS leaders here—a rarity in the Department given recent events. I hope that whoever the President nominates to be the next Secretary will be more qualified than the last Secretary—and more capable of standing up for American values and the rule of law.

Both TSA and the Coast Guard execute missions critical to homeland security. Unfortunately, the President's proposal would undercut these critical missions in order to fund a border wall. The President's plans place the homeland at risk.

To start with the TSA, the threat environment facing the Nation's transportation systems is active and constantly evolving. And yet, the administration's budget request fails to address major staffing and morale challenges facing TSA's front-line security workforce. TSA has consistently struggled with low morale and high attrition across its workforce, and these struggles threaten TSA's ability to execute its mission.

Earlier this year, we saw the debilitating impact the Government shutdown had on the TSA workforce, as many Transportation Security Officers, or TSOs, struggled to provide for their families and pay their bills. The strain on unpaid TSOs during the Government shutdown magnified financial pressures already facing the TSO workforce, which is underpaid compared to other Federal workers. Entry-level TSOs are paid as low as about \$32,600 per year, which amounts to \$15.68 per hour—little more than some less demanding jobs elsewhere in the airport. Unlike employees at most Federal agencies, TSOs do not receive regularly-scheduled salary increases and lack basic workplace protections and rights. Administrator Pekoske has acknowledged that better pay and increased staffing would result in lower attrition and better mission execution, and he has the authority to grant pay increases, if funded. However, the fiscal year 2020 budget request for TSA fails to include funding for salary increases.

To make matters worse, the President's fiscal year 2020 budget actually cuts TSA staffing by 815 full-time equivalent positions compared to currently-enacted levels. A proposal making such cuts in the face of pressing threats against our transportation systems and steady increases in passenger volume is a dire indictment of President Trump's understanding of how to keep our country secure. Moreover, the President proposes cutting or eliminating several critical security programs. He proposes cutting 50 canine teams, which are critical to ensuring effective and efficient passenger screening. He also proposes eliminating the VIPR Program, which is TSA's most visible and mobile resource for surface transportation security, and eliminating TSA's exit lane staffing. Additionally, he would cut the Law Enforcement Officer Reimbursement program, which supports placing uniformed officers near screening checkpoints in over 300 airports Nation-wide.

The Trump administration should be focused on bolstering Federal support for such programs, not eliminating them. In addition, the budget fails to propose making significant investments to improve air cargo security, including funding a pilot to test new cargo screening technologies, as required under the TSA Modernization Act which Congress enacted last fall. The President proposed many of these cuts in each of his previous budget proposals, and Congress has repeatedly rejected them. In fact, Members of this committee worked to include in the TSA Modernization Act language to protect many of these programs. The administration apparently did not bother to read the statute when compiling its budget request. If enacted, I fear this

proposal could lead to chaos and significant vulnerabilities within our Nation's transportation systems.

Equally important to the discussion of our Nation's homeland security are efforts to secure our maritime interests. The U.S. Coast Guard carries out critical homeland security missions including maritime law enforcement, drug and migrant interdictions, port security, and the protection of U.S. security and sovereignty throughout the world. With such a vast footprint and mission, the U.S. Coast Guard work force is under constant pressure. And yet, like the TSA work force, the Coast Guard workforce constantly delivers for the American people. During the recent Government shutdown, Coast Guard Members went to work with no pay—with some struggling to provide for their families. That military service members would have to work without pay is unconscionable. Instead of fully supporting their efforts, the administration proposes underfunding the Coast Guard at a time when natural disasters, cyber attacks, and drug trafficking are making its efforts more difficult every day. Last fiscal year, Congress made significant investments in modernizing Coast Guard assets, including funds to make the Coast Guard's acquisition of a new Polar Security Cutter possible. These investments, however, do not fully compensate for years of deferred maintenance and recapitalization of the Coast Guard's fleet and shore infrastructure. Without increased investments to upgrade these assets, the Coast Guard will risk significant capability gaps.

To face these challenges, the Coast Guard must also develop effective retention and recruitment tools to maintain a capable workforce. The service needs become more inclusive, diverse, and equitable to ensure it reflects the public it serves. I look forward to hearing from the Commandant about how he plans to improve the Coast Guard's retention and recruitment policies.

Finally, I must convey my frustration and disappointment that the Coast Guard and the Department of Homeland Security have stonewalled the efforts of this committee, along with the Committee on Oversight and Reform, to conduct oversight of the Coast Guard Academy. Last year, the DHS inspector general substantiated claims that the Coast Guard retaliated against a Black, lesbian officer after she reported she was subjected to harassment and a hostile work environment, due in part to her race, gender, and sexual orientation. Following multiple incomplete and heavily-redacted responses from the Coast Guard to our request for documents on these matters, Chairman Cummings and I—along with Chairman Correa and others—wrote to Secretary Nielsen demanding a full production of documents be provided by today. If we do not receive a response by the close of business, we will be forced to pursue other means to compel production.

As Chairman of this committee, I will not stand for misconduct within the Department, nor will I stand for anything less than full transparency when this committee attempts to carry out its oversight responsibilities.

Mr. CORREA. Thank you, Chairman Thompson.

I would like to—other Members of the committee are reminded that under the committee rules opening statements may be submitted for the record.

Let me now welcome our panelists. The first witness is Mr. David Pekoske, who has served as the seventh administrator of the TSA since August 2017. Before joining TSA, Administrator Pekoske most notably served as the 26th vice commandant of the U.S. Coast Guard.

Our second witness, we will hear from Admiral Karl Schultz, who has served as the 26th commandant of the U.S. Coast Guard since June 2018. Admiral Schultz has also served previously as director of operations for United States Southern Command where he directed joint military operations in the Caribbean and Central and South America.

Without objection, the witnesses' full statements will be inserted into the record.

I now ask each witness to summarize their statements for 5 minutes, beginning with Administrator Pekoske.

Welcome, sir.

STATEMENT OF DAVID P. PEKOSKE, ADMINISTRATOR, TRANSPORTATION SECURITY ADMINISTRATION, U.S. DEPARTMENT OF HOMELAND SECURITY

Mr. PEKOSKE. Thank you, Mr. Chairman.

Mr. Chairman, Ranking Member Lesko, and Chairman Thompson, and distinguished Members of this committee, it is a pleasure to appear before you today. It is a pleasure to share the witness table with my colleague from the U.S. Coast Guard. I think this is the first time that we have seen TSA and the Coast Guard together at a hearing. I would just commend the Chairman for putting together such a great portfolio of agencies in this subcommittee.

I value your oversight and support and thank you for your critical contribution to our mission success. Thank you as well for your support of the TSA Modernization Act, our first reauthorization since TSA was established.

This reauthorization not only emphasizes TSA's passenger aviation security mission, but provides support and direction that I believe will lead to increased cargo and surface transportation security. We have already made substantial progress in carrying out the more than 175 requirements of the Act.

It is an honor and privilege to lead the men and women of TSA. They embody our core values of integrity, respect, and commitment. It was that commitment that was so plainly evident during the recent 35-day lapse in appropriations. We appreciate the flexibility that having a 2-year appropriation for operations and support provides, which allowed us to use available fiscal 2018 funds to mitigate the adverse impact on our employees.

I am immensely proud of TSA's team of professionals who include screeners, explosives experts, and canine handlers, intelligence and vetting personnel, inspectors and investigators, Federal air marshals, providers of critical support services, and a highly-skilled headquarter staff. It is our mission to ensure our transportation systems used by hundreds of millions of people per year and a lifeblood of our economy remain secure.

We are hard at work, with your help, to provide better security faster. This includes the computed tomography X-ray technology you championed and Congress funded in fiscal 2018 and 2019 for carry-on bags at our screening checkpoints, and its continuation in fiscal 2020; the credential authentication technology you have similarly sponsored to strengthen our performance at the first position in our screening process; the increase in numbers of screeners to reflect the strong and sustained growth in passenger air travel; and increases in our canine capability for both passenger and air cargo screening.

The fiscal 2020 request seeks \$7.2 billion partially offset by \$3.4 billion from the aviation passenger security fee. It has two overarching priorities. The first is continued investment in checkpoint technology. In particular, the CT technology and the credential authentication technology. I will talk about each for just a moment.

For computer tomography, or CT, 12 days ago, we awarded our first major contract for 300 X-ray systems. Your demonstration of support for this acquisition was key to our success in obtaining a price that was substantially less than our budget estimates, allowing us to purchase 50 percent more than we thought possible. This

will more quickly improve security effectiveness. Not only will this technology provide vastly superior security, it will also be more convenient for passengers, eventually eliminating the requirement for most passengers to take anything out of their carry-on bags.

The fiscal 2020 budget requests \$220 million for approximately 320 more of these X-ray machines and associated baggage handling systems. For the credential authentication technology, the budget continues large-scale investment in this technology deploying approximately 500 additional machines, which improve identity and travel verification, improve risk management, and also result in more convenience for passengers who will no longer need to present boarding passes in most situations.

The second key priority for the fiscal 2020 budget is rightsizing our work force. Commercial air travel continues to grow at approximately 5 percent per year. This requires an increase in the size of our screening work force as compared to the President's fiscal 2019 request and the staff who support them. This budget seeks over 1,000 additional screener positions from the President's fiscal year 2019 request that will allow us to maintain our screening and throughput standards.

Additionally, we have been hard at work in raising the global bar of aviation security. This effort is focused on the 280-plus last-point-of-departure airports around the world. An increase in our international footprint is needed and is requested in this budget.

Finally, to respond to a changing threat, we revised our concept of operations for the Federal Air Marshal Service that allows us to make a modest downward adjustment to the size of this very important component of the TSA, while enhancing operational effectiveness. I would also note that we have identified efficiencies in certain aspects of our operations that results in approximately \$160 million of program reductions to partially offset the growth we are requesting.

In closing, I appreciate the opportunity to discuss TSA's resource needs at today's hearing. I hope you and your staffs have found us very responsive to your requests for information. I am committed to being as open and transparent as possible, and I am always available to discuss any of TSA's operations.

I look forward to responding to your questions this morning. Thank you, Mr. Chairman.

[The prepared statement of Mr. Pekoske follows:]

PREPARED STATEMENT OF DAVID P. PEKOSKE

APRIL 9, 2019

Good morning Chairman Correa, Ranking Member Lesko, and distinguished Members of the subcommittee. Thank you for inviting me to testify on the President's fiscal year 2020 budget, which includes a \$7.79 billion request for the Transportation Security Administration (TSA). I am honored to be here and welcome the opportunity to update the subcommittee on the progress the agency has made during fiscal year 2018 and thus far this year. My testimony will highlight the accomplishments of our exceptional workforce and explain how we have improved our mission execution.

The U.S. transportation system accommodates approximately 965 million domestic and international aviation passengers annually—this equates to the screening of 2.2 million passengers, 1.4 million check bags, and 5.1 million carry-on bags each day; over 5.3 billion passengers traveling on transit and over-the-road buses each year; more than 10.1 billion passenger trips on mass transit per year; and nearly

900,000 chemical shipments on trucks every day. Beyond those usage numbers associated with a relatively open network of transportation modes, the physical scope of the system encompasses approximately 126,000 miles of railroad tracks; 4.2 million miles of highway; 615,000 highway bridges; 473 road tunnels; and nearly 2.5 million miles of pipeline.

Aviation and transportation hubs remain highly-valued targets for terrorists, and terrorist modes and methods of attack are more decentralized and opportunistic than ever before. Every day, TSA is challenged by a persistent, pervasive, and constantly-evolving threat environment, both in the physical and cyber realms.

Last year, when I testified about TSA's fiscal year 2019 budget request, I advised this subcommittee that we face ambitious adversaries on a daily basis who watch us, study our vulnerabilities, and work diligently to develop new attack strategies to replace those that have failed. To stay ahead of these adversaries, we have to innovate, deploy new solutions rapidly and effectively, and make the most of our resources—goals that are reflected in TSA's 3 strategic priorities: Improving Security and Safeguarding the Transportation System; Accelerating Action; and Committing to Our People. In short, we must strive to deliver Better Security Faster.

TSA's workforce has made significant progress implementing those priorities. In fiscal year 2018, we—

- Screened more than 804 million aviation passengers, representing a 5 percent checkpoint volume increase from fiscal year 2017;
- Established and rapidly implemented a Computed Tomography (CT) carry-on baggage screening program through procurement of 49 CT units and deployment of 30 of them to airports and laboratories;
- Expanded the training of explosives detection canine teams in support of maintaining 1,047 TSA Passenger Screening Canine and Law Enforcement Officer teams; and
- Conducted 1,967 air carrier inspections at foreign airports, 145 foreign airport assessments, 62 pipeline critical facility security reviews, 92 assessments of mass transit operator security enhancements, and 124 assessments of security enhancements by motor carriers.

Additionally, TSA's workforce consistently demonstrated extraordinary diligence and commitment to duty throughout fiscal year 2018 and continues to do so today. Of particular note, Transportation Security Officers (TSOs), vetting personnel, Transportation Security Inspectors, canine handlers, and Federal Air Marshals worked for 35 days under extraordinarily challenging circumstances during the lapse in appropriations. Many of those individuals, and in particular our TSOs who are in junior pay bands, continued to report to work despite suffering financial hardships. TSA leveraged the flexibility provided by our appropriations to use prior year funding to mitigate the adverse financial impact on our workforce. Moving forward, I continue to look at various options under the broad scope of TSA's authorities to demonstrate our commitment to the workforce, reward high performers, reduce turnover, and improve employee morale.

Another important element of TSA's ability to deliver Better Security Faster relies upon our legal authority to execute our mission. To that end, I want to thank Congress for the passage and ultimate enactment last October of the FAA Reauthorization Act of 2018, which includes the TSA Modernization Act.

The TSA Modernization Act represents the agency's first reauthorization since its inception in 2001. Among many things, the TSA Modernization Act authorizes appropriations for fiscal year 2019, 2020, and 2021, modernizes TSA's structure and operations, and expands the agency's ability to innovate, engage domestic and international stakeholders, and execute our critical mission to protect passengers and cargo traveling across all modes of transportation. TSA is grateful for these authorities and, has already implemented more than 27 percent of the TSA Modernization Act requirements, including: Standing up a new Air Cargo Division, soliciting members for TSA's new Surface Transportation Security Advisory Committee, establishing and conducting the first meeting of a working group to expand the domestic explosives detection canine breeding program, and working with American Federation of Government Employee representatives to recommend reforms to TSA's personnel management system.

In addition to directing an agency-wide efficiency review, we believe the TSA Modernization Act mandate for TSA to formally apply risk-based budgeting to surface transportation and to develop and submit a Capital Investment Plan (CIP) will better position us to strategically plan and apply our resources more effectively. We anticipate the CIP will be submitted next month and the surface transportation security assessment, which is a precursor for associated risk-based budget and resource allocation efforts, will be completed by its October 2019 deadline. These documents will be used in the development of future budget requests.

As part of the budget development process, we identified cost savings and efficiencies in order to pursue top funding priorities in fiscal year 2020. These include reduction to the Federal Air Marshal Service based on our new Concept of Operations; contract and travel costs savings of \$40.2 million; and anticipated staff attrition of 11.5 percent resulting from the consolidation of TSA buildings into our new headquarters. In total, TSA reductions include 166 positions from headquarters and \$181.5 million in expenditures that will be redirected to other higher-priority items, including support of the front-line workforce.

Fully funding TSA's fiscal year 2020 budget request will enable the agency to build upon the progress we have made to improve front-line operations, accelerate the deployment of new technologies, and gain efficiencies through organizational restructuring and optimizing the use of limited resources. For instance, this budget request continues on-going capital investment efforts to purchase and deploy new technologies.

In fiscal year 2020, TSA will buy 320 CT units using requested resource funding and prior year resources available in the Aviation Security Capital Fund. Building upon the fiscal year 2018 efforts noted earlier, and the anticipated procurement of approximately 202 additional CT units in fiscal year 2019, funding the fiscal year 2020 request will enable us to continue to accelerate the deployment of CT technology to the field to equip our workforce and more effectively enable mission execution. CT systems provide TSOs with a 3-dimensional view of baggage, the ability to remove unwanted clutter, and a greater capacity to detect explosives and prohibited items. We are also requesting a \$12.6 million increase to further develop CT detection technology to identify a broader range of home-made explosives, reduce false alarms, enable detection of greatly-reduced threat mass, and potentially provide the ability for passengers to leave liquids and laptops in their carry-on bags.

In addition, TSA will continue purchasing 294 Credentialing Authentication Technology (CAT) units using \$14.8 million from base resources. The on-going purchases of CAT units will improve the detection of fraudulent documents and allow us to screen passengers more effectively on a risk basis.

This budget also requests an additional \$58.6 million, including associated costs, for additional TSOs (1,028 positions/700 FTE) to bolster our screening workforce. As passenger enplanements increase, so does TSA's operational workload. We constantly explore ways to improve screening efficiencies while maintaining or improving security effectiveness and consider various factors including space constraints, passenger/baggage screening demand, equipment, and risks at airports to right-size the workforce. For fiscal year 2020, this investment in TSO staffing is necessary for us to continue to meet passenger expectations, maintain acceptable wait times, and avoid crowding at the checkpoints, which is itself a security concern. The fiscal year 2020 budget request also includes \$8.8 million to implement improved training requirements for the agency's TSO Career Progression Plan. We expect this investment in the professional growth of our workforce to enhance screener proficiency, performance, and morale.

Recognizing that aviation transportation security requires global cooperation, the budget requests \$10.2 million for increased international outreach. This reflects TSA's commitment to raising the global transportation security baseline by increasing our international footprint in Asia, the Middle East, and at CBP preclearance locations. This approach is designed to deter, detect, and deny potential adversaries access or the ability to insert a threat into the global transportation system.

Finally, in conjunction with the fiscal year 2020 budget request, the administration proposes raising the Aviation Passenger Security Fee, also known as the September 11 Security Fee, in order to fully cover the costs of aviation security by fiscal year 2028. The fee was created to cover the costs of aviation security, but currently it covers only 40 percent. This proposal would increase the fee by \$1, from \$5.60 to \$6.60 per one-way trip, in fiscal year 2020 and then from \$6.60 to \$8.25 in fiscal year 2021. This measure would generate \$599 million in new revenue in fiscal year 2020 and close to \$23 billion over the next 10 years.

Last year, I announced a one-word revision to TSA's motto—changing “Not on My Watch” to “Not on Our Watch.” This simple but significant adjustment reflects the fact that securing our transportation systems is a communal effort and that our greatest assets are—and will always be—our people, our partners, and the traveling public.

TSA's fiscal year 2020 budget request is consistent with that approach. To achieve the priorities reflected within it, TSA will engage industry and our stakeholders to partner with us to develop and deploy new technology. We will also invest resources in our employees, who reflect TSA's core values of integrity, respect, and commitment, and ask them to serve as leaders regardless of their titles or level in the agency, and as ambassadors for TSA. We will continue to encourage the public to be part

of the solution. Finally, through constructive oversight and dialog, we seek to partner with Congress as we work to provide Better Security Faster.

Chairman Correa, Ranking Member Lesko, and Members of the subcommittee, thank you for the opportunity to testify before you today. I look forward to your questions.

Mr. CORREA. Thank you for your testimony.

I now recognize Admiral Schultz to summarize his statement for 5 minutes.

**STATEMENT OF ADMIRAL KARL L. SCHULTZ, COMMANDANT,
U.S. COAST GUARD**

Admiral SCHULTZ. Good morning, Chairman Correa, Ranking Member Lesko, Members of this committee. I appreciate the opportunity to testify. I echo the administrator's remarks about testifying alongside a key DHS partner agency.

First, on behalf of the men and women of the United States Coast Guard, please accept my profound thanks for your unwavering support, including the recently-enacted fiscal 2019 appropriation as well as the 2018 hurricane supplemental funding directed to the Coast Guard. These were meaningful steps toward delivering the ready, relevant, and responsive Coast Guard the American public expects and deserves.

Yet our work is not done. If you take just one thing from my testimony this morning, I ask that you remember this: Readiness. We must begin with ready and being ready. Ready to push our maritime border 1,500 miles away from our shores. Ready to preserve the \$5.4 trillion in economic activity that flows across the MARAD Marine Transportation System on an annual basis. Ready to support combatant commander needs around the globe. Ready for the next hurricane season, which is just around the corner. Ready to put our cyber authorities to use as we adapt to 21st-Century threats.

Without question, building and sustaining readiness is my No. 1 priority. We are at a critical junction, a tipping point of sorts. After almost a decade of near flat-line operations in support funding, Coast Guard readiness is eroding, just like the other armed services. Yet, unlike the Department of Defense, the Coast Guard funding is categorized as nondefense discretionary, which mean we were excluded from the focused efforts to rebuild the military, and continue to find ourselves on the outside looking in when it comes to material operations and support plus-ups.

In 2017, the Department of Defense received a 12 percent boost in operations, while Coast Guard funding increased only 4 percent. Yet the Coast Guard's military contributions are immutable. Every year we proudly expend over \$1 billion on defense-related activities in direct support of the combatant commanders. But the \$340 million of defense readiness monies that we received has not changed in more than 18 years.

As an example of our growing defense portfolio, the National Security Cutter Bertholf is supporting the Indo-PACOM, Pacific commander, in the South China Sea, enforcing U.N. sanctions against North Korea and protecting and advancing U.S. interests across the Western Pacific.

Though we strive for relentless resilience to execute Homeland's security and defense operations, our purchasing power has, in fact,

declined. If we continue to neglect our growing backlog of deferred repairs and our capital assets, including shore infrastructure, we will lose ground in the fight to defend our homeland from evolving threats and challenges across the Nation.

Despite these challenges, I am, in fact, extremely proud of the Coast Guard's contributions. In 2018, as part of DHS's layered security strategy and in support of Joint Interagency Task Force South, our surface and aviation assets interdicted 209 metric tons. That is more than 460,000 pounds of cocaine, more than all other Federal agencies combined, and apprehended more than 600 smugglers.

Disrupting transnational criminal organizations at sea, where they are most vulnerable, helps reduce the push factors that are responsible for driving human migration to our southwest land border.

National Security Cutter *Waesche*, which just completed a patrol in the Eastern Pacific and returned, offloaded 7 metric tons of cocaine in San Diego just last week. Our National Security Cutters have exceeded performing expectations by every metric. Now we must focus on transition from outdated and costly medium-enduring cutters to our planned fleet of 25 highly-capable offshore patrol cutters, which will be the backbone of the Coast Guard's offshore presence for decades to come.

In the polar regions, your Coast Guard is the sole surface presence to protect our rights, protect our sovereignty. As access to the region expands and interest from China and Russia grows, it is in our National interest to be there to enhance maritime domain awareness and build governance in this economically and geostrategically competitive area.

That is why the Coast Guard is poised to release a new arctic strategy outlook, a refresh to our 2013 strategy later this month. In the high latitudes, presence equals influence. Two weeks ago, our sole operation—well, actually 4 weeks ago, our sole operational icebreaker, the 43-year-old *Polar Star*, returned from 105-day patrol to the Antarctic region to conduct the annual McMurdo Station breakout. That mission enables resupply of this critical vital National interest.

These missions take a toll, and *Polar Star*'s crew work miracles keeping their ship mission viable. They battle the shipboard fire, numerous electrical outages, and combated an engine room flooding situation. Just off the ice edge, we put—embark Coast Guard and Navy divers into the icy Antarctic waters to repair a shaft seal leak.

I am proud of their efforts, but I remain concerned we are only one major casualty away from being a Nation without any heavy icebreaking capability. New icebreakers will not come fast enough. Thank you for the \$657 million provided in the fiscal year 2019 appropriation toward that end.

Finally, I appreciate the administration's support for a number of initiatives that invest in our greatest strength: Our people. While modest, they represent tangible investments toward a mission-ready total work force. For instance, critical investments in our marine inspections work force and to our cybersecurity operations build the capabilities that facilitate that \$5.4 trillion of an-

nual economic activity on our Nation's waterways and protect critical infrastructure.

Last, a dollar invested in the Coast Guard is a dollar well spent. With your continued support, the Coast Guard will live up to our motto: Always ready, semper paratus.

Thank you, Chairman, Ranking Member, and Members of the committee. I welcome your questions.

[The prepared statement of Admiral Schultz follows:]

PREPARED STATEMENT OF KARL L. SCHULTZ

APRIL 9, 2019

INTRODUCTION

Chairman Correa and distinguished Members of the committee, I appreciate the opportunity to testify today. Thank you for your enduring support of the United States Coast Guard, particularly the significant investments provided in the Fiscal Year 2019 Consolidated Appropriations Act.

Your Coast Guard is on the front lines of our Nation's effort to protect the American people, our homeland, and our way of life. As threats and challenges to our National security and global influence grow more complex, the need for a Ready, Relevant, and Responsive Coast Guard has never been greater.

Appropriately positioned within the U.S. Department of Homeland Security (DHS), the Coast Guard is a Federal law enforcement agency, a regulatory body, a first responder, a member of the U.S. intelligence community, and a military service and a branch of the Armed Forces of the United States at all times¹—the Coast Guard offers specialized and unique capabilities across the full spectrum of maritime activities, from security cooperation up to armed conflict.

The Coast Guard has matured and evolved over the course of our 228-year history, adapting our people, assets, and capabilities in response to emerging National demands and international challenges. We are locally-based, Nationally responsive, and globally impactful.

To outline my vision for the Service, I recently released the U.S. Coast Guard Strategic Plan 2018–2022. To that end, my highest priority is to “Maximize Readiness Today and Tomorrow,” and readiness starts with our people, who are our greatest strength. In the competitive marketplace the Armed Forces find ourselves, now is a critical time to invest in our mission-ready total workforce.

My second top priority is continuing to “Address the Nation's Complex Maritime Challenges” through international and domestic leadership in the maritime domain. A unique instrument of National power, the Coast Guard offers the ability to secure the maritime border, combat Transnational Criminal Organizations (TCOs), and facilitate \$4.6 trillion of annual economic activity on our Nation's waterways.

Finally, in a competitive budget environment, your Coast Guard is acutely focused on my third priority, “Delivering Mission Excellence Anytime, Anywhere,” by continuously challenging ourselves to innovate and drive increased efficiency for better organizational performance in response to both man-made crises and natural disasters.

STRATEGIC EFFECTS

The Coast Guard plays a critical role in a comprehensive approach to securing our borders—from disrupting drug trafficking and illegal immigration in the southern transit zones, to projecting sovereignty across the globe. Our Nation's maritime borders are vast, and include one of the largest systems of ports, waterways, and critical maritime infrastructure in the world, including 95,000 miles of coastline.

As part of the DHS layered security strategy, the Coast Guard pushes out our Nation's border, and serves as the “offense” in a comprehensive approach to layered border security strategy. Through the interdiction of illicit drugs and the detention of suspected drug smugglers, the Coast Guard disrupts TCO networks at sea, over a thousand miles from our shore, where they are most vulnerable. Coast Guard maritime interdictions weaken the TCOs who destabilize our immediate neighbor Mexico, the Central American land corridor, and South American countries. Our interdiction efforts minimize corruption and create space for effective governance to

¹ 14 U.S.C. § 1; 10 U.S.C. § 101.

exist. Coast Guard interdiction efforts reduce the “push factors” that are responsible for driving migration to our Southwest land border.

Working with interagency partners, the Coast Guard seized 209 metric tons of cocaine and detained over 600 suspected smugglers in fiscal year 2018, which is more than all other Federal agencies combined. Highlighting the capabilities of one of our modern assets, in November 2018, the National Security Cutter (NSC) CGC JAMES, in support of Joint Interagency Task Force South (JIATF-S), seized nearly 9 tons of cocaine and detained over 40 suspected drug smugglers from various drug conveyances, including low-profile go-fast vessels and fishing vessels. In addition to stopping these drugs from getting to our streets, the information we gather and share with our partners in the intelligence community facilitates deeper understanding of TCOs and ultimately helps our unified efforts to dismantle them.

As an important part of the modern military’s Joint Force,² we currently have forces assigned to each of the 6 geographic Combatant Commanders (COCOMs), as well as Cyber Command, Transportation Command, and Special Operations Command. The Coast Guard deploys world-wide to execute our statutory Defense Operations mission in support of National security priorities. Typically, on any given day, 11 cutters, 2 maritime patrol aircraft, 5 helicopters, 2 specialized boarding teams, and an entire Port Security Unit are supporting Department of Defense (DoD) COCOMs on all 7 continents. In the Middle East, our squadron of 6 patrol boats continues to conduct maritime security operations on the waters of the Arabian Gulf in close cooperation with the U.S. Navy, promoting regional peace and stability.

Likewise, as one of the principal Federal agencies performing Detection and Monitoring (D&M) in the southern maritime transit zone, the Coast Guard provides more than 4,000 hours of maritime patrol aircraft support and 2,000 major cutter days to DoD’s Southern Command (SOUTHCOM) each year.

Coast Guard authorities and capabilities bridge National security needs between DoD war fighters abroad and DHS agencies protecting our homeland. In addition to COCOM support, the Coast Guard partners with Federal, State, local, territorial, Tribal, private, and international stakeholders to address problems across an increasingly complex maritime domain. Our leadership on global maritime governing bodies and our collaborative approach to operationalize international agreements drives stability, legitimacy, and order. We shape how countries conduct maritime law enforcement and establish governance.

Looking forward, the performance capabilities and expected capacity of our future Offshore Patrol Cutter (OPC) fleet will provide the tools to more effectively enforce Federal laws, secure our maritime borders, disrupt TCOs, and respond to 21st Century threats. Continued progress on this acquisition is vital to recapitalizing our aging fleet of Medium Endurance Cutters (MECs), some of which will be over 55 years old when the first OPC is delivered in 2021. In concert with the extended range and capability of the NSC and the enhanced coastal patrol capability of the Fast Response Cutter (FRC), our planned program of record for 25 OPCs will be the backbone of the Coast Guard’s strategy to project and maintain off-shore presence.

In the Arctic region, the Coast Guard remains steadfastly committed to our role as the lead Federal agency for homeland security, safety, and environmental stewardship. There, we enhance maritime domain awareness, facilitate governance, and promote partnerships to meet security and safety needs in this geo-strategically and economically vital area. As access to the region continues to expand, strategic competition drives more nations to look to the Arctic for economic and geopolitical advantages, and the Coast Guard stands ready to provide the leadership and sustained surface presence necessary to protect our rights and sovereignty as an Arctic Nation.

Looking to the Antarctic, the 43-year-old CGC POLAR STAR, the Nation’s only operational heavy icebreaker, just returned home after successfully completing Operation DEEP FREEZE (DF-19), the annual McMurdo Station breakout, though not without overcoming several high-risk casualties to the ship’s engineering systems. The ship’s crew had to battle a fire that left lasting damage to electrical systems; ship-wide power outages occurred during ice breaking operations. And in the same transit, divers were sent into the icy waters to investigate and repair a propeller shaft seal leak. Events like these reinforce the reality that we are only one major casualty away from leaving the Nation without any heavy icebreaking capability.

With increased activity in the maritime reaches and growing competition for resources, we cannot wait any longer for increased access and a more persistent presence in the Polar Regions. Our sustained presence there is imperative to ensuring

²In addition to the Coast Guard’s status as an Armed Force (10 U.S.C. § 101), see also Memorandum of Agreement Between DoD and DHS on the Use of Coast Guard Capabilities and Resources in Support of the National Military Strategy, 02 May 2008, as amended 18 May 2010.

our Nation's security, asserting our sovereign rights, and protecting our long-term economic interests.

Last year, we released a request for proposal (RFP) and later this spring we plan to award a detail design and construction (DD&C) contract for the construction of 3 heavy Polar Security Cutters (PSCs). I am thankful for your support for the \$675 million in the fiscal year 2019 appropriation. This funding, coupled with the \$300 million in Shipbuilding and Conversion, Navy (SCN) funding in fiscal year 2017 and 2018, is sufficient to fund construction of the first PSC as well as initial long lead time material for a second PSC.

Our value to the Nation is observed on the farthest shores around the globe as well as closer to home where we continue to be "Always Ready" to answer the call for help. The 2018 hurricane season led to yet another historic Coast Guard response effort. The Coast Guard mobilized over 8,600 active-duty members, reservists, and civilians for hurricane response across the United States for hurricanes Florence and Michael in the mid-Atlantic States and Gulf Coast respectively, as well as typhoon Mangkhut in Guam.

In support of, and in coordination with the Federal Emergency Management Agency (FEMA) and other Federal, State, local, and territorial agencies, the Coast Guard saved nearly 1,000 lives using helicopters and shallow water craft, provided logistical support to first responders, and oversaw the safe and effective resumption of commerce at over 20 impacted sea ports.

While such a level of professionalism and distinction is what the American people have come to expect from your Coast Guard, that response comes at a cost. We continue to do our very best to stand ready to respond to all maritime disasters, both natural and man-made; however, these efforts consume future readiness. Our aging assets and infrastructure require increased maintenance and repairs, all of which is compounded by the on-going recovery and restoration operations of the historic hurricane season of 2017.

In 2017 alone, the Coast Guard lost the equivalent of 2 major cutters (e.g., over 300 operational days) due to unplanned repairs. Expanding that to the last 2 years, we have lost 3 years' worth of major cutter patrol days. In 2017 and again in 2018, shortages in parts and supplies cost the Coast Guard over 4,500 flight hours each year, or the equivalent of programmed operating hours for 7 MH-65 helicopters. Each hour lost in the transit zones keeps us further from reaching our interdiction targets and helps the TCOs deliver their illicit cargoes.

Service readiness starts with our most valuable asset—our people. We must continue to recruit, train, support, and retain a mission-ready total workforce that not only positions the Service to excel across the full spectrum of Coast Guard missions, but is representative of the diverse Nation we serve. Our workforce end strength was reduced by over 1,250 personnel during a 3-year period from fiscal year 2012 to fiscal year 2015. And compared to the workforce of fiscal year 2012, the Coast Guard has nearly 1,000 fewer personnel to accomplish an ever increasing mission set. Adequate increases to depot maintenance funding, coupled with strategic human capital investments, are critical to addressing these readiness challenges.

CONCLUSION

The Coast Guard offers a capability unmatched in the Federal Government. Whether combating TCOs to help stabilize the Western Hemisphere, responding to mariners in distress in the Bering Sea, or supporting U.S. Central Command (CENTCOM) on the Arabian Gulf, the Coast Guard stands ready to execute a suite of law enforcement, military, and regulatory authorities and capabilities to achieve mission success anytime, anywhere. We cannot do this on the backs of our people—now is the time to address the erosion of readiness experienced in our Service over the past decade due to near flat-line funding for operations and support.

While the demand for Coast Guard services has never been higher, we must address our lost purchasing power, the growing backlogs of deferred maintenance on our capital assets, and the degraded habitability of our infrastructure.

Our 48,000 active-duty and reserve members, 8,500 civilians, and over 25,000 volunteer members of the Coast Guard Auxiliary need your support to maintain a Ready, Relevant, and Responsive Coast Guard.

With the continued support of the administration and Congress, your Coast Guard will live up to our motto—Semper Paratus—Always Ready. Thank you for your support of the men and women of the Coast Guard.

FISCAL YEAR 2020 BUDGET REQUEST

The Coast Guard's fiscal year 2020 budget request is focused on three main priorities:

1. Maximize Readiness Today and Tomorrow
2. Address the Nation's Complex Maritime Challenges
3. Deliver Mission Excellence Anytime, Anywhere.

Maximize Readiness Today and Tomorrow

The Coast Guard's top priority is Service readiness. The fiscal year 2020 President's budget request begins to address the erosion of readiness that resulted from years under the Budget Control Act. Critical investments in the workforce as well as depot maintenance for the fleet will put the Service on the path to recovery to sustain critical front-line operations.

Additionally, investments in asset modernization sustain recapitalization momentum while advancing other critical programs. The fiscal year 2020 budget request supports the Service's highest priority acquisition, the OPC, and continues recapitalization efforts for cutters, boats, aircraft, IT systems, and infrastructure.

Address the Nation's Complex Maritime Challenges

As one of the Nation's most unique instruments of National authority across the full spectrum of maritime operations, the Coast Guard cooperates and builds capacity to detect, deter, and counter maritime threats.

While nefarious activities destabilize and threaten vulnerable regions, the Coast Guard offers capabilities, authorities, and established partnerships that lead to a more secure maritime border. The fiscal year 2020 budget invests in a holistic approach to combat TCOs through targeted detection and interdiction of suspected drug smugglers, at-sea biometrics, and increased partnerships with allied law enforcement nations in Central and South America, to quell illegal migration.

As the Marine Transportation System (MTS) grows increasingly complex, the Coast Guard's marine safety workforce must adapt to continue to facilitate commerce. The fiscal year 2020 budget increases the marine inspection workforce while addressing key findings from the report on the tragic sinking of the freight vessel EL FARO and the loss of 33 crew members.

Deliver Mission Excellence Anytime, Anywhere

The Coast Guard is an agile and adaptive force whose greatest value to the Nation is an ability to rapidly shift among its many missions to meet National priorities during steady-state and crisis operations.

As new threats in the cyber domain emerge, the Coast Guard's cyber workforce serves as the critical link between DoD, DHS, and the intelligence community. The fiscal year 2020 budget increases the cyber workforce to promote cyber risk management and protect maritime critical infrastructure from attacks, accidents, and disasters.

The Coast Guard seeks to continually improve organizational effectiveness and the fiscal year 2020 budget eliminates redundant and outdated IT services to reinforce the culture of continuous innovation and enhance information sharing across the Service.

FISCAL YEAR BUDGET HIGHLIGHTS

Procurement, Construction, & Improvements (PC&I)

Surface Assets.—The budget provides \$792 million for the following surface asset recapitalization and sustainment initiatives:

- *National Security Cutter (NSC).*—Provides funding for post-delivery activities for the seventh through eleventh NSCs, and other program-wide activities. The acquisition of the NSC is vital to performing DHS missions in the far offshore regions around the world. The NSC also provides a robust command-and-control platform for homeland security and contingency operations.
- *Offshore Patrol Cutter (OPC).*—Provides funding for construction of the third ship and long lead time materials (LLTM) for the fourth and fifth OPC. The OPC will replace the Medium Endurance Cutters, now well beyond their service lives, which conduct multi-mission operations on the high seas and coastal approaches.
- *Fast Response Cutter (FRC).*—Funds procurement of two FRCs, totaling 54 of the 58 vessels needed for the domestic program of record. These assets provide coastal capability to conduct search-and-rescue operations, enforce border security, interdict drugs, uphold immigration laws, prevent terrorism, and enhance resiliency to disasters.
- *Polar Security Cutter (PSC).*—Provides funding to support detail design and construction activities of the joint Coast Guard-Navy Integrated Program Office (IPO) and program management associated with construction of the lead PSC.

PSCs will provide the Nation with assured surface access to the Polar Regions for decades to come.

- *Polar Sustainment*.—Supports a multi-year Service Life Extension Project (SLEP) for CGC POLAR STAR, including program management activities, materials purchases, and production work.
- *Waterways Commerce Cutter (WCC)*.—Provides funding for acquisition planning activities, including continued evaluation of options to replace the capabilities provided by the current fleet of inland tenders and barges commissioned between 1944 and 1990. These multi-mission platforms are integral to the protection of maritime commerce on the inland rivers.
- *Cutter Boats*.—Continues funding for the production of multi-mission cutter boats fielded on the Coast Guard's major cutter fleet, including the NSC, OPC, and PSC.
- *In-Service Vessel Sustainment*.—Continues funding for sustainment projects on 270-foot Medium Endurance Cutters, 225-foot sea-going Buoy Tenders, and 47-foot Motor Lifeboats.
- *Survey and Design*.—Continues funding for multi-year engineering and design work for multiple cutter classes in support of future sustainment projects. Funds are included to plan Mid-Life Maintenance Availabilities (MMA) on the CGC HEALY, CGC MACKINAW, and the fleet of 175-foot Coastal Buoy Tenders.

Air Assets.—The budget provides \$200 million for the following air asset recapitalization or enhancement initiatives:

- *HC-144*.—Continues Minotaur mission system retrofits and provides high-definition electro-optical infrared cameras to meet DHS Joint Operational Requirements.
- *HC-27*.—Continues missionization activities, including funding for spare parts, logistics, training, and mission system development.
- *HH-65*.—Continues modernization and sustainment of the Coast Guard's fleet of H-65 short-range recovery helicopters, converting them to MH-65E variants. The modernization effort includes reliability and sustainability improvements, where obsolete components are replaced with modernized sub-systems, including an integrated cockpit and sensor suite. Funding is also included to extend aircraft service life for an additional 10,000 hours.
- *MH-60*.—Includes funding to support a service life extension for the fleet of medium-range recovery helicopters to better align recapitalization with DOD's future vertical lift program.
- *sUAS*.—Continues program funding to deploy sUAS on-board the NSC allowing increased interdiction through greater Intelligence, Surveillance, and Reconnaissance (ISR).

Shore Units and Aids to Navigation (ATON).—The budget provides \$174 million to recapitalize shore infrastructure that supports Coast Guard assets and personnel, as well as construction and improvements to ensure public safety on waterways. Examples include:

- *Replacement of covered boat moorings at Station Siuslaw River, Oregon; recapitalization of failed aviation pavement at Sector Columbia River, Oregon; construction in Boston, Massachusetts to support arriving FRCs; and construction in Sitka, Alaska to support arriving FRCs.*

Other (Asset Recapitalization).—The budget provides \$69 million for other initiatives funded under the Procurement, Construction, and Improvements account, including the following equipment and services:

- *Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance (C4ISR)*.—Provides design, development, upgrades, and assistance on C4ISR hardware and software for new and in-service assets.
- *Program Oversight and Management*.—Funds administrative and technical support for acquisition programs and personnel.
- *CG-Logistics Information Management System*.—Continues development and deployment of this system to Coast Guard operational assets.
- *Cyber and Enterprise Mission Platform*.—Provides funding for emerging Command and Control, Communications, Computer, Cyber, and Intelligence (C5I) capabilities.
- *Other Equipment and Systems*.—Funds end-use items costing more than \$250,000 used to support Coast Guard missions, including equipment to support operation and maintenance of vessels, aircraft, and infrastructure.

Operations and Support (O&S)

Operation and Maintenance of New Assets.—The budget provides \$59 million and 297 FTE to operate and maintain shore facilities and sustain new cutters, boats, aircraft, and associated C4ISR subsystems delivered through acquisition efforts:

- *Shore Facilities.*—Funds operation and maintenance of shore facility projects scheduled for completion prior to fiscal year 2020. Projects include: Coast Guard Yard dry dock facilities in Baltimore, Maryland; FRC Homeport Facilities in Galveston, Texas; Electrical Utilities for Air Station Barbers Point, Hawaii; and Housing for Station Jonesport, Maine.
- *FRC.*—Funds operation and maintenance and personnel for 5 FRCs and shore-side support for FRCs in Galveston, Texas; Key West, Florida; and Apra Harbor, Guam.
- *NSC.*—Funds crew of NSC No. 9, as well as personnel for sensitive compartmented information facility (SCIF) crews and analytical support, and shore-side support personnel in Charleston, South Carolina.
- *OPC.*—Funds a portion of the crew for OPC No. 1, as well as shore-side personnel to develop operational doctrine for the new class of cutter to be homeported in Los Angeles/Long Beach, California.
- *HC-130J Aircraft.*—Funds operations, maintenance, air crews, and pilots for HC-130J airframe No. 12.

Pay & Allowances.—The budget provides \$118 million to maintain parity with DoD for military pay, allowances, and health care, and for civilian benefits and retirement contributions, including a 3.1 percent military pay raise in 2020. As a branch of the Armed Forces of the United States, the Coast Guard is subject to the provisions of the National Defense Authorization Act, which include pay and personnel benefits for the military workforce.

Asset Decommissionings.—The budget saves \$12 million and 119 FTE associated with the planned decommissioning of 1 High Endurance Cutter (WHEC) and 3 110-foot Patrol Boats (WPBs). As the Coast Guard recapitalizes its cutter and aircraft fleets and brings new assets into service, the older assets that are being replaced will be decommissioned:

- *High Endurance Cutter (WHEC).*—The budget decommissions one WHEC. These assets are being replaced with modernized and more capable NSCs.
- *110-foot Patrol Boats (WPBs).*—The budget decommissions three WPBs. These assets are being replaced with modernized and more capable FRCs.

Operational Adjustments.—In fiscal year 2020, the Coast Guard will make investments that begin to address the erosion of readiness of the Service while investing in new workforce initiatives:

- *Aircraft Federal Aviation Administration (FAA) Compliance.*—The budget provides \$22 million to replace obsolete aircraft equipment and systems necessary to comply with FAA 2020 airspace requirements.
- *Cyber and IT Infrastructure.*—The budget provides \$16 million and 38 FTE to mature the cybersecurity defense program. The budget also provides funding for an information technology framework and platform to establish a consolidated user interface primarily for Command Centers.
- *Restoring Depot Readiness.*—The budget provides \$10 million to begin to restore eroded vessel and aircraft readiness and address critical information technology maintenance and inventory backlogs.
- *Human Capital and Support Infrastructure.*—The budget provides \$17 million and 22 FTE to improve enterprise-wide support for the workforce, including the transition to electronic health records and training and support for the Coast Guard Reserve.
- *Counter Transnational Criminal Organizations (TCO).*—The budget provides \$7 million and 26 FTE to expand the Coast Guard's capacity to execute a multi-layered approach in the Western Hemisphere maritime transit zone, dismantle TCOs, and secure our Nation's borders from illicit smuggling of all kinds.
- *Maritime Safety, Security, and Commerce.*—The budget provides \$6 million and 20 FTE to strengthen the Coast Guard's marine safety program through improved marine inspector training, establishment of a third-party oversight and auditing program, expansion of the marine inspector workforce, and improved accession opportunities for marine inspectors.

Mr. CORREA. I thank the witnesses for their testimony.

I will remind each Member that he or she will have 5 minutes to question the panel.

I will now recognize myself for the first set of questions.

Admiral Schultz, you went over a little bit there, over your time, but I really wanted to hear your statement. As I listened to both of you here speak today, Administrator Pekoske, I was thinking to myself, you can't afford to be wrong once. You have to be 100 percent on your job. TSA cannot afford one error. One error means we can have air passengers face disaster.

Admiral Schultz, let me ask you. Is the Coast Guard—is your job limited to 12 miles off the coast of the United States or are you world-wide in terms of your operations? Because the more I learn about what you do, North Korea, enforcing military operations in the area. When I was in Puerto Rico recently, I went to visit your Coast Guard operations, and I found out your operations go all the way to the coast of South America. So you are really operating world-wide.

We talked about interdictions of drugs. You estimate, out of 100 percent of those shipments coming into the United States, you can track about 80 percent of them. Of those 80 percent of those shipments that you can actually identify, you only have the assets to interdict about 20 percent.

So when you are looking at investments in terms of keeping drugs away from our country, you know of those 80 percent of those shipments, yet you can only touch 20 percent. You know where they are coming. You know where they are going. You know what those targets have, and yet you don't have the resources to stop them.

So my question to both of you: What are you doing wrong? What are you doing wrong in terms of telling Congress, telling the administration of the good work you do? Short of losing your jobs, what can we do to make sure people understand that you are the place we need to invest our resources to keep our airways safe and to keep drugs away from our country?

What else can we do? What else can you do?

Mr. PEKOSKE. Mr. Chairman, I appreciate the question. What I would offer is continue to do what you are already doing. You ask a lot of very good questions both at the Member and the staff level. We do everything we can to be as responsive and complete in our answers as we possibly can be. I think that dialog is very important for a mutual understanding of the challenges we face.

Additionally, both Admiral Schultz and I know that we are not operating in an unconstrained resource environment. Difficult choices need to be made. They are made every year. The budget reflects the choices that we make within the funding envelope that we are provided. Our job is really to make the best use of the resources that we end up in an appropriation.

The final thing I would mention is that the fiscal 2020 request reflects the President's budget for fiscal 2019, because the full budget had not yet been passed by the time this budget was put together. So there are some assumptions made in the budget proposal that did not reflect the final appropriated budget. But I would say that the top line wouldn't move much as a result of that. But just some of the choices perhaps that we might make within that envelope might be slightly different.

Admiral SCHULTZ. Chairman, I thank you for the question. I would say the Coast Guard, as you called out, is a unique and en-

during value proposition for the Nation. We are deployed on any given day, support. And generally, 5 of the 6 geographic combatant commanders, whether it is drugs in the SOUTHCOM area, we have got, you know, the Antarctic, the Arctic with polar icebreakers. We are in the South China Sea, as you know, with a National security cutter today. We domestically rescue more than 20,000 people on an annual basis. We have border security missions. We are a locally-based domestic organization with global responsibilities, and we have unique authorities. I would say 11 statutory missions are tough to roll up in a 3-line elevator speech. So we are a complex organization that brings a lot to the table.

The 2020 budget proposes some ability to bite into the eroding readiness that we suffered in recent years. The capital budget maintains momentum on our top priorities. That is maintaining momentum on the polar security acquisition, on the offshore patrol cutter acquisition. Those are our top priorities.

We are building ships, National Security Cutter, offshore patrol cutters, fast response cutters. We are going to award a contract for the icebreaker here probably in the next 30 to 45 days. It is an exciting time in terms of new capital assets for the Coast Guard with the Congress' and the administration's support.

Where we struggled in recent years, as I called out in my statement, is the operating budget. It has been essentially—we have lost about 10 percent purchasing power in the last 8 to 10 years under the Budget Control Act conditions.

So that is the place, sir, we are looking to raise the visibility. It is my job, and I will work, you know, diligently to tell this story so people understand we are the fifth armed service. We are an armed service first and foremost every day, appropriately situated in the Department of Homeland Security. But with that, sometimes the conversations that raise the bar about the armed services, we are not in that conversation. That is my job to make sure I communicate that narrative.

Mr. CORREA. Admiral, I am glad you ended your statement in that manner, because you are the fifth military branch, yet I believe you are the one that doesn't get the credit. You are fully audited, transparency, and you are the ones whose budgets are not addressed, and yet you seem to be the ones that, again, not only protect our shores, but have military operations internationally.

I just believe both of you have such critical jobs to protect our country that we need to make sure the folks that put together these budgets and vote on these budgets understand your missions and fund you adequately.

Again, Mr. Administrator, you have to be 100 percent. Zero errors is what we are expecting. That is what your men and women are delivering right now.

With that being said, I want to recognize the Ranking Member of the subcommittee, the gentlelady from Arizona, Mrs. Lesko, for questions.

Mrs. LESKO. Thank you, Mr. Chairman.

My first question is for Administrator Pekoske. I recently met with the Phoenix airport administrators, and they said they have experienced a number of TSA system failures over the last few years related to their checked baggage screening where the inline

baggage system was broken down. They said it happened as recently as February and early March. They basically said that there was no backup system and that they had to—you know, they spent wasted time and that type of thing.

Do you know if the TSA is doing anything to correct those problems?

Mr. PEKOSKE. Yes, ma'am. I am very aware of the problems they have had. Essentially, what has happened is the servers that support the—those systems have gone down, and you mentioned most recently in February, which creates significant issues for both passengers and certainly for TSA and for the carriers, because when that happens, sometimes we are not able to match a bag on a plane with a passenger and they have to wait for it to get delivered in a follow-on flight.

One of the things that we are doing is making sure we have adequate backup servers in that airport to support that problem. I would note too that that is a rather unusual problem to have. That is not something we see across the system of 440 airports. So we are on it. We are making sure that we do everything we can to prevent that kind of disruption in the future.

Mrs. LESKO. Thank you.

Another question for you, sir. I want to give you the opportunity to explain why the budget proposal would keep our Nation secure. Is it enough money? I know you always want more money, but we always have to balance it with being fiscally responsible with taxpayer money and making sure our country is safe. So if you could explain how this budget will keep our country safe.

Mr. PEKOSKE. Yes, ma'am. The budget will primarily keep our country safe by continuing the operational investment in TSA, and then, additionally, providing additional funds for our technology infusion.

What I see as I look at our screening checkpoints, in particular, and, to an extent, our checked baggage systems is that we need a significant technology refresh across the board. Congress' support, the administration's request for the computed tomography systems has been very, very significant.

We have been able to, in the course of just a year, go from a project envisioned to a contract, which is really unheard of in the Federal Government. That is due to two key factors. One is the strong signal this Congress sent to everyone that this was very important to the Congress, with the significant funding level you provided. Then, second, to the flexibility and the creativity of my acquisition staff, my contracting staff, and the Department's acquisition and contracting staffs. We moved mountains to get this acquisition in place.

The second piece would be that credential technology, which really will reduce significantly any identity fraud, any boarding pass fraud that might occur at the checkpoints, and also allow us to better assign passengers to the risk security that they need to receive.

So I am very excited about the technology investment that is in this budget and what it signals for the future, because this is going to be a long road of technology, not just with the—you know, the carry-on bag X-ray systems, but with your on-body anomaly detection systems and the identity systems. I mean, all those together

are very important for us to really up the game in security effectiveness.

Mrs. LESKO. Thank you, Mr. Administrator. I have like 1½ minutes left, so I am going to ask the admiral a question.

It is basically—you know, my understanding is, you know, the reduction in funding from last year's enacted budget primarily had to do with that you bought these cutters last year. Is that your understanding?

Admiral SCHULTZ. Ranking Member, yes. [Inaudible] \$675 million on top of the—you know, it was in the request. So we are maintaining momentum. That is the glide slope we need to be in. Clearly, you know, accelerated funding. The Congress has been very supportive on our shipbuilding, our aviation accounts. But this budget includes momentum moving forward and it funds our front-line operations and it actually starts to bite into some of the erosion of readiness we have had. So this budget allows the Coast Guard continued front-line operations, maintain momentum on critical programs.

Mrs. LESKO. Thank you. One last question is I have been told that some of the sanctuary State and city programs are actually inhibiting the cooperation between local governments and the Coast Guard. Have you heard any of that, and can you explain it?

Admiral SCHULTZ. So, Ranking Member Lesko, I would tell you, the Coast Guard absolutely exists on partnerships. We are lead Federal law enforcement agency in the maritime domain. We work with State, local folks, whether it is a single sheriff office with one boat, through State partnerships to a lot of capabilities.

Generally, you know, we are funded to continue front-line operations, work those partnerships. There have been some examples. In Southern California, we got a couple cases. I would say they are anomalous. They are not the day-to-day. Day-to-day, we continue to work well. But I have talked to field commanders in recent visits who tell me, you know, we don't have 100 percent predictability that a local sheriff, a local police marine unit is going to launch on a case to the degree we had yesteryear. But I would tell you we are working across those things. It is not something that I think is a big inhibitor to our mission. But I have heard some of those stories.

Mrs. LESKO. Thank you, sir.

I yield back.

Mr. CORREA. Thank you, Mrs. Lesko.

Now I would like to recognize our colleague, Mr. Cleaver, from the good State of Missouri, for 5 minutes of questions.

Mr. CLEAVER. Thank you, Chairman Correa.

Admiral, thank you for being here. Actually, both of you are welcomed here in this committee.

Admiral, to follow up on what Chairman Thompson said, do you know of any reason why we would not be able to—why we have not received information on a very, very clear discrimination complaint?

Admiral SCHULTZ. Congressman Cleaver, thanks for the question. I would say, first off, regarding the whistleblower complaint, we—that was a DHS report that came out in December. With the shutdown, we lost a little time in being directed by DHS to take

action on that. We have acted on all those directives, including taking care of the officer, involved officer's evaluation, changing our training updates, our civil rights manual. We got a couple final tweaks on deploying training to managers in the field.

On the broader topic of producing documents for the committee, we have a due date today, as the Chairman mentioned. We are going to deliver new information on 9 inquiries and investigations that haven't been produced before. We have over 450 pages of emails, you know, redacted for PII and attorney-client, you know, internal deliberative-type stuff, but minimal reactions, and then over 9,000 pages of what we call Defense Equal Opportunity Climate Surveys. So we will meet that submission date today, and we continue to work with the department, Office of General Counsel, to be as responsive as possible.

Mr. CLEAVER. Thank you. I appreciate that. You know, these kind of issues are significant to us and should be to all Americans. Thank you very much.

Mr. PEKOSKE, thank you for being here. Kansas City, Missouri, is one of only 2 cities in the United States, major cities, where the TSA is not operated by the TSA. I am in the process now of trying to figure—I know why it was done that way, Kansas City and San Francisco. They were test models back in the day. But that was what, 2002? We are 2019. Can you give me any reason why that situation should remain as it is?

Mr. PEKOSKE. Yes, sir. It is really an airport decision first. The airport needs to request to TSA, if they are currently a TSA Federally-screened airport, if they wanted to go to a private contract, they would request that to TSA, and in a very short period of time, we respond to them. If we approve that request, which we almost always do, then we look at the members of our IDIQ, indefinite delivery/indefinite quantity contract, and issue a task order request for proposals. That comes back, and then we make a decision as to how to proceed.

That program is called the Screening Partnership Program, and it exists in about 22 airports around the country. It has operated well, in my view. It is a TSA contract, not an airport contract. When we do testing on those systems as compared to the Federal systems, they test at about the same rate.

Mr. CLEAVER. It seems a little weird, though; you have people who are not really with the Federal Government wearing the same uniforms, doing the same thing, which leads me to this other issue. I am very much concerned about the \$1.6 billion cut, allegedly, for deficit reduction. I don't want to put you in a bad spot—yes, I do.

Do you agree with that?

Mr. PEKOSKE. Sir, that was part of the Balanced Budget Act of 2013, and it basically takes part of the aviation security passenger fee and applies it toward deficit reduction. Then the balance gets applied to TSA as an offsetting collection to our budget.

Mr. CLEAVER. But we are constant—I mean, the Federal excise taxes are what, 7.5 percent? Is that about right? OK. Then we have the passenger security fees which have gone up.

If we are going to pay that—and I think, to get security, I am willing to pay that, and I think most Americans are. But there are a couple things that ought to happen. One, TSA employees ought

to make more money. I mean, they are the protection between us and the bad guys. I think the turnover seems to be rather high. That means we are not paying competitive salaries.

My time is running out, but I am deeply concerned about that. Hopefully, you can make some suggestions to us about what we need to do.

Thank you, Mr. Chairman.

Mr. CORREA. Thank you, Mr. Cleaver.

Now I would like to recognize Mr. Katko from the good State of New York.

Mr. KATKO. Thank you, Mr. Chairman.

Admiral Schultz and Director Pekoske, it is great to see you both. We thank you both for your long and storied careers in public service.

Director, I just want to commend you again, and I am sure I speak on behalf of the entire committee, how proud we are of the TSOs who worked during the shutdown in such an admirable fashion and kept our country safe. They are a credit to public service for sure, and I appreciate that.

Admiral, I must say, it is going back on memory lane seeing you here, because I think of all the interactions I had as an organized crime prosecutor, especially when I was in Puerto Rico, and the interactions I had with the Coast Guard were superb. It is amazing how much drugs you keep off the streets, and the interdictions you make really make a difference. So I commend you for that as well.

Director Pekoske, a couple questions for you. First and foremost, could you give us an update on where you are at with the number of CT scanning machines or screening machines you have been able to order?

I am concerned, like all of us are, that we should have those machines now. At the rate we are funding them, we are not going to have them fully funded and fully in place for 10 years or so, and that is completely unacceptable. So if you could give us a quick update, I would appreciate that.

Mr. PEKOSKE. Yes, sir. The CT program, as I mentioned, is off to, in my view, a great start. By the end of this fiscal year, with the fiscal 2019 contract we just awarded, which is the first major contract, we should have 75 additional CT machines deployed across the country. Then over the course of fiscal 2020, we should have 225 more.

So that is—to me, that is a big first step. But we do have a second contract coming up in fiscal 2020, and that is what the funds are requested for in this budget. We anticipate that contract will be at least 320 systems, perhaps more. It all depends on the pricing that we receive.

I share your concern that we want to put this capability out as quickly as we can. That is why I was pleased with how this contract worked where we got, you know, 50 percent more machines than we thought we were going to get based on the pricing that came in from the bids.

Mr. KATKO. Well, that is superb. It is great news to hear that you are actually saving the Government money, so well done.

But I just want to make sure I get the right amount here. If we fulfill the 2020 budget request, how many machines will we be able to put on-line between this year and 2020?

Mr. PEKOSKE. That would be about 650 total. Given the ones we currently have installed plus the ones we are going to put out in 2019 and then the ones in 2020, we need about 2,500 at the end of that.

Mr. KATKO. So that makes my point, I guess, is you have done a superb job of getting as much bang for the buck as you can. But this is not a time to be slashing TSA's budget.

It is not a time to be slashing the admiral's budget either, because when you have aging equipment, you need them on the front lines. I mean, for every boat that is out of commission, that is one more drug trafficker that has got a submarine that they are using or fast boats coming over from Colombia to Puerto Rico or coming up the Mexican coast that we are missing.

So, you know, these are two front-line places, the Coast Guard and the TSA, where being penny-wise and pound-foolish is just plain dumb. I hope that sanity prevails with the budget requests for both of you. I do not support the cuts to either one of you because, you know, I have been in Government since I was 28 years old. There is a lot of fat in bureaucracy that we can get rid of, and I don't see it in your two organizations. So stay lean and mean; we appreciate everything you are doing.

As far as the airport infrastructure issue, have you been encountering anything with the airports, sir, Director? When you are putting in the CT machines, will they have infrastructure issues that they are encountering? I know the machines are a different size and shapes and what have you.

Mr. PEKOSKE. We have worked very cooperatively with the airports. The initial ones that we deployed this year and last for testing purposes was done with the airports helping us in that process. Everything went, really, according to schedule in that regard. We do have a deployment plan that we are developing not just for the 2019, you know, the 75 this year, 225 next year, but also planning for 320 or more, and then probably stepping it up another level to get that done quicker, as you mentioned.

Mr. KATKO. Last, it is one of my personal bugaboos being former Chair of this committee for 4 years. Every time I walk out on National Airport, I see 4 people standing there in the exit lanes. Three to four guards, they are usually just standing there, you know, because they have to make sure no one walks in. Having the exit lane technology that was discussed, like they have in the Syracuse airport and many airports throughout world, I would love to see that, because then you can redeploy those people in those—those 3 or 4 personnel to other areas on the front lines. So I am not talking about cutting any jobs; I am just talking about saving that.

Would that save TSA in the long run if you had exit lane technology?

Mr. PEKOSKE. It certainly would. You know, it would save us over 1,000 positions, which is not insignificant at all. I agree with you 100 percent. This is a technology solution, not a people solution.

Mr. KATKO. All right. If I have more time, Admiral, I would ask you questions as well. But thank you both very much.

I yield back, Chairman.

Ms. TITUS [presiding]. I now recognize myself, Dina Titus, for 5 minutes.

I would like to go back to the point made by Mr. Cleaver about the fees. It just doesn't seem to me to make any sense that you want to raise the fee from \$5.60 for a one-way trip to \$6.60, and then take away \$1.6 billion to go to the deficit. I mean, you are asking people to pay more for their safety and then taking their money to pay down the deficit caused by a tax break for billionaires. I just don't really think that is fair to the people who are flying into my district for a little holiday. That is not my major question; that is just a point of why I support the Chairman's move to put that funding back.

I would like to ask you both about programs that you have with Saudi Arabia. I have been pursuing this and raised it with both the Department of Homeland Security and the Department of State. With TSA, there is a MOU where you arranged to train people to be air marshals, which would allow armed Saudi agents to be deployed on U.S.-bound flights. I know it is not fully operational, but it is moving in that direction. I wonder if you are satisfied that there is enough oversight and security there, especially with a country like Saudi Arabia that we really—I don't trust.

Then the Coast Guard also has a program where, over the past 5 or 6 years, you have been training Saudi Arabians to protect their maritime infrastructure. I would like to get more information about that from the Coast Guard.

Then I would like to ask both of you if you would look at this list of the people who were released today by the State Department, 16 individuals who have now—aren't allowed to come into the country because of their roles in the murder of the journalist, and tell me if any of those people were involved in any of the training programs that you all have done, either with the TSA or the Coast Guard.

Admiral SCHULTZ. Congresswoman Titus, thank you for the question, ma'am. So, yes, in fact, we do have the Coast Guard training program. Ten members on a team, maritime infrastructure training group. We are working with Saudi maritime forces looking at regional maritime security in the region. Now, obviously, regional civil war when Yemen, Saudi, Red Sea, Arabian Gulf, broader regional terrorist concerns there. We are building some capability to deal with an increasingly difficult Iran, Iranian small boats in those regions. We have been at that for a handful of years here and continuing with that program.

When you pull that up, we have some unique authorities. A little bit unique from DOD and where we can go in and partner on developments. Eventually, the Saudis will buy boats and take over this, so it is a foreign military sales case purchase, you know, through foreign military government. When we provide Coast Guardsmen, salaries are funded, and we are enhancing the regional maritime security capability, which I think, you know, rolls up into broader National U.S. interests there, ma'am.

Ms. TITUS. So the Saudis are paying for all of this?

Admiral SCHULTZ. Foreign military sales, yes, ma'am.

Ms. TITUS. How do you screen the people that come into that program from Saudi Arabia?

Admiral SCHULTZ. Ma'am, I would like to get back to you to make sure I answer that correctly on the screening of that. I owe you an answer for the record.

Ms. TITUS. OK. How do you keep tabs on them after they have gone through the program? If any of the people on this list have been in the program, could you get back to me on that?

Admiral SCHULTZ. We will circle back with your staff, ma'am.

Ms. TITUS. Thank you.

Could you address it from the standpoint of TSA?

Mr. PEKOSKE. I sure can. First off on the list, I have not seen that list, so we will get back to you for the record on that list. But, you know, our program goes back about 11 years with the Saudi Arabian government working right through the Department of State. We have established, you know, a technical cooperative agreement. It is fully reimbursable, not unlike we do with many other countries around the world.

What this agreement, though, does not cover is it does not cover an agreement for Saudi air marshals to land in the United States. That is not part of this at all. That would be a totally separate process, and we aren't at that point.

We have done a number of assessments with the Saudis. We did a 2-week period of training in 2017 with our Federal air marshals. This was all part of an effort to raise the global bar in aviation security and develop capability in other nations, and Saudi Arabia is part of that mix.

But the final thing I would mention is that Ambassador Designate John Abizaid, who hopefully will get confirmed by the Senate shortly, I am sure will make a separate assessment once he gets in country on these programs overall. But we really take our queues from the State Department, and we certainly fully vet all the participants in our programs.

Ms. TITUS. Do you keep track of them after they have gone through the program?

Mr. PEKOSKE. If they flew into the United States, you know, any passenger that flies into the United States, we do some vetting on those passengers. So if they flew into the United States, yes, we would.

Ms. TITUS. What about the secondary screening level where you are training people from Saudi Arabia to be at other ports of entry for Saudi flights where they can just stop somebody who might be coming into the country?

Mr. PEKOSKE. We have a number of what we call PreClearance airports, which means that when you go through the screening process and the Customs process in that airport, it is as if you went through the process in the United States so you don't get rescreened in this country. But if you don't go through a PreClearance airport and you come into the United States, then you get rescreened by both Customs and TSA.

Ms. TITUS. You don't have any reservations about doing business with a country where we have just had the murder of a journalist who was a resident of the United States?

Mr. PEKOSKE. Ma'am, we would evaluate that very carefully in concert with the State Department and would rely on our joint judgment as to what the best path forward is.

Ms. TITUS. Well, would you all both get back to me with that information I requested?

Mr. PEKOSKE. Yes, ma'am.

Admiral SCHULTZ. Yes.

Ms. TITUS. Thank you.

My time is up. Our Chairman is back, so I will yield over to him. Thank you.

Mr. CORREA [presiding]. I would like to recognize Mrs. Watson Coleman from the good State of New Jersey for questions.

Mrs. WATSON COLEMAN. Thank you, Mr. Chairman. Thank you to both of you for being here.

Mr. Pekoske, my question is going to deal with that CT contract, that single contract for \$96.8 million. I am glad that we are getting them. I am glad that we are moving forward. What I don't understand is why you decided to award a single contract to a single vendor instead of multiple vendors. So what would your strategy be to incorporate a more diverse network of technology manufacturers, as the Modernization Act states?

Mr. PEKOSKE. Yes, ma'am. That was a single-award contract, the first contract of two, because the second contract will be a contract to support the fiscal year 2020 request that is in the President's budget. That first contract we thought it was important to go for a single award because we really wanted to establish the price for these systems. We had a Government cost estimate of what we thought the price would be. If you do an award process where there is only one winner, we find that the participating vendors tend to sharpen the pencil a lot more on price. That was, in fact, what we saw in this regard.

I share the concern with making sure we include small businesses and all the innovation that small businesses bring into our overall procurement process. As we look at the second contract, which will be much larger, because this one was for 300 systems overall. This second contract will go over multiple years. In response to Mr. Katko's question, you know, we are going to have about 650 systems in place by the time these two contracts are fully run. When the next one, the fiscal year 2020 contract goes, then you have got up to 2,500 systems in addition to the 650.

Mrs. WATSON COLEMAN. So will you consider a small business set-aside in that contract going forward?

Mr. PEKOSKE. Yes, ma'am. We will definitely consider that—we are going to consider all of our contract options because we want to get the capability out as quickly as we can, but we also want that innovation.

Mrs. WATSON COLEMAN. Thank you. Thank you.

Admiral, in 11 days, we will hit the ninth anniversary of the BP Deepwater Horizon oil spill, the largest oil spill in history. The U.S. Coast Guard is the lead Federal agency for preparedness in response to the oil discharges and hazardous substance releases in the coastal zone, and it lead the response to this disaster. BP has paid about \$60 billion, but do you have any—by any chance recall

about how much it actually cost the Federal Government to respond to this disaster?

Admiral SCHULTZ. Congresswoman Watson Coleman, I will have to get you that answer for the record. I don't have that number.

Mrs. WATSON COLEMAN. Thank you. Through the Chairman, I appreciate that, that you will get that information to me.

The administration is seeking to vastly expand offshore drilling but is also proposing cuts to the U.S. Coast Guard's Marine Environmental Protection account for next year. Do you think that is responsible?

Admiral SCHULTZ. Congresswoman, as we look into the 2020 proposed budget, where there is actually some growth in our marine safety program, marine investment environmental response, we have about 20 billets, what we call marine inspectors, that work with industry on the regulatory front. We pride ourselves as common-sense regulators. We have some monies in there that look at third-party oversight as we look at increasingly complex maritime domain, the future being autonomous vessels. You know, we have got to look at the workload, our ability to manage that, and how we bring in third parties from industry. So there was actually some growth. The entire 2020 budget includes about 600 additional Coast Guard positions, some of them will be going toward that mission set.

Mrs. WATSON COLEMAN. Thank you, Admiral.

Mr. Pekoske, I go back to my question every time I see you. This has to do to the TSOs and the manner in which they are paid. Have you ever costed out the differential of putting the salary schedules in the sort-of normal schedule that civil servants get as opposed to the sort-of, forgive this, random sort-of salary and increased protocols that you have? Do you think that being part of the system system would help you with retention?

Mr. PEKOSKE. Yes, ma'am. We are in the process of doing a very careful classification study of our entire TSO work force so we know for sure how they would class out using the general schedule as a comparison. Some of our initial work, however, indicated that if we were to make the entire TSA work force part of the general schedule, it would be hundreds of millions of dollars in additional expense per year, which creates some challenges for us from a fiscal perspective.

I would also just very briefly highlight the fact that under ATSA, we have a lot of authority, a lot more authority than we would under title 5 to properly adjust pay. It is just the ability to pay it.

Mrs. WATSON COLEMAN. Well, they still seem to be the lowest paid on the food chain. It does seem to me that I would like to understand at some point what you are actually finding, what you are actually proposing, what you are actually doing, because it is something that we have actually discussed for the last couple of years.

Thank you. My time is up. I yield back.

Mr. CORREA. Thank you, Mrs. Watson Coleman.

I will now recognize the gentleperson from Florida, Mrs. Demings.

Mrs. DEMINGS. Thank you so much, Mr. Chairman. Thank you so much to our witnesses for joining us this morning.

I appreciate my colleagues who have inquired about TSA proposed cuts to the Law Enforcement Officer Reimbursement Program at exit lane staffing. As a former commander of the Orlando International Airport police division during September 11, 2001, I understand how important the partnership is between local law enforcement and the TSA, and how it is essential to protecting our airports from anyone who is seeking to bring harm. Simply put, if the job is going to get done, we know that we definitely depend on the local resources to do that.

If I missed the answer to this question, please forgive me, since I did come in late. But, Administrator Pekoske, do you believe that eliminating both the LEO Reimbursement Program and the TSA's exit lane security, which shifts responsibility to local airports and local resources, is a good idea? If so, would you explain why, please?

Mr. PEKOSKE. I think the law enforcement reimbursement program has been a very valuable program for TSA and certainly for the airports and for those law enforcement agencies. The reason it is reduced in the budget is simply a top line issue. When we have a top line that doesn't have enough room for everything that we do, we need to make some hard choices, and that, in fact, was a hard choice.

Our airport security plans, our ASPs, require by regulatory action that airports provide law enforcement presence at the screening checkpoint. So it is a regulatory requirement that that service be provided, but we do very much appreciate and value, and I know my TSOs very much value, having that law enforcement presence at the checkpoint. It is simply an affordability issue.

Mrs. DEMINGS. Do you believe, Administrator Pekoske, that—and certainly, we know that technology has made a difference in the way we do things, but I believe there is nothing like boots on the ground. Do you believe that we are safer in our airports because we have made this shift in the way we handle security at our airports?

Mr. PEKOSKE. I think we are safer in our airports because the entire community contributes to that level of safety and security, both in the public areas of the airport, at the screening checkpoints, and certainly in the sterile area parts. It really is all hands on deck, as you well know, to be able to provide for the safety and security of the hundreds of thousands of passengers that are in airports on any given day.

You also asked about exit lane staffing, and I really think that the solution to exit lane staffing is a technology issue. That is an issue I think that is well-suited to small business work and innovation, is, you know, how can we basically take the exit lane process and turn it into a technology process and really not require anybody to staff those positions. It is going to take us a bit of time to get to that point. But I would certainly rather see transportation security officers who are highly trained in operating our equipment at the screening checkpoints, as you know, at the screening checkpoints.

Mrs. DEMINGS. I would assume that you are having those deliberations with law enforcement as well as the Transportation Security Administration as you make those decisions. Is that correct?

Mr. PEKOSKE. That is correct.

Mrs. DEMINGS. OK. All right. Shifting gears for just a moment. Following the terrorist attacks, we know that airports around the country purchased cutting-edge technology to quickly and accurately screen passengers and baggage for weapons and explosives. In Orlando, the Orlando National Airport authority invested \$34 million for its baggage screening system. For nearly 2 decades, these airports predominantly in Florida waited for the reimbursements that they were due.

Do you, also Administrator Pecoske, intend to distribute the \$40 million appropriated in the fiscal year 2019 using the same pro rata formula that you used in the past?

Mr. PEKOSKE. Yes, ma'am. We use a very similar formula, and MCO was on that list to receive reimbursement. So that won't close the balance completely, but it will make substantial progress in that regard.

Mrs. DEMINGS. Moving forward, will TSA support annual appropriations for EDS reimbursement until all obligations to eligible airports are fulfilled?

Mr. PEKOSKE. Yes. The EDS reimbursements were added into the budget at the Congressional level, not at the administration level. Again, it gets to be an affordability issue. For us, we would essentially trade off our own technology investment or our own people investment for this EDS investment. So I don't anticipate that that will be—it is not in the President's fiscal 2020 request. I don't anticipate it will be in future requests either.

Mrs. DEMINGS. I am out of time. Thank you, Mr. Chairman. I yield back.

Mr. CORREA. Thank you, Mrs. Demings.

I am going to open up a second round of questions, and recognize myself first.

Admiral Schultz, earlier, one of my colleagues talked about the whistleblower issue. My question is what specifically has been done to discipline those employees who have bullied, harassed, or retaliated against a whistleblower? Done anything for discipline, training moving forward?

Admiral SCHULTZ. Chairman, I thank you for the question. We have actioned, I believe, every item that came out of the DHS Inspector General's report. That report surfaced mid-December. We had a directive task order from the Secretary after the shutdown that was deemed as, you know, noncritical work during the shutdown. We immediately took action. We have made whole the officer's evaluation, the whistleblower's evaluation, which was one of the items that was directed by the IG. We have gone back to our civil rights manual, changed our processes, updated the manual. We have put in place criteria where, you know, the commander has to document their findings from any type whistleblower bullying, hazing, harassing-type situation in the future.

Whistleblowing obviously is inconsistent with our core values. We stand in support of any and all whistleblowers.

The last piece of that, sir, was we are upgrading our training. That is marching toward completion. You know, our training is computer-based. In many cases, we have got to look at how we deploy that to ships at sea and other things. But we are probably

three-quarters of the way on that last item. I believe we have actioned each and every item that the DHS IG has identified in that situation.

Mr. CORREA. Admiral, just to be clear, you have disciplined those employees that bullied and harassed?

Admiral SCHULTZ. Sir, the discipline piece, sir, the officer who was asserted—that was investigated in multiple investigations. The officer will be departing the service in September, the one that was the primary person that the whistleblower felt aggrieved by. That person is leaving the service.

Mr. CORREA. How long was this individual in the Coast Guard?

Admiral SCHULTZ. Sir, I will get back for the record. It was more than a 20-year career.

Mr. CORREA. Thank you, sir.

Second question for our TSA administrator. Current collective bargaining agreement expires later this year. I presume you will commit to working with labor organizations representing the work force to develop a new collective bargaining agreement?

Mr. PEKOSKE. Sir, the collective bargaining agreement expires in December, and we continue to work with the AFGE representatives. I meet with them on a very frequent basis. We have stood up a National advisory council that includes both union and non-union members of our screener work force to advise me on work force issues. I think the dialog is robust and very fruitful in that regard.

You also see behind me some uniformed members of the TSO screening work force who are now on my direct staff. I am the staff of the head of operations, security operations in the head of enterprise support in TSA, to provide that conduit and that presence in our policy-making process. So I think there is very good communication and very good dialog with our screener work force.

Mr. CORREA. So it sounds like you are working right now, and you will continue to work toward a collective bargaining agreement.

Mr. PEKOSKE. Sir, I have not made a decision yet on whether or not we will continue collective bargaining past the expiration in December 2019, but we continue to work very closely with both the bargaining unit employees and the nonbargaining unit employees.

Mr. CORREA. Restate that. You will continue to work toward a collective bargaining agreement?

Mr. PEKOSKE. No, sir. We will continue to work with them on any workplace issues. I have not yet made a decision on the collective bargaining agreement framework for beyond December 2019.

Mr. CORREA. Let us continue to discuss this matter further offline. Thank you very much.

I will recognize our Ranking Member, Mrs. Lesko, for second round of questions.

Mrs. LESKO. Thank you, Mr. Chairman. I will be brief.

I just wanted to say to the admiral, I had the pleasure of meeting with Coast Guard Auxiliary members in my district. We have Lake Pleasant in my district, and great people; volunteer their time saving lives. I want to say what a valuable program that is.

I also want to thank both the Coast Guard members and the TSA officers and all the employees for what wonderful work that you all do protecting our Nation.

My question is just do you have anything else you would want to add that you haven't said yet?

Mr. PEKOSKE. I would just add and build on the comments you made. I said in my opening statement that I am immensely proud of the TSA work force, and I am. I think they are a phenomenal group of individuals.

It is the screening work force that you see twice a week as you travel through airports, but there is also a lot of TSA that you don't see. There are folks that work the vetting processes that are very important to our mission success: Intelligence, the Federal air marshals are on flights but you may not be aware they are on the flight you are on, and then the inspectors in the airports that ensure that all of our regulatory requirements are being met.

It is a fantastic team. I really appreciate your comments and your colleagues' comments on that work force. I really think they shone through during the shutdown. Working 35 days without pay, that commitment that is a core value of TSA was front and center in full display for everyone to see.

Final comment is that we do appreciate genuinely the great support we had from passengers going through our screening checkpoints that recognized almost to a person the work that the TSOs were doing, and also our colleagues in the airports, you know, airport operators, retail vendors, and the air carriers. I mean, it was all fantastic, and we appreciate it.

Admiral SCHULTZ. Ranking Member Lesko, thank you for your comments about the Coast Guard Auxiliary. They will celebrate their eightieth birthday in June, 2,500 members strong. I would put it up against one of the top volunteer organizations in the Nation. They just have a tremendous band of skills and do some remarkable things, and we are very appreciative of your acknowledgment.

To answer your question about what I would like to leave you with, we are one of the 5 armed services. We are deployed across the globe, geographically-based, globally deployed. You know, we are a Federal law enforcement agency, we are a maritime first responder. You saw the work of the men and women in the Coast Guard in 2 recent busy hurricane seasons—actually 3; 2016, 2017, and 2018. We are a common-sense regulator.

We really enable the economic engine of the Nation, the \$5.4 trillion economic activity in our 360 seaports, the heartland waterways. We are a member of the intelligence, National intelligence community, and we are stewards of the environment. I think when you roll that all together, there is tremendous value for the Nation in this 11.5 or so billion-dollar organization called the United States Coast Guard. We are 56,000 people strong, about 41,500 Active-Duty, 6,200 reservists, and 8,400 civilians. We appreciate the continued support of the U.S. Congress here on our recapitalization of key assets, aviation surface assets, and allowing us to have the operating fund to move forward.

That would be the one piece that I mentioned in my opening statement, just readiness. We have not sort-of got that bump-up of

the other military services, and just would like you to take that home as a little bit of a takeaway from my testimony today.

Mrs. LESKO. Yes, good point. I want to embarrass Bobby back here who is with the Coast Guard, who does an excellent job, by the way.

Admiral SCHULTZ. We appreciate you affording him the opportunity to learn more how our Government works. Thank you, ma'am.

Mrs. LESKO. Thank you.

Mr. CORREA. Thank you, Mrs. Lesko.

I now recognize Ms. Titus from the State of Nevada for a second round of questions.

Ms. TITUS. Thank you, Mr. Chairman.

Mr. Pekoske, I would like to ask you about Real ID. Real ID was a plan that came out of 9/11. It was to go into effect Nation-wide, it was to be in place by May 2008, but a number of States were opposed to it. It was confusing, and it was a lot of rulemaking problems. So here we are April 2019, and it is until not in effect. There are about a dozen States and territories that haven't done this. I believe you all have said you hope to see it finally in place by October 2020.

I fly back and forth from here to Las Vegas every weekend practically, and I see in the airport this new technology in biometrics and people looking into these things with retinal scans, and they speed through the line. Then when I come back into the country, the Customs has a system where you can just use your fingerprints.

I am wondering, aren't we just throwing money down a rat hole trying to catch up with a 15-year-old plan, when we should be re-directing our efforts to this new kind of technology that provides better security?

Mr. PEKOSKE. Yes, ma'am. You are correct that Real ID comes into full force in October 2020.

Ms. TITUS. Do you think you are going to meet that deadline?

Mr. PEKOSKE. I believe that all States will be able to meet that deadline with maybe rare exception, but we are really gearing our messaging as we have over the course of time to make the public aware and certainly have worked closely with the States at the Departmental level on Real ID. Real ID is not just a benefit for aviation security. It is a benefit for any time you use your driver's license as a form of identification because it is much more secure.

You raise good points, though, with respect to biometrics. We are working very closely with Customs and Border Protection to put a biometric system in place at airports. We have done some prototyping in both Atlanta and Los Angeles, wherein we do Customs and Border Protection biometric exit and TSA identity verification at the same stop. So what used to be two processes is now one.

We find that, you know, certainly, biometrics are much more convenient for passengers, but it does require the passengers at this stage to be willing to give us their biometric. So far, we found pretty broad acceptance to that from passengers.

Ms. TITUS. Is there funding in this budget to move us in that direction?

Mr. PEKOSKE. There is no funding specifically for biometrics in this budget. But what we do use are some of the fees that we collect for TSA PreCheck programs, because we are going to put biometrics in place in the PreCheck lanes first. So we use some of that, a very small portion of those fees to advance our biometrics.

Then, you know, we are working, like I said, very closely with Customs and Border Protection so that we don't spend money in TSA that they have already spent in CBP and vice-versa that we can kind of join forces, if you will, and get a single biometrics system for the airport.

Ms. TITUS. Well, it seems to be the way to go.

Mr. PEKOSKE. Yes, ma'am.

Ms. TITUS. Can I ask you just another quick question? We heard that during the shutdown, the Government shutdown, that TSA increased the number of passengers who just received expedited screening. I am wondering if that was the case. Was that true? If so, who directed that? Was that not a bad political decision as opposed to a good security decision?

Mr. PEKOSKE. We only make good security decisions. We did not decide, did not, to change in any way our security standards during the shutdown. We were very front and center with that publicly to state that you should have no concerns because the security standards we had in place before the shutdown were the same standards that stayed in place throughout the shutdown. In fact, in some ways, we actually stepped up our security with some things that we had done with our K-9 teams. So I would say, in effect, security was stronger through the shutdown than it was before, because we are always making our security better.

Ms. TITUS. Well, that is good. I am glad to hear that.

Then there were some problems after the shutdown for everybody finally getting paid for the time that they were off. Has that all been cleared up, and everybody is satisfied with that now?

Mr. PEKOSKE. That has all been cleared up. It is mostly a systems issue. We use the National Finance Center under the Department of Agriculture, as does most of the rest of DHS, for their pay processing. You know, there were just a lot of transactions that were put through that pay system that the pay system wasn't able to handle. It took us a while to manually go through and correct those.

One of the things we found is that we didn't know there was a problem until an employee voiced the problem, because we didn't have the system ability to look at where some payments would not have been made. But we worked very closely with the National Finance Center. We are on a good path with them, but it was a challenging process for several weeks.

Mrs. TITUS. Thank you. They voiced a lot of that to me, so I am glad to hear you got that straightened out.

Thank you very much. I yield.

Mr. CORREA. Thank you, Ms. Titus.

Just another quick question. First of all, I want to thank both of you. You are men and women that protect our country day in and day out at the airports and around the world. You have my full support.

Mr. Administrator, I do have one issue, and that is that I am extremely concerned that you have not yet decided whether to enter into a new collective bargaining agreement. I would ask you, when will you make the decision whether you will pursue a new collective bargaining agreement or not?

Mr. PEKOSKE. Sir, I will make that decision probably in the late May, early June time frame.

Mr. CORREA. Late May. Could you have us apprised, please? This is very concerning and very critical, I believe, to your working men and women of your Department. As we discussed earlier, we are concerned that their—their mission is a critical one, protecting our country. We have already established they are essentially underpaid for the job that they are expected to do. Given that the collective bargaining agreement does effect them and their paycheck, this is a very critical issue, and I would like to talk to you more off-line and continue to address this issue, sir.

Mr. PEKOSKE. Would be happy to.

Mr. CORREA. Any further questions from the committee?

Excuse me. Ms. Barragán, welcome.

Ms. BARRAGÁN. Thank you.

Mr. CORREA. I recognize you, from California, for a set of questions.

Ms. BARRAGÁN. Thank you.

First, let me start by thanking you both gentlemen for being here today.

Admiral, thank you for your service. I happen to represent the port of Los Angeles, and the work of the Coast Guard is amazing. I think the men and the women who day in and day out are on the front lines of making sure that the port is running efficiently and really partnering up with everybody down there and the work you all do on the seas is pretty great.

I had—my State of the Union guest this year was a member of the Coast Guard, now retired. But I thought it was really important to represent at the State of the Union.

I have a couple of questions that I want to ask you, Admiral. Many Coast Guard families experience significant financial difficulties, especially since many Coast Guard members are deployed away from their families. How did the recent Government shutdown impact the morale, recruitment, and retention of Coast Guard service members?

Admiral SCHULTZ. Congresswoman, thank you for the question, and thank you for your support of the Coast Guard. You mentioned Los Angeles, about 40 percent of the goods that we Americans buy in the shelves of the Macy's, the Walmarts, you name it, all comes through that port. So that is a key—the ports of Los Angeles, that will be our key vital economic node, and thanks for recognizing the work people do.

The shutdown was challenging for our folks across the entire Department of Homeland Security. You know, on paper, it was 35 days. In reality, it was about a week before when people started recognizing they might not get paid here in late December until everybody got back to work. There was a budget finally reached there. I think there was some anxiety.

I think we have weathered through that. You know, we have the highest retention of any of the 5 armed services. About 40 percent of our enlisted men and women go on to serve upwards of a 20-year career, our officers is almost 60 percent.

What we saw was tremendous resilience by our men and women that serve in the Coast Guard. We saw tremendous resilience in character from their families. I think we saw an outpouring of support across the Nation that embraced the Coast Guard and other elements of the DHS team.

You know, folks hit me up and say, are you concerned about the retention? We will have to watch that a little bit in the rearview mirror as we move forward, but my sense is I think the shutdown was hard, but the resilient men and women of the Coast Guard—I think we are going to be fine. We are bringing more recruits through Cape May today than ever, and I would say the talent that is entering the gates is as good as we have ever seen.

Ms. BARRAGAN. Well, thank you for sharing that. I had an opportunity to hold a roundtable with the Coast Guard, and I just wanted to make sure you had an opportunity to share the impact as well. Know that I am dedicated to making sure the Coast Guard is paid and should never have to go through an instance where they are not being paid for the work that they do.

You know, the Coast Guard has struggled to recruit and retain women and minorities. Out of the U.S. Coast Guard's 41,159 Active-Duty members, only 14.6 percent are women, 13.7 percent are Latino, and 5.9 percent are African American. What strategies is the Coast Guard developing to diversify and retain its work force? What type of resources are needed to ensure you succeed in your recruitment and retention efforts? Does the budget here allow for that?

Admiral SCHULTZ. Congresswoman, thank you for the question. Recruiting, retaining, and advancing a climate that is totally inclusive is one of my top priorities. My top priority is readiness, and the people are absolutely essential to that. We are linking those people initiatives to the actual readiness and the mission performance of the organization.

I think 14.5 percent of females across the organization of 41,500 Active-Duty members, we are obviously not getting, you know, society writ large when half the work force is women. So we are keenly focused on that. You know, if I look at the Coast Guard Academy as an example, where about half our commission officers come through the gates, 40 percent of cadet core is women. So we are doing well there. About a third of the cadet population, which is 1,100 cadets, is underrepresented minorities. The classes in the subsequent years here, those numbers go up to over 40 percent women that are graduating in 2022. The incoming class this summer is projected to have 42 percent women on the URM, underrepresented minorities. Those numbers go from 33 to 36 percent in the outyears.

Through the gates of Cape May, where we bring our enlisted work force, we are targeting I think it is 35 percent underrepresented minorities—and 35 percent underrepresented minorities, 25 percent women. So we are fully on task to have a Coast Guard

that is more representative of the Nation we serve. Within the existing—

Ms. BARRAGÁN. Can you maybe elaborate on some of the strategies you are doing to increase the diversification?

Admiral SCHULTZ. Sure.

Ms. BARRAGÁN. Is there anything in particular maybe you could share with us? The second part of the question is, is the budget that we are looking at today, does it give you the resources that you need to help you with recruiting and retaining? Because if not, I want to know because I want to make sure you all have the resources to carry out the strategy you have to do that.

Admiral SCHULTZ. Absolutely. I mean, toward the end, ma'am, we just got the results with a contract we awarded to Rand for a holistic study about women's retention. Those results came out in late March. One of the things we established early in my tenure here starting last June was the Personnel Readiness Task Force. We have done a lot of studies in past years. This is a team of 7 folks to action the results.

So we have already done some things with the initial findings. When women step out of the workplace to have a child, we have increased a new mother leave up to 41 days. Then primary caregiver leave, if the mom is the primary caregiver, they get upwards of 82 days total. The spouse secondary caregiver can get an additional 21 days. What we have done to take that to the next level is when you have a geographically dispersed Coast Guard small units, for a new mom to step out, it leaves a burden on the rest of the shipmates. There is a lot of pressure there. We are now taking Reservists, surge people, to those vacancies while they are gone to relieve some of those pressures. We want our women employees to be full-time, all-in Coasties, and the ability to be full-time moms and balance that in the workplace.

In terms of the budget part of it, I think the monies are there. You know, there is a recruiting element. We have to recruit in places we haven't recruited in the past years. Back 4 or 5 years ago, we had to make some reductions, so the number of recruiting offices, we have actually restored those offices here with the budget. We can sustain them going forward. We may look to take our recruiting to a couple more places. So we are looking at innovative ways to bring talent in from parts of the country we haven't recruited successfully in the past.

Ms. BARRAGÁN. Thank you. I yield back.

Mr. CORREA. Thank you Ms. Barragán.

Let me conclude today by thanking the witnesses for your most important testimony, and for the Members for their insightful questions.

Members of the committee may have additional questions for the witnesses, and we ask that you respond expeditiously in writing to those questions.

Without objection, the committee record shall be kept open for 10 days.

Hearing no further business before this committee, we stand adjourned. Thank you very much.

[Whereupon, at 11:38 a.m., the subcommittee was adjourned.]

APPENDIX

QUESTIONS FROM CHAIRMAN J. LUIS CORREA FOR DAVID P. PEKOSKE

Question 1. The President's fiscal year 2020 budget request proposes a cut of 815 full-time equivalent employees from front-line staffing, as well as 50 canine teams. If enacted, what effects would such cuts have on TSA's operations, including security effectiveness and checkpoint wait times?

Answer. TSA is constantly exploring ways to improve front-line operations, accelerate the deployment of new technologies, and gain efficiencies through organizational restructuring and optimizing the use of limited resources.

The proposed cut to front-line Transportation Security Officers (TSOs) from the level in fiscal year 2019 enacted appropriations is based on the fiscal year 2020 legislative proposal to repeal the requirement for TSOs to staff exit lanes to maintain access control, as stipulated in the Bipartisan Budget Act of 2013 (Pub. L. 113–67). Today, TSA staffs 257 exit lanes co-located with security checkpoints at 115 airports. The proposal would transfer the requirement to local airport operators and allow TSA to focus its screening workforce on screening functions. Repealing this requirement will ensure TSO staffing-levels adequately meet passenger expectations, maintain acceptable wait times, and avoid crowding checkpoints.

The fiscal year 2020 budget requests an additional \$58.6 million, including associated costs, for additional Transportation Security Officers (TSOs) (1,028 positions/700 FTE) above the fiscal year 2019 budget request (which also did not include TSOs for exit lane staffing). Due to the delays in enacting fiscal year 2019 appropriations, the fiscal year 2020 budget request was based off the fiscal year 2019 budget request. The budget request includes \$8.8 million to implement improved training to facilitate career progression requirements for our TSOs. Fully funding TSA's fiscal year 2020 budget request will enable the agency to improve front-line operations.

Regarding canine teams, because the fiscal year 2020 President's request was submitted before enactment of the fiscal year 2019 appropriations, there was no opportunity to consider annualizing the 50 additional canine teams that Congress added in the appropriations bill. TSA will consider that status of these canine teams in fiscal year 2021 and future years.

Question 2a. No attacks on an aircraft originating in the United States have occurred since September 11, 2001, yet attacks have occurred in public airport areas and surface transportation systems in Los Angeles, New Orleans, Ft. Lauderdale, and New York City—all within just the past 6 years.

How did TSA account for trends in attacks to soft targets such as public airport areas and surface transportation systems when developing its fiscal year budget request?

Answer. TSA addresses the risks to public airport areas and surface transportation systems through:

- Information sharing, including Classified information,
- Planning (preparing plans for countermeasures that can be employed when the level of threat is elevated),
- Training (providing training for employees to enhance their awareness and understanding), and
- Exercises (providing venues and opportunities to test plans and operational practices in order to be better prepared).

We partner closely with stakeholders in all modes of transportation to develop solutions to enhance security in public areas.

In mid-September 2016, TSA began hosting Public Area Security Summits with industry, Government, academic, and international stakeholders to devise a strategy to share information, prevent attacks, and protect infrastructure from emerging threats to public spaces of transportation venues. Participation of both Government and industry executives provides a unique opportunity to leverage expertise and re-

sources, as well as involve everyone in future security planning to ensure both strategic alignment and unity of effort across numerous entities. The work of the group resulted in the publication of a Public Area Security National Framework in May 2017, with 11 corresponding recommendations. These recommendations have served to guide TSA's internal resource allocation priorities to ensure this critical area is appropriately resourced and addressed since that point.

Most recently, TSA in collaboration with DHS reconvened the working group with industry stakeholders in March 2019 to build upon the existing National Framework and publish best practices for protecting public spaces. This builds upon prior work and will influence resource allocation in this area moving forward.

The Framework recommendations included: Cultivate relationships; develop communication strategies to enhance information exchanges; enhance situational awareness; expand threat awareness education; develop joint risk frameworks & enhance joint vulnerability assessments; establish airport operations centers; conduct background checks and threat assessments of public area workers; conduct workforce employee training; develop, conduct, and practice exercises and response drills; invest in innovative construction designs; and coordinate response planning.

Question 2b. Why is TSA proposing cuts to surface transportation security programs given increased threat levels?

Answer. The fiscal year 2020 request would reduce the Surface budget by only 1 percent from the fiscal year 2019 request due to expected attrition of staff during the headquarters relocation. Additionally, within the surface transportation systems, TSA's primary security focus is on oversight, cooperation, and regulation. The primary responsibility for security in surface transportation lies with the owners and operators of those systems and companies. TSA works collaboratively with surface transportation operators, Federal, State, and local security partners to ensure appropriate security postures are employed—this approach is distinct from civil aviation, in which Congress directed that TSA assume responsibility for screening all passengers and property at airports. DHS directs funding for surface transportation security grants for mass transit and passenger rail, trucking, freight rail, intercity buses and certain ferry systems to fund operational deterrence; hardening of tunnels, high-density stations and bridges; and other security efforts.

For the grant programs, FEMA operates the administrative mechanisms needed to implement and manage the grant program. TSA actively provides subject-matter expertise on all matters relating to surface transportation security and other programmatic updates, and assists by coordinating the myriad intelligence information and risk/vulnerability assessments resulting in ranking and rating surface transportation assets Nation-wide against threats associated with potential terrorist attacks and in defining the parameters for identifying, protecting, deterring, responding to, and recovering from such incidents. TSA's resources and personnel also directly support on-going security programs with committed security partners who, in turn, dedicate millions of dollars to secure critical infrastructure, provide uniformed law enforcement and specialty security teams, and conduct operational activities and deterrence efforts. TSA invests its resources to help those partners identify vulnerabilities and risks in their operations, and works with specific owners/operators to develop and implement risk-mitigating solutions to address their specific vulnerabilities and risks.

Question 2c. What types of initiatives would be launched to advance public airport area and surface transportation security if proposed cuts to TSA programs that support such security, such as the VIPR program, were enacted?

Answer. As noted above TSA partners closely with stakeholders in all modes of transportation to develop collaborative solutions to enhance security in public areas. We will continue to invest resources to help partners identify vulnerabilities and risks in their operations, and work with specific owners/operators to develop and implement risk-mitigating solutions to address their specific vulnerabilities and risks. Additionally, on April 8, 2019, TSA announced the establishment of the Surface Transportation Security Advisory Committee (in accordance with Section 1969 of Pub. Law No. 115-254). The STSAC will be composed of voting members representing surface transportation providers and users, and nonvoting members representing Federal departments and agencies with surface transportation oversight. The STSAC will report to the TSA administrator and will provide recommendations on surface transportation security matters, including the development, refinement, and implementation of policies, programs, initiatives, rule makings, and security directives.

Question 3a. TSA recently awarded a \$96.8 million contract to purchase 300 Computed Tomography (CT) systems from a single vendor.

Please define for the committee TSA's final selection criteria.

Answer. As stated in the solicitation, TSA intended to make a single award to the offeror whose offer represented the “Best Value” to the Government. “Best Value” was defined as the offer that is most advantageous to the Government as determined by an integrated assessment among technical (non-price) and price factors. The evaluation factors were as follows:

- Factor 1—Production and Deployment
- Factor 2—Technical Capability
- Factor 3—Past Performance
- Factor 4—Price

The technical factors, when combined, were significantly more important than the price factor.

Question 3b. Since checkpoint CT technology has been deployed by foreign partners for several years, did TSA assess performance data or metrics provided by foreign partners to inform its award decision?

Answer. TSA conducted extensive testing on Computed Tomography (CT) technology over the past year to evaluate performance data and metrics, including requiring vendors to successfully pass AT-2 Tier II certification testing and to further submit their systems for qualification testing. In addition, TSA tested systems from each of the CT vendors at airports around the country over the past year.

TSA’s ability to use international data, metrics, and test results is limited due to different concepts of operation, testing, rigor, and modified equipment baselines to include software and hardware. Additionally, TSA considers differences in safety, throughput, power supply, and other requirements which requires TSA to test to its own compliance standards and requirements. However, TSA continues to collaborate with its international partners to share test data, lessons learned, and harmonize detection standards.

Question 3c. How did TSA assess factors such as size and weight when making its award decision to ensure as many airports as possible will be able to support quick CT deployment? Will size or weight considerations limit or delay CT deployment at any Category X or other high-risk airports?

Answer. TSA assessed the size and weight of each system and whether the system met the Government’s requirements during the qualification process. Costs for airport infrastructure upgrades are included in TSA’s budget requests for Checkpoint CTs. TSA is working closely with the airports on the modifications.

Question 3d. What testing did TSA perform to ensure radiation from CT systems will not pose a public safety hazard to passengers or system operators?

Answer. TSA tested all systems as part of the qualification process to ensure they met the radiation requirements and that radiation levels were under the U.S. Food and Drug Administration requirement. All systems met these radiation requirements.

Question 3e. How did TSA’s consideration and analysis of various CT systems account for varied configurations such as automated screening lanes?

Answer. Under the Advanced Technology/Computed Tomography (AT/CT) qualification process, TSA allowed the vendor to submit a system with or without an auto-diverter. A full automated screening lane was not allowed but will be a part of the future CT program. Once the vendor submitted a system for evaluation and the configuration was locked under the qualification process, no further configuration changes could be made. However, fully automated screening lanes will be a part of the future CT program solicitations.

Question 4a. The committee has expressed concern with TSA’s decision to award the entire initial CT contract to a single vendor.

How does the award to a single vendor support future competition and innovation?

Answer. This initial Advanced Technology/Computed Tomography (AT/CT) procurement is separate from any future CT competitions. TSA intends to issue new solicitations for future CT procurements. TSA has not yet determined if single or multiple awards are most appropriate for future procurements. In addition, TSA has awarded bailment agreements for test units to a number of vendors, purchase orders for test units, and contracts for algorithm development and prototypes to support future competition and innovation.

Question 4b. Did TSA assess the impact of an award to a single vendor on the domestic security technology production base? If so, what were the results of TSA’s assessment?

Answer. While a formal assessment was not conducted, TSA notes that the aggressive deployment schedule required by the procurement resulted in all vendors offering at least some U.S.-based production capability.

Question 4c. Did TSA assess the impact of an award to a single vendor on the international market? If so, what were the results of TSA’s assessment?

Answer. TSA believes that a vibrant, competitive international market, including U.S. manufacturers, for airport security equipment is an important aspect of moving this technology forward and successfully achieving TSA's mission to constantly improve airport security. As noted above, TSA's bailment agreements and purchase orders for test units, as well as contracts for algorithm development and prototypes, support competition and innovation both in the United States and around the world.

Question 4d. What was TSA's rationale for not spreading program and price escalation risk across multiple vendors?

Answer. For this initial, limited CT deployment, TSA elected to award to a single vendor due to the expedited schedule of AT/CT and to minimize schedule risk. Awarding to multiple vendors would take longer to deploy and have additional risk to account for training, deployment, and configuration across multiple vendors.

Question 4e. Will TSA consider deploying CT systems from multiple vendors in individual airports? If not, how will TSA ensure that the vendor deploying initial systems at an airport does not have a guarantee for the award of all future systems at that airport? What costs would be associated with moving CT systems from one airport to another?

Answer. Yes, TSA will consider on a case-by-case basis whether to deploy CT systems from multiple vendors in individual airports.

Question 4f. How did TSA assess the possibility of a protest and resulting deployment delays when making its decision to award the entire initial contract to a single vendor?

Answer. For this initial round of CT deployment, TSA based its procurement decision on providing the best value to the Government, and not on the possibility of protests or deployment delays. By conducting its procurements with fairness and transparency, TSA minimizes the possibility that protests will unnecessarily delay the deployment of improvements in security technology.

Question 5a. You testified that TSA will consider using a small business set-aside as part of its efforts to purchase additional CT systems in fiscal year 2020.

What factors will TSA consider when deciding whether to use a small business set-aside?

Answer. The requirements of the Federal Acquisition Regulation are used to determine whether a procurement will be set aside for small business. TSA will consider small business set-asides for requirements where market research shows at least two small businesses are capable of meeting the agency's requirements. TSA anticipates that this consideration will be made for all requirements as they are developed and defined, such as potential future requirements for CT systems and potential future requirements for development efforts, such as CT algorithm development.

As TSA analyzes its ability to field existing and improved versions of this advance in security technology, the agency will continue to consider how to encourage and accommodate small businesses.

Question 5b. When does TSA plan to finalize and publish the requirements for its fiscal year solicitation?

Answer. TSA anticipates a release sometime late in fiscal year 2019 through mid-fiscal year 2020 for its next CT solicitation. The standards and specifications needed for the next solicitation are currently being analyzed.

Question 6a. As TSA improves screening of carry-on baggage, it will be critical to improve screening of on-body threats as well. Currently, TSA relies on a single supplier for Advanced Imaging Technology (AIT) machines.

What is the status of TSA's efforts to increase competition in passenger screening solutions and improve detection standards and capabilities?

Answer. The DHS Transportation Security Laboratory (TSL) continues to perform certification testing of new equipment at the higher Advanced Imaging Technology (AIT) standard. This equipment may provide the opportunity to have 2 or more vendors capable of meeting the current AIT standard. Testing is also in the process of determining if this new system is able to perform at levels higher than our current AIT-2 detection standard. By the end of the second quarter of fiscal year 2020, TSA expects to begin qualification testing for equipment that meets these standards.

Question 6b. When will currently-deployed AIT machines reach the end of their life cycles, and what is TSA's plan to replace them with upgraded technologies?

Answer. Based on useful life analysis completed last year, the life expectancy of an AIT is at least 10 years, with the average age of TSA's AIT machines being 5.8 years. However, the data also show that there has been no degradation in TSA's AIT availability. As analysis of the AITs continues, the life cycle of the technology will continue to extend as long as availability remains constant.

In addition, TSA continues to enhance the AITs with software and hardware upgrades, thus extending its useful life. TSA is working with the vendor to enhance

detection capabilities through the use of advanced threat detection algorithm software. The Targeted Threat Algorithm (TTA), in combination with a series of operator tools, provides a focused threat detection capability while improving throughput and the passenger experience. These enhancements include:

- Selectable threat detection algorithms to support risk-based screening;
- Clearly identifying to Transportation Security Officers (TSOs) when a secondary search on a targeted area is required; and
- Allowing one TSO to continue to screen passengers while another performs a secondary search.

Once testing is complete, these enhancements are scheduled to begin implementation in the first quarter of fiscal year 2020.

The solution for replacement of TSA's AIT fleet is under development. The solution discussed in the Capability Analysis Report for Screening Traveler's/Non-Traveling Individual's Person, validated in March 2019, include continuing algorithm development on the current fleet of AITs as TSA pursues next generation screening technology.

Question 6c. How many AIT systems does TSA plan to procure in fiscal year 2019 and fiscal year 2020?

Answer. TSA does not plan to procure additional AIT systems in fiscal year 2019 and fiscal year 2020. TSA is reevaluating its needs, and will determine by the end of fiscal year 2019 if additional units are required. Any additional purchases would be due to checkpoint expansions necessary to accommodate increased passenger volumes.

Question 6d. What is TSA's planned time line for completing qualification testing of new AIT machines and approving such machines for procurement and deployment?

Answer. TSA has begun the process of identifying manufacturers of AIT screening equipment with the potential to meet, or exceed, the minimum screening certification standards. Manufacturers will be allowed to propose their equipment for testing and evaluation to meet TSA's standards, which will be tested through the DHS TSL and the TSA Systems Integration Facility (TSIF).

Screening equipment that pass all tests through these facilities would meet TSA's operational, functional, and technical requirements. By the end of the second quarter of fiscal year 2020, TSA expects to begin qualification testing for equipment that meets these standards.

Question 6e. How will TSA ensure that future AIT machines or other technologies used to screen passengers will be free from bias, including bias against passengers with religious or other headwear, passengers whose hair regularly causes false alarms, passengers with disabilities, and transgender passengers?

Answer. TSA is working with the vendor to develop a gender-neutral algorithm to address concerns of transgender passengers, and is in the process of finding a solution in the checkpoint screening process for travelers with headwear. In addition, for passengers with disabilities, TSA is utilizing alternative screening methods and continuing to improve AIT algorithms to accommodate these passengers. TSA hopes to identify potential solutions by the end of the second quarter of fiscal year 2020.

QUESTION FROM RANKING MEMBER DEBBIE LESKO FOR DAVID P. PEKOSKE

Question. In the hearing testimony, the administrator articulated that TSA was examining the challenges facing Phoenix Sky Harbor International Airport's checked baggage screening, specific to whether back-up servers were needed during system outages. Can TSA provide additional information on what the agency's response to this concern looks like, including a time line for resolution?

Answer. TSA has been working with the airport and Original Equipment Manufacturer to address issues associated with the checked baggage network at Phoenix Sky Harbor International Airport. Should the airport experience another network failure of both the primary and secondary servers, TSA has provided a "cold spare" server for each network to expedite the recovery of screening operations. The servers are loaded with all the necessary software to enable a quick exchange of server equipment and resumption of operations. In addition to the cold spares, TSA is implementing additional physical infrastructure activities to improve network availability to be completed by the end of May 2019.

QUESTIONS FROM RANKING MEMBER MIKE ROGERS FOR DAVID P. PEKOSKE

Question 1. Are airport infrastructure constraints encumbering the deployment of new technologies and more lanes?

Answer. Airport space and infrastructure constraints can make it difficult for TSA to deploy new equipment and add additional lanes. The existing footprint of checkpoint areas is limited and often construction is needed to accommodate new equipment and checkpoint expansions.

Airports are sometimes unable to approve construction due to the possibility of compromising the airport structure and encroaching on airport/leased space outside the checkpoint area. Also, the lengthy construction time and the need for rigging paths has a direct impact on the movement of passengers through terminals and conveyance systems which contributes to the reluctance of the airport authority to approve the work. Additionally, the airport authorities frequently do not have funding available to modify facilities to provide for the additional space and expand current checkpoints. TSA continues to work with stakeholders to overcome these challenges in order to support mission requirements and address capacity issues.

Question 2. Would funding exit lane technology save TSA money in the long run, rather than continuing to staff exit lanes with screeners?

Answer. As of October 2018, at 117 airports there are 262 co-located exit lanes staffed by 1,457 TSOs. Airports broken out by category are: 25 CAT X; 40 CAT I; and 52 CAT II, III, and IV. Costs can range across the airports, from \$60 thousand to \$100 thousand (plus personnel, operations, and maintenance) for a closed-circuit television (CCTV) system with simple video analytic capabilities, all the way to millions of dollars for highly sophisticated, multi-layered custom solutions. One CAT X custom solution cost \$7 million per co-located exit lane. Complex, multi-layered solutions also require on-going annual maintenance and technology replacement/refresh, as well as operators, monitoring, and response personnel.

Replacing TSO exit lane staffing with local airport personnel augmented by CCTV is affordable for most CAT IV airports due to limited number of flights per day. The cost benefit for CAT III, II, and smaller CAT I could be positive depending on the technology used, once the relatively higher initial technology costs are amortized over a period of years.

For CAT X airports, exit lane technology solutions can be quite costly and therefore amortization will take much longer. However, increases in security and highly enhanced passenger flow could be a strong factor considered in that business case. TSA anticipates that initial capital costs to either airports or TSA for exit lane technology at CAT X airports would be significantly greater than continuing to fund TSO staffing. Amortization of the significant initial capital asset costs will take place over time, but will be tempered by the on-going operational and response costs cited above.

Question 3. The TSA Modernization Act included a number of provisions specific to explosives detection canines. Please provide an update on TSA's implementation of those provisions.

Answer. Modernization Act Section 1927, Subsection (a), Explosives Canine Capacity Building—ESTABLISH WORKING GROUP—Not later than 90 days after the date of enactment of this Act, the administrator shall establish a working group to determine ways to support decentralized, non-Federal domestic canine breeding capacity to produce high-quality explosives detection canines and modernize canine training standards.

- *Status.*—TSA and DHS Science & Technology Directorate (S&T) have co-led establishment of the working group and are participants. The working group includes members from American Kennel Club (AKC), academia, and industry. The group held an in-person meeting at TSA's Canine Training Center on April 23, 2019. S&T presented and the group discussed breeding model comparisons using a Government-funded model and a limited Government consortium model that focused on non-Federal entities.

Modernization Act Section 1927, Subsection (d), Explosives Canine Capacity Building—PROPOSED STANDARDS AND RECOMMENDATIONS—Not later than 180 days after the date the working group is established, the working group shall submit to the administrator proposed behavioral standards, medical standards, and technical standards for domestic canine breeding and canine training described in that subsection; and recommendations on how the TSA can engage stakeholders to further the development of such domestic non-Federal canine breeding capacity and training.

- *Status.*—The working group met on April 23, 2019 and reviewed a draft paper outlining options for a potential breeding program. The working group will hold a call on May 14, 2019 to decide on a recommended path forward on a National breeding program and finalize the date and location of the next in-person meeting.

Modernization Act Section 1927, Explosives Canine Capacity Building, Subsection (e),—STRATEGY—Not later than 180 days after the date the recommendations are

submitted under subsection (d), the administrator shall develop and submit to the appropriate committees of Congress a strategy for working with non-Federal stakeholders to facilitate [the] expanded domestic canine breeding capacity described in subsection (a), based on such recommendations.

- *Status.*—Based on recommendations from the working group, TSA will refine domestic canine breeding best practices and create a strategy to expand breeding capacity.

Question 4a. On March 28, 2019, the TSA announced a sole source award of \$96.8 million to acquire computed tomography (CT) cabin-baggage screening equipment. The award announcement states a potential volume of 300 systems. As stated in a March 29, 2019 bipartisan letter from the Chairs and Ranking Members of the Committee on Homeland Security, the committee repeatedly urged the TSA to consider a multi-vendor award approach. Please define for the committee the final selection criteria.

Answer. As stated in the solicitation, TSA intended to make a single award to the offeror whose offer represented the “Best Value” to the Government. “Best Value” was defined as the offer that is most advantageous to the Government as determined by an integrated assessment among technical (non-price) and price factors. The award was not a sole-source award. Rather, it was a competitively-awarded contract to a single offeror.

Question 4b. If all aspects of the criteria were relatively equal among bidders, excluding price, what was TSA’s rationale to not spread program and price escalation risk across multiple vendors?

Answer. TSA awarded in accordance with the information in the solicitation. There were 4 evaluation criteria: Three Technical Factors and 1 Price Factor. The evaluation criteria were weighted in descending order of importance, where Factor 1 was the most important; more important than Factor 2, and so on. The technical evaluation factors (Factors 1–3), were significantly more important than Factor 4, Price. The solicitation stated that as proposals become more equal in their non-price factors (Factors 1–3), Factor 4 “Price” will become more important.

In addition, the solicitation stated that TSA intended to make a single award to the offeror whose offer represented the “Best Value” to the Government. TSA elected to award to a single vendor thus reducing the risk to security operations that could result from having varied training, deployment, and configuration requirements across multiple vendors.

Question 5. TSA precedent is to single-source equipment for individual airports to maximize efficiency and manpower. Is this the planned deployment approach on this sole-source award?

Answer. TSA will consider on a case-by-case basis whether to deploy CT systems from multiple vendors in individual airports.

Question 6. Approximately 40 test and evaluation CT systems are already installed in airports from various vendors, what is the planned disposition of these systems? Will the TSA continue to evaluate this technology?

Answer. Approximately 15 CT systems from 4 vendors have been deployed to 14 airports to screen passenger carry-on baggage/items. Within the next 30 to 90 days, TSA will increase the total CTs deployed to 19 systems at 18 airports. At this time, there is no near-term plan to dispose of these systems as they all meet the current TSA AT 2 Tier II explosive detection standards. Additionally, since TSA will perform future procurements for CT technology, and these companies will likely be part of the process, these units are needed for development of future requirements, and enhancements to algorithms and operational features.

Question 7. Please state for the committee how the agency intends to address CT equipment gifted to the TSA from domestic sources other than the awardee? Related, did TSA engage airline and airport stakeholders on this selection process?

Answer. In April 2018, TSA received an offer from American Airlines to provide up to 5 checkpoint Computed Tomography (CT) systems from Analogic for deployment to the following airports: JFK, LAX, MIA, DFW, and PHL. To date, American Airlines has completed an Analogic deployment to JFK, has one under way for LAX, and will wrap up their commitment with an Analogic unit to MIA. With the recent announcement by TSA to purchase 300 checkpoint CTs, American Airlines has elected to pause on the last 2 donations of Analogic CTs for DFW and PHL. In addition to our ability to accept CT technology, TSA is developing a donation policy to cover CTs, Automated Screening Lanes, and other Transportation Security Equipment (TSE) that would be made available to aircraft and airport operators for future purchases by these entities. However, due to the protest of the CT contract award, TSA will not accept any CT systems as donations for operational use at this time. Upon a decision regarding the protest, TSA will reassess whether offers of CT technology will be accepted for operational use.

Question 8. Three CT systems were evaluated under this initial RFP but will not be procured. Does TSA plan to designate these systems as “approved” or “qualified” under the AT/CT program? If so, what is the time line?

Answer. At this time, none of the vendors successfully completed the Qualification Process outlined in the Advanced Technology/Computed Tomography (AT/CT) Qualified Products List (QPL), including the vendors that were evaluated but not awarded under the AT/CT procurement. While the vendors did meet the requirements for this limited AT/CT procurement, they do not meet all of the requirements to satisfy the requirements to be listed as “Qualified or Approved” for the purposes of placing on a QPL. TSA determined that it was in the Government’s best interest to proceed to award despite not having any vendors on the QPL, as the AT/CT systems still provided an increase in security capabilities compared to currently deployed AT systems.

Question 9. How does TSA intend to work with Registered Traveler (RT) vendors when considering additional changes to the passenger screening checkpoint?

Answer. TSA continues to work cooperatively with Registered Traveler (RT) service providers when considering additional changes to the passenger screening checkpoint.

The primary focus for TSA at the passenger screening checkpoint is the secure and efficient screening of all passengers. Where RT programs fit into, and support, the screening checkpoint operations, we will welcome RT vendor participation in the process. RT vendors participated in TSA industry day sessions on biometrics on March 11, 2019 and TSA PreCheck industry day on March 15, 2019.

We continue to have direct dialogue with RT vendors on areas of mutual interest to ensure that we are maximizing security and customer experience at the passenger checkpoint.

The RT program operates under a statutory framework, authorized in the Aviation and Transportation Security Act (ATSA) Pub. L. 107–71, § 109(a)(3) (Nov. 19, 2001), with further safeguarding provisions later codified in the Department of Homeland Security Appropriations Act, 2015, Pub. L. No. 114–4, § 536 (2015). Under this framework, TSA-regulated airport or aircraft operators contract with RT entities to provide identity verification services. TSA’s security programs prohibit RT service providers from escorting passengers past the Travel Document Checker (TDC) and the provider must ensure that passengers present their boarding pass to the TDC for validation. The TDC function is an inherently Governmental function and plays the key role in ensuring the passenger receives the appropriate level of screening.

Question 10. Administrator Pekoske, you have previously stated your intent to decouple qualification testing and evaluation of new technology from TSA’s acquisition cycles in order to more rapidly introduce new capabilities and address current and emerging threats. What steps have been taken to move forward to qualify new AIT technology?

Answer. In fiscal year 2016, the TSA’s Innovation Task Force partnered with the vendor of an internationally deployed AIT system to assess, for demonstration, their technology in TSA operations. To facilitate this demonstration, DHS Science and Technology Directorate’s Transportation Security Lab (TSL) certified this technology at the TSA lowest detection standard of AIT. With the certification, TSA procured and deployed a small quantity of these systems for installation at U.S. airports in order to assess the feasibility and impact of the distinctive components of this technology. We are assessing the impact of this equipment on security effectiveness, operational efficiency, and passenger experience. The results are informing requirements for future systems.

TSL continues to perform certification testing of new equipment at the higher AIT standard. This equipment may provide the opportunity for TSA to have two or more vendors capable of meeting the current AIT standard. Testing is also in the process of determining if this new system is able to perform at levels higher than our current AIT–2 detection standard.

TSA has begun updating applicable acquisition documentation to initiate additional qualification testing for on-body scanners that meet or exceed the current equipment standards.

Question 11. How does the TSA capture airport construction and checkpoint expansion projects to determine the quantities and time lines needed to properly equip new, renovated, or expanded checkpoints?

Answer. When an airport authority notifies TSA of an airport expansion project, the project is registered in TSA’s Equipment Request Interface (ERI), which includes a list of needed Transportation Security Equipment (TSE).

These submissions are reviewed and a capacity analysis of passenger volumes and flight loads is conducted to determine if additional equipment and staffing is justified.

A design review is also conducted to determine if the design developed by the airport meets the requirements of the TSA Checkpoint Requirements and Design Guide.

If the request for additional equipment is justified and equipment is available, TSA actively participates in the planning process from conceptualization of the design through full deployment and integration of equipment to include determination of time lines, equipment needs/allocations, and deployment phasing plans to minimize the impact to the airport operations.

Question 12. The FAA Reauthorization Act of 2018 required a review to examine potentially moving the TSL from DHS's Science and Technology Directorate (S&T) to TSA. Would TSA's administration of the TSL support efficiencies, alignment with the TSA mission, and hold the potential to expedite the introduction of new, higher-performance technology and capabilities to support U.S. airport checkpoint screening operations?

Answer. In response to the FAA Reauthorization Act requirements, a working group was convened to examine the costs and benefits of transferring the TSL from S&T to TSA. The review is not yet complete, and we expect the working group to deliver the joint report and recommendations to the Secretary in early fiscal year 2020. As part of this effort, the working group has been tasked with providing recommendations for better efficiencies, administration, and oversight.

Question 13. Has TSA made any progress in accomplishing your stated goal of combining resources of TSA PreCheck and CBP's Global Entry?

Answer. Over the past 18 months, the TSA and CBP Trusted Traveler Programs (TTP) Working Group have evaluated several potential integration options in support of greater alignment between TSA (TSA PreCheck) and Global Entry (GE).

As part of that effort, DHS will launch an updated, public-facing web content designed to provide the public with consistent messaging and specified selection options for TTPs. Through the site, applicants will receive clear guidance on the differences between the TTPs so they can make an informed decision on which program best suits their needs.

A second effort is aimed at coordinated marketing initiatives across TTPs. Collaborative marketing efforts between TSA and CBP will reduce the unintentional prioritization of one program over another and help applicants decide which program best fits their travel needs and habits.

While there are significant differences in the application, vetting, and enrollment standards and processes for the TSA and CBP programs, the Working Group will continue to identify methods to best combine resources for increased efficiencies and to better serve the traveling public.

QUESTIONS FROM CHAIRMAN J. LUIS CORREA FOR KARL L. SCHULTZ

Question 1. In a February 2019 report, GAO found that about 45 percent of the Coast Guard's shore infrastructure is beyond its service life, and current backlogs of maintenance and recapitalization projects will cost at least \$2.6 billion to address. The President's fiscal year 2020 budget request fails to include sufficient funding to address this backlog. What are the potential effects of failing to invest in upgrades to shore infrastructure?

Answer. Continuing to defer recapitalization and maintenance of shore infrastructure is costly, creates health and safety issues, and can lead to failures that directly impact Coast Guard operations. However, the Coast Guard has worked with the administration over the past couple of fiscal years to increase the priority for funding requests for infrastructure projects.

Question 2a. The fiscal year 2020 budget proposal includes \$1.2 billion to continue the Coast Guard's modernization of vessels and aircraft. However, this funding is not sufficient to address all of the Coast Guard's capitalization needs.

Under currently-enacted funding levels, what capability gaps does the Coast Guard expect to face as a result of assets that will be decommissioned before new assets are operational?

Answer. The Coast Guard does not anticipate decommissioning any surface or aviation assets in fiscal year 2020 without replacement in accordance with our planned programs of record.

Question 2b. Which of the capability gaps discussed in your response are addressed by the fiscal year 2020 budget proposal?

Answer. The fiscal year 2020 President's budget supports delivery of additional Fast Response Cutters, Offshore Patrol Cutters, National Security Cutters, and

Polar Security Cutters. Additionally, the budget includes funding to sustain our aging rotary wing aviation assets and missionize our fixed-wing assets.

Question 2c. What additional capability gaps, if any, would the Coast Guard expect to face if the fiscal year 2020 budget proposal were enacted without additional funding?

Answer. Funding included in the fiscal year 2020 President's budget maintains the Coast Guard's highest priority acquisition project the Offshore Patrol Cutter, and continues on-going recapitalization projects.

Question 3. The committee has expressed concern over diversity and inclusion within the Coast Guard. What funding does the fiscal year 2020 budget proposal include to support the Coast Guard's Diversity and Inclusion Strategic Plan, and how does that funding compare to funding in each of the past 5 years?

Answer. Diversity and inclusion initiatives are predominantly policy changes and are funded from existing resources. The fiscal year 2020 President's budget includes additional funding for a focused Personal Ready Task Force. The Task Force is part of an on-going effort to recruit, train, support, and retain a mission-ready total workforce that reflects the diversity and best talent of our Nation.

QUESTIONS FROM RANKING MEMBER MIKE ROGERS FOR KARL L. SCHULTZ

Question 1a. The TWIC program has had more than its share of problems, as the GAO and the DHS Inspector General have regularly documented, particularly regarding electronic TWIC readers. That was why Congress, in December 2016, passed a law requiring DHS to commission a study of the effectiveness of the TWIC program, which has yet to be delivered to the committee. Last August, Congress passed another law, unanimously in both Houses of Congress, suspending the Coast Guard's 2016 TWIC Reader Rule until 60 days after DHS completes that study and submits a report about it to Congress. Can you inform the committee what the status of that study is?

Answer. The U.S. Department of Homeland Security (DHS) has directed that an assessment of the Transportation Worker Identification Credential (TWIC) Program be conducted. The Homeland Security Operational Analysis Center (HSOAC), is conducting the assessment, through a contract with the DHS Science and Technology Directorate (S&T). It is the Coast Guard's understanding that the assessment is expected to be complete by the end of July 2019.

Question 1b. Last year, a Federal judge stayed the effective date of the TWIC Reader Rule because she was concerned that the Coast Guard had not adequately analyzed its economic or security impacts. The original study law said that, if the study identifies a deficiency in the TWIC program, DHS must develop a corrective action plan and must consider that plan in any rulemaking DHS conducts related to the TWIC program. Will the Coast Guard commit that it will use the results of the TWIC study as the basis for a new rulemaking that will address the shortcomings of the previous TWIC Reader Rule?

Answer. Once complete, Coast Guard will review the assessment and move forward with the TWIC Reader Rule implementation process, taking into consideration the assessment's findings, coordination with the Transportation Security Administration, and direction from DHS leadership.

Question 2a. When focusing on the Coast Guard's budget theme of "readiness," what is the Coast Guard's guiding strategy or plan for achieving desires readiness?

Answer. The Coast Guard's top priority is Service readiness, the plan for this is laid out in the Coast Guard Strategic Plan. This plan focuses on cultivating a mission-ready total workforce through empowering all members of the Coast Guard, broadening diversity, and making the Coast Guard an employer of choice. In addition, the Coast Guard will modernize assets, infrastructure, and mission platforms to meet increasing demands. This will be done through the acquisition of the Offshore Patrol Cutter, Polar Security Cutter, and Waterways Commerce Cutter as well as investments in our Command, Control, Communication, Computers, Cyber, & Intelligence (C5I) enterprise, shore infrastructure, aircraft fleets, and other technologies that enable mission success.

Question 2b. What is the Coast Guard's time line for achieving readiness?

Answer. While individual assets have acquisition project time lines, overall readiness is an on-going process as legacy assets are recapitalized and replaced with more capable and efficient assets. Evaluating and implementing emerging technology is also an on-going effort with no definitive time line.

Question 2c. How will the Coast Guard's new Fast Response Cutters improve the service's readiness and capabilities, compared to formerly-used vessels?

Answer. The Fast Response Cutter (FRC) incorporates many improvements over the Coast Guard's 110-foot Island Class patrol boats, including an integrated com-

mand-and-control system, an advanced communications suite, increased sea-keeping ability, modern armament, and a more-capable stern launched over-the-horizon cutter boat.

