

THE PRESIDENT'S FISCAL YEAR 2015 BUDGET
REQUEST FOR THE DEPARTMENT OF HOME-
LAND SECURITY

HEARING
BEFORE THE
COMMITTEE ON HOMELAND SECURITY
HOUSE OF REPRESENTATIVES
ONE HUNDRED THIRTEENTH CONGRESS
SECOND SESSION

MARCH 13, 2014

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THE PRESIDENT'S FISCAL YEAR 2015 BUDGET REQUEST FOR THE DEPARTMENT OF HOMELAND SECURITY

Thursday, March 13, 2014

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON HOMELAND SECURITY,
Washington, DC.

The committee met, pursuant to call, at 2:29 p.m., in Room 311, Cannon House Office Building, Hon. Michael T. McCaul [Chairman of the committee] presiding.

Present: Representatives McCaul, Smith, King, Rogers, Broun, Miller, Duncan, Palazzo, Barletta, Hudson, Brooks, Perry, Sanford, Thompson, Sanchez, Jackson Lee, Clarke, Richmond, Barber, Payne, O'Rourke, Gabbard, Horsford, and Swalwell.

Chairman McCAUL. The Committee on Homeland Security will come to order.

The committee is meeting today to hear testimony from Secretary Jeh Johnson on the administration's fiscal year 2015 budget request for the Department of Homeland Security.

I now recognize myself for an opening statement.

Today, we convene to take an in-depth look at the President's budget as it relates to protecting the homeland. Budgets are important documents, not just operationally, but because they expose priorities. After a review of the budget, I must say I was disappointed that the budget request proposes new entitlement spending, while recommending nearly \$1 billion in cuts to the Department of Homeland Security.

As continuous unrest around the world makes clear, America's National security does not end at our shores. On-going tensions in the Middle East, Africa, Syria, and now in Ukraine constantly remind us that security at home is linked to actions abroad.

Al-Qaeda and its ideas have grown into a proliferating web of affiliates signaling its escalation and not its demise. As the tragic loss of life in Boston last April made all too clear and reminds us that this radical ideology continues to threaten us here at home.

Unfortunately, the realities of growing threats are not reflected in the proposed budget. While domestic programs are important, now is not the time to create new entitlements at the expense of National security.

The President is calling for \$56 billion to fund nonessential programs like climate research, while at the same time reducing funding for the United States Coast Guard and border security mis-

sions, and cutting DHS's Science and Technology explosives detection research by \$15.5 million.

Last year, after the Boston Marathon bombing, Congress undid the multi-year funding decline for the Office of Bombing Prevention by providing \$13.5 million. This year's budget request unfortunately drops that amount back down to \$11.5 million, nearly as low as before the tragic attack in Boston.

Security must remain a top priority. As the tragic Malaysia Airlines disappearance last week is investigated, we are reminded that airlines remain vulnerable to numerous threats whether mechanical or man-made. From our skies to our seas, the Department cannot sustain its mission under this proposed budget.

The proposal reduces the Coast Guard's acquisition budget by \$300 million, just as old assets that should be replaced are retired; and proposes a \$32 million cut in funding to CBP air and marine flight hours along the border, reducing our situational awareness of what is coming across.

At the same time, the administration again is aiming to reduce the number of Congressionally-mandated ICE detention beds by 3,500. This is all while the budget gives over \$320 million to GSA and DHS to construct access roads in a building to house the Secretary's office at the St. Elizabeths headquarters—a construction project that is now slated to be finished in 2026.

This means the administration, in my judgment, is putting bureaucracy over the safety and security of our own shores. The Navy has already stopped counter-drug missions in South America post-sequestration, and now we are retiring a significant part of our Coast Guard fleet without replacements on deck. This will allow more drugs to make it into our communities. This is particularly egregious since the majority of illicit drugs are seized off the coast of Colombia and Honduras, not coming across our land border.

For perspective, last year's CBP and Border Patrol seized around 45,000 pounds of cocaine while the United States Coast Guard took in almost 200,000 pounds. So it is critical that we maintain a presence in these transit zones.

While I am concerned about these cuts, I was relieved and pleased to see that this request included a \$90 million increase for video surveillance along the border. Enhanced technology is something this committee has called for repeatedly.

In addition, funding for the Office of Cybersecurity and Communications has been increased by roughly 1 percent. The increase includes \$746 million to secure Federal civilian networks, the dot.gov domain, and to help protect the Nation's critical infrastructure sectors from cyber threats.

Still, the majority of the cuts to the Department fall under its most critical mission areas, and the current budget request is strikingly similar to those we saw under your predecessor. Ultimately beyond the cuts today, we must discuss the lack of a new strategic planning or vision that this budget proposal reflects.

DHS was scheduled to submit to Congress its Department review in December 2013, which outlines its priorities for the coming year. We are now well into 2014 and we have yet to receive such a document. How can DHS determine what funds need to be directed toward what missions when it hasn't outlined its missions?

Last month, Mr. Secretary, you came before this committee and told us about your vision for the future of homeland security and for the Department. We appreciate you being here today. Today, I would like to examine how within the parameters of this budget request, your vision for homeland security will be executed.

[The statement of Chairman McCaul follows:]

STATEMENT OF CHAIRMAN MICHAEL T. MCCAUL

MARCH 13, 2014

Today we convene to take an in-depth look at the President's budget, as it relates to protecting the homeland. Budgets are important documents, not just operationally, but because they expose priorities. After a review of the budget, I must say I was disappointed that the President's fiscal year 2015 request proposes new entitlement spending, while recommending nearly a billion dollars in cuts to the Department of Homeland Security.

As continuous unrest around the world makes clear, America's National security does not end at our shores. On-going tensions in the Middle East, Africa, Syria, and now in Ukraine, constantly remind us that security at home is linked to actions abroad. Al-Qaeda and its ideas have grown into a proliferating web of affiliates signaling its escalation—not its demise. And as the tragic loss of life in Boston last April all too clearly reminded us, this radical ideology continues to threaten us here at home.

Unfortunately, the realities of growing threats are not reflected in the proposed budget. While domestic programs are important, now is not the time to create new entitlements at the expense of National security. The President is calling for \$56 billion to fund non-essential programs, like climate research—while at the same time, reducing funding for United States Coast Guard and border security missions, and cutting DHS Science & Technology explosives detection research by \$15.5 million. Last year, after the Boston Marathon Bombing, Congress undid the multi-year funding decline for the Office of Bombing Prevention, by providing \$13.5 million. This year's budget request, unfortunately, drops that amount back down to \$11.5 million, nearly as low as before the tragic attack.

Security must remain a top priority. As the tragic Malaysia Airlines disappearance last week is investigated, we are reminded that airlines remain vulnerable to numerous threats, whether mechanical or man-made. From our skies to our seas, the Department cannot sustain its mission under this proposed budget. The proposal reduces the Coast Guard's acquisition budget by \$300 million just as old assets that should be replaced are retired, and proposes a \$32 million cut in funding to CBP Air and Marine flight hours along the border—reducing our situational awareness of what is coming across. At the same time, the administration again is aiming to reduce the number of Congressionally-mandated ICE detention beds by 3,500. This is all while the budget gives over \$320 million to GSA and DHS to construct access roads and a building to house the Secretary's office at the St. Elizabeths Headquarters—a construction project that is now slated to be finished in 2026.

This means the administration, in my judgment, is putting bureaucracy over the safety and security of our own shores. The Navy has already stopped counter-drug missions in South America post-Sequestration; and now we're retiring a significant part of our Coast Guard fleet, without replacements on deck. This will allow more drugs to make it into our communities. This is particularly egregious since the majority of illicit drugs are seized off the coasts of Columbia and Honduras, not coming across our land borders. For perspective: Last year CBP and Border Patrol seized around 45,000 pounds of cocaine, while The United States Coast Guard took in almost 200,000 pounds, so it is critical that we maintain presence in the transit zones.

While I am concerned about these cuts, I was relieved to see the fiscal year 2015 request includes a \$90 million increase for video surveillance along the border. Enhanced technology is something this committee has called for repeatedly. In addition, funding for the office of Cybersecurity and Communications has been increased by roughly 1 percent. The increase includes \$746 million dollars to secure Federal civilian networks—the .gov domain—and to help protect the Nation's critical infrastructure sectors from cyber threats.

Still, the majority of the cuts to the Department fall under its most critical mission areas, and the current budget request is strikingly similar to those we've seen under your predecessor. Ultimately beyond the cuts, today we must discuss the lack of new strategic planning that the budget proposal reflects.

DHS was scheduled to submit to Congress its Department Review in December 2013, which outlines its priorities for the coming year. We are now well into 2014 and we have yet to receive such a document. How can DHS determine what funds need to be directed toward what missions, when it hasn't outlined its missions?

Last month, you sat before this committee and told us about your vision for the future of homeland security and for the Department. Today, I would like to examine how, within the parameters of this budget request, your vision for homeland security will be executed.

Chairman McCAUL. The Chairman now recognizes the Ranking Member, the gentleman from Mississippi, Mr. Thompson.

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

Welcome back, Mr. Secretary. Good to see you again.

When we last met, you testified before this committee about your vision and priorities. The budget request under discussion today should provide greater clarity about your vision and priorities.

The budget request that the President submitted on your behalf is not simply a collection of numbers and tables. It is an expression of your values and aspirations. I would be remiss if I did not acknowledge that this proposal was developed in less than optimal conditions. The Budget Control Act, which forced sequestration cuts, has not only limited DHS's baseline funding, but may also cause DHS operations to be limited.

The comptroller general reports that DHS took certain administrative actions, including hiring freezes and employment award freezes, to help soften the blow of the funding reductions. Even with those actions and the reallocation of carryover funding, sequestration took a toll on DHS's operations, particularly at the Coast Guard and ICE.

It also resulted in reduction of support for terrorism detection and preparedness, and response on the local level. GAO found that the Coast Guard interdictions of migrants and drugs at sea were down by 29 percent and 24 percent, respectively. There were also about 6,000 fewer vessel inspections.

At ICE, training and other core activities were reduced to cover the cost of maintaining 34,000 detention beds as mandated by law. There were also significant reductions in the Port Security Grant Program and the Inner City Passenger Rail Program. The budget before us today would inflict deeper cuts to State and local grant programs.

Unless the President's proposal to close tax loopholes and institute new fees is accepted, there will be a \$300 million reduction in assistance to State and local governments to enhance cyber capabilities and for university programs. Department officials expressed concerns to GAO about the ability to mitigate future potential budget cuts and how effectively the workforce will be able to respond to future mission-critical needs.

While I appreciate the budget addresses a number of key priorities at the Department, including border security resources and recapitalization of the Coast Guard, I am concerned about certain proposals. Particularly, I look forward to hearing more about the fee increase proposed in TSA's budget. It is rather surprising, given that an increase to the fee was just authorized in December, and we would like to see whether we are going to have another one, Mr. Secretary.

Other areas that warrant discussion, including the Department's proposal to consolidate State and local preparedness grants, which each Congress has unilaterally rejected in the past, as well as a reduction in university programs. These kinds of programs are essential to building homeland security throughout the Nation.

With that, Mr. Chairman, I yield back.

[The statement of Ranking Member Thompson follows:]

STATEMENT OF RANKING MEMBER BENNIE G. THOMPSON

MARCH 13, 2014

Welcome back, Mr. Secretary. It is good to see you again. When we last met, you testified to your vision and priorities as the new Secretary of Homeland Security. The budget request under discussion today should provide greater clarity about your vision and priorities.

The budget request that the President submitted on your behalf is not simply a collection of numbers and tables, it is an expression of your values and aspirations. I would be remiss if I did not acknowledge that this proposal was developed in less than optimal conditions. The Budget Control Act—which forced sequestration cuts—has not only limited DHS' baseline funding but may also cause DHS' operations to be limited.

The Comptroller General reports that DHS took certain administrative actions, including hiring freezes and employment award freezes, to help soften the blow of the funding reductions. Even with those actions and the reallocation of carryover funding, sequestration took a toll on DHS' operations, particularly at the Coast Guard and ICE. It also resulted in reductions of support for terrorism detection, preparedness, and response on the local level.

GAO found that the Coast Guard's interdictions of migrants and drugs at sea were down by 29 percent and 24 percent, respectively. There were also about 6,000 fewer vessel inspections. At ICE, training and other core activities were reduced to cover the costs of maintaining 34,000 detention beds, as mandated in law. There were also significant reductions to the Port Security Grant Program and The Intercity Passenger Rail Program.

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Department officials expressed concern to GAO about its ability to "mitigate future potential budget cuts" and about "how effectively the workforce will be able to respond to future mission critical needs." While I appreciate that the budget addresses a number of key priorities at the Department, including border security resources and recapitalization of the Coast Guard, I am concerned about certain proposals.

Particularly, I look forward to hearing more about the fee-increase proposal in TSA's budget. It is rather surprising, given that an increase to the fee was just authorized in December. Other areas that warrant discussion include the Department's proposal to consolidate State and local preparedness grants and reduce University programs. These kinds of programs are essential to building homeland security throughout the Nation.

Chairman MCCAUL. I thank the Ranking Member.

Other Members are reminded that opening statements may be submitted for the record.

I am pleased today to welcome, sir, you back to this committee. Secretary Jeh Johnson was sworn in on December 23, 2013 as the fourth Secretary of the Department of Homeland Security. Prior to that, he served as general counsel for the Department of Defense, where he led more than 10,000 military and civilian lawyers across the Department.

He oversaw the development of legal aspects of many of our Nation's counterterrorism policies; spearheaded reforms to the military commission system at Guantanamo Bay; and was also involved in the raid on the bin Laden compound.

His career has included extensive service in National security law enforcement. As an attorney in both private practice and as an assistant United States attorney, which—I share that experience with him. Of course, he was in the Southern District of New York, which is one of the most esteemed offices in the Nation.

Mr. Johnson, your entire statement will appear in the record.

I now recognize the Secretary for his testimony.

**STATEMENT OF HON. JEH C. JOHNSON, SECRETARY, U.S.
DEPARTMENT OF HOMELAND SECURITY**

Secretary JOHNSON. Thank you very much, Mr. Chairman.

You have my prepared statement for the record.

I just wanted to, in my 5 minutes, hit a couple of top-line points.

First of all, you were kind enough to note my—some of the things I worked on at the Department of Defense, including the bin Laden matter. I have to say that, you know, any time the role of somebody in Washington is mentioned concerning military operations, I have to respond by noting the bravery of those who were on the front lines for any of our specific military operations, and, you know, one of the best parts of the job I had there was working with our brave men and women in uniform as my client.

Last time I was here, I think it was Mr. Horsford who noted, “You inherited this. And when you inherit something, that means you own it. And when you own it, you are responsible for it.” It is my responsibility, though I did not have involvement in the early parts of the preparation of this budget submission, it is my responsibility to come here and explain it and defend it. That is what I intend to do today.

There is no doubt that this budget submission reflects tough choices during tough times—tough fiscal times. The administration—the President had to make some very tough choices in the submission which you have here today. I am satisfied that this budget submission funds our priorities in the Department of Homeland Security. It funds what I believe to be my priorities and my vision for the Department of Homeland Security. and I would like to note a couple of things about it.

First, we are maintaining a record number of Border Patrol agents at the border—21,370 with this submission. With this submission, we ask for increase in CBP officers to 25,775, to adequately support our efforts at drug interdiction, illegal crossings at the ports, to expedite trade at the ports.

As the Chairman noted, we are asking for \$90 million in mobile and remote surveillance. For our Border Patrol, border security efforts, I think that is critical. It is also consistent with what our Border Patrol agents on the front lines have told me that they need when I visited the border most recently.

We are moving forward with our continued efforts to recapitalize the Coast Guard. We have asked for funding for the 8th National Security Cutter.

We are moving forward with a \$20 million request for the design feature of the offshore patrol cutter. We have asked for funding for the fast response cutter, as well. We are moving forward with recapitalization on all three of those fronts, while decommissioning some older assets.

TSA PreCheck, global entry are key priorities. In my view, they represent risk-based security in that they enhance security. At the same time, they are a smart use of taxpayer dollars, and also popular with the American public. This submission asks for \$1.2 billion across the Department overall for cybersecurity, including \$377 million for our programs to protect the dot.gov world, the third phase of which is about to deploy.

We ask for funding for NBAF, the bio ag facility in Kansas, which is an important priority, in my view.

Chairman, you are correct that this request includes a request for fees or fee increases. COBRA immigration user fees. The aviation infrastructure fee we ask be restored from the fiscal year 2013 level. The 9/11 security fee—we ask for a 40 cent increase in that one. There was a long period where the fee was not increased at all. It was increased last year to \$5.60. We asked that it be increased to \$6. This reflects, in part, the view which I very much share that when it comes to aviation, those of us—and I put myself in this category when I am a private citizen—you use the system more often, then the general taxpayer should foot more of the bill.

So, when I was in private law practice, for example, I would fly perhaps four or five times a month to various different places. In my judgment, those of who use aviation—commercial aviation more often should foot more than the bill than the average taxpayer that you represent here in Congress.

We are making terrific progress on filling vacancies, as you know. Three of our nominees were confirmed by the Senate last week. We have three more awaiting Senate confirmation. This injects new energy into the Department. We are making great progress there. As I have discussed with a number of Members of this committee, we are developing a budget process and an acquisition process to reduce, eliminate inefficiencies and duplications of effort.

I look forward to your questions.

[The prepared statement of Secretary Johnson follows:]

PREPARED STATEMENT OF JEH C. JOHNSON

MARCH 13, 2014

Chairman McCaul, Ranking Member Thompson, and Members of this committee: I begin by thanking this committee for the strong support you have provided to the Department the past 11 years. I look forward to continuing to work with you in the coming year to protect the homeland and the American people.

I am pleased to appear before the committee to present President Obama's fiscal year 2015 budget request for the Department of Homeland Security (DHS). The fiscal year 2015 budget request builds on our accomplishments over the past 11 years while providing essential support to National and economic security.

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

The basic missions of DHS are and should continue to be preventing terrorism and enhancing security; securing and managing our borders; enforcing and administering our immigration laws; safeguarding and securing cyber space; and strengthening National preparedness and resilience. The President's fiscal year 2015 budget

request provides the resources necessary to maintain and strengthen our efforts in each of these critical mission areas.

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

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

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

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

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

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

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

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

DHS also must be vigilant in preparing for and responding to disasters, including floods, wildfires, tornadoes, hurricanes, and most recently, chemical leaks like the 2014 spill into the Elk River in West Virginia that threatened the water supply of hundreds of thousands of people. We have come a long way since the days of Hurricane Katrina. We have improved disaster planning with public and private-sector partners, non-profit organizations, and the American people. With the help of this committee, we have also improved the Department's emergency response agility through important changes to the structure of the Disaster Relief Fund, which brings immediate help and resources to our communities in their most dire times of need.

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

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

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

As Secretary of Homeland Security, I am mindful of the environment in which we pursue each of these important missions. The days are over when those of us in National and homeland security can expect more and more to be added each year to our top-line budgets. I therefore believe I am obliged to identify and eliminate inefficiencies, waste, and unnecessary duplications of resources across DHS's large and decentralized bureaucracy, while pursuing important missions such as the recapitalization of the aging Coast Guard fleet. Over the past 2 years, the Department has found innovative ways to reduce cost and leverage efficiencies, reducing DHS-wide expenses by over \$2.7 billion during that period. We also reached a major milestone last year when the Department achieved its first unqualified or "clean" audit opinion on its financial reporting. These are important steps in maturing the Department's management and oversight functions, but there is more to do.

As part of this agenda we are tackling our budget structure and process. DHS currently has 76 appropriations and over 120 projects, programs, or activities, and there are significant structural inconsistencies across components, making mission-based budget planning and budget execution analysis difficult. We are making changes to our budget process to better focus our efforts on a mission and cross-component view. I, along with the deputy secretary, am personally engaged to provide the necessary leadership and direction to this process. I look forward to further discussing these ideas and strategies with this committee as we develop ways to refine our planning process and appropriation account structure in order to improve how the Department resources its missions.

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

In closing, the Department's fiscal year 2015 budget request recognizes our current fiscal realities and works within them. It is a responsible plan that will

strengthen our Nation's security while allowing the Department to continue to achieve its core objectives. I thank the committee for inviting me to appear today. In the pursuit of our important mission, I pledge to this committee my total dedication and all the energy I possess. I look forward to working with you to meet our shared priorities.

Chairman MCCAUL. I thank the Secretary. We appreciate your outreach to not only myself and the Ranking Member, but the entire committee.

Before I ask a few budget items, I do want to turn to a topic that has come up more recently. That is the disappearance of the Malaysian flight.

Transponders were apparently turned off. There are reports of two Iranians on board who had stolen passports. Can you tell us what you, sir, and your Department of Homeland Security are doing about this matter?

Secretary JOHNSON. Chairman, the Malaysian government is in the lead on the investigation and search for the aircraft. As you know, we are not now in a position to make any conclusions at this time. I will say that when it comes to the reports about the stolen passports, I have asked, when it comes to our own security insofar as stolen passports are concerned—you know, where are we in the United States—and the assessment, which I share, is that when it comes to domestic flights, and when it comes to flights that leave the United States, flights to the United States, we have a good system in place for tracking stolen passports such that if someone attempted to use a stolen passport to travel in the United States or to the United States, that would be promptly detected. So, I think we are in a reasonably good place there.

But in terms of the loss of this particular aircraft, we are not in a position to make any conclusions at this point.

Chairman MCCAUL. So, any in-bound flights to the United States would have been cross-referenced with Interpol?

Secretary JOHNSON. Yes, sir. That is my understanding. Yes, sir.

Chairman MCCAUL. Okay. Okay.

On to the budget items, one thing that I found, and realizing you are new to the job, the Quadrennial Homeland Security Review—

Secretary JOHNSON. I realize that is only going to work for me so long.

[Laughter.]

Chairman MCCAUL. Probably not even for this hearing. The honeymoon may be over.

But the review was supposed to be done in December 2013. Here we are in March. It seems to me that that is kind of putting the cart before the horse; that you need to have the benefit of that review and that strategic vision before you put forth a budget.

I mean, am I missing something?

Secretary JOHNSON. When it comes to the QHSR, as I think I mentioned to you in the past, we are—the statute that requires the QHSR also requires that we put it forth from the perspective of the entire Federal Government and the homeland security aspects of the entire Federal Government, not just the Department. So it is a coordinated effort, as are the other quadrennial reports.

We expect to have it out very soon, perhaps within the next week. I have seen drafts and I also wanted to take some time with it myself to make sure I was comfortable with the document. After

I came in in December, and some of it has my own personal work on it. So—but I expect you will have it very soon.

I have seen it in draft form, and I believe it reflects my vision and it is consistent with the budget submission.

Chairman McCAUL. I appreciate your candor, saying you own it. But when this report does come out, is it possible that this budget could change pursuant to whatever the recommendations are from that report?

Secretary JOHNSON. I would say that Members of Congress should carefully study the QHSR when it comes out. It reflects our best effort at where we see the Department is going, and be informed by that when you review our budget submission.

Chairman McCAUL. I think for me, one of the biggest concerns I have is I traveled to the JIATF, the Joint Intelligence Agency Task Force, in Florida, and was briefed on the situation in this hemisphere as it relates to our interdiction efforts. As you know, the Navy now has completely pulled out of this mission, leaving only the Coast Guard. Now with this budget request, we are now scaling back that Coast Guard mission as well, which I think puts this country in greater danger of drug trafficking coming in, violence, corruption.

The Coast Guard commandant, Admiral Papp, recently testified that in his words, “throwing up roadblocks” in forcing the Coast Guard to cut budgets that prevent him from meeting his mission. This is right in our backyard. It is right in our backyard and it makes us very vulnerable, I think.

As I pointed out, CBP has made—confiscated drugs, but not nearly on the scale that the Coast Guard and the Navy has on the high seas. So I hope you appreciate that concern that I have. I know what your budget states. I don’t—I disagree with that number. But I hope maybe working forward that you and I can help them with their mission, which is so critically important.

Secretary JOHNSON. May I respond?

Chairman McCAUL. Yes, sir.

Secretary JOHNSON. I think recapitalization of the Coast Guard fleet is critical. I am told that it is the oldest fleet of vessels of any navy in the world. So we have got to press forward with recapitalization.

In terms of narcotics interdiction, Coast Guard is important. CBP is important. HSI also does a terrific job at this. I see the daily reports of illegal narcotics that they are able to capture. They do a fantastic job. I have had conversations with General Jacoby, NORTHCOM, and General Kelly of SOUTHCOM about this very issue. The three of us have committed to work together on it.

Chairman McCAUL. Well, it is good to hear. I will just conclude by saying I think HSI and ICE did a phenomenal job just recently with the capture of “El Chapo” Guzman.

So with that, the Chairman now recognizes the Ranking Member.

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

Welcome, as I said, Mr. Secretary.

In your last appearance before the committee, Mr. Secretary, we had a conversation about Abu Dhabi. I wish it would go away, but it just kind of keeps cropping up.

In the conversation, you and people who work for you said that this was a way of getting to Dubai, which is the highest point in that region of the country. Your people who work for you said this was the way to go. Well, some of us were concerned because there is no U.S. carrier flying in or out of Abu Dhabi.

Now, we found out this Tuesday that Emirates Airlines, which is a state-owned airline, said they have no interest in pre-clearance at Dubai. Have you made an analysis of whether or not your people were duped into going to Abu Dhabi? Or did they go just because they offered to pay the money to come?

Secretary JOHNSON. Congressman, as you and I discussed last time, I believe that pre-clearance at a number of airports, not just Abu Dhabi, is a homeland security imperative. I think that the more opportunities we have to push out our homeland security beyond our borders, in host governments that are willing to accommodate us, the better for our homeland security, the better for our aviation security into the United States.

Abu Dhabi is a starting point, in my view. I don't have the same understanding when it comes to Dubai. I intend to have conversations with a number of governments overseas about establishing pre-clearance at their airports. My belief is that we have a very cooperative, constructive relationship with that government. I have had conversations with that government.

Mr. THOMPSON. I appreciate it. What some of us are concerned is we went way down the list to get to Abu Dhabi, past a number of other airports. Some of us are just trying to figure out what is the objective criteria for selection. The only answer we got was that this is the way we can get to the airport we really want to get to. All of a sudden, they now say "We don't want you here."

So, I just think that we need a better process of selection than what some of us have seen. Plus, again, it puts a competitive disadvantage to American-owned carriers who don't fly out of that airport. So you talk to the good men and women who work for those carriers, they are very concerned that our Government decided to go there.

With respect to CFATS, as you know, we are in the process of writing up an authorization, a piece of legislation. But in this legislation, we have omitted water facilities. That is a major, major vulnerability that everyone agrees to.

Would you support legislation that eliminates this security gap for water facilities and other critical infrastructure?

Secretary JOHNSON. Congressman, as I have indicated, I think that the CFATS legislation that has been proposed by Members of this committee is a real positive step forward. I support it. I have reviewed it. If there are proposals of the type that you just mentioned, I would be happy to consider them and work with you and your staff on that. Overall, it sounds like something that we ought to consider.

Mr. THOMPSON. But—

Secretary JOHNSON. I would like to work with you on that, sir.

Mr. THOMPSON. Okay, and I look forward to it, because everybody we have talked to have indicated that water facilities and other critical infrastructure should be on that list, because they are vulnerable.

I yield back, Mr. Chairman.

Chairman MCCAUL. The Chairman now recognizes the gentleman from Texas, Mr. Smith.

Mr. SMITH. Thank you, Mr. Chairman.

Secretary Johnson, as you know, according to the *Federal Register*, our refugee policy affects both the budgets of the Department of Homeland Security and the State Department. Refugees, of course, are those who either apply from foreign countries or show up at our airports and claim for any number of reasons a well-founded fear of persecution back home. If they are granted refugee status, they receive taxpayer funds. They receive Government benefits and so forth. So it does have an impact on the budget.

The President recently announced a change in our refugee policy. I believe he changed existing law, which now says no one with any ties to a terrorist organization can be admitted as a refugee. The President changed that. And now has said that those with supposedly insignificant material support for terrorist organizations can now be admitted.

My question is this: For those individuals to be admitted, a couple of things have to happen. No. 1, they have to have undergone a background and security check. How are we going to conduct a background and security check in a foreign country, particularly a foreign country that might be a terrorist-sponsoring nation, so that we know whether these individuals have serious ties or not serious ties to terrorist organizations?

Secretary JOHNSON. The change that you refer to, Congressman, relates to those who may have provided very minimal levels of support to—

Mr. SMITH. Right. How are we going to conduct background checks that are required in the foreign countries where they are from?

Secretary JOHNSON. Well, we are talking about people who provided support to tier-three organizations. So an organization like A.Q. is not a tier-three organization.

Mr. SMITH. But these refugees have sometimes only been here for a few days. Obviously, they are not going to have a record in this country. So we are not—we don't have any real way of checking their background in a foreign country. Is that correct?

Secretary JOHNSON. The proposed change in regulation requires a very extensive background check.

Mr. SMITH. Is that only a background check that is going to occur within the United States where they may have only lived for a few days?

Secretary JOHNSON. Well, that level of detail I would have to get back with you on. I know that there are a long list of things that the individual has to satisfy before he is given the status.

Mr. SMITH. Right. I am just saying to you I don't see how the background checks, since they can't be conducted in the foreign country, and since they really have not been here long enough to have any kind of a background to check amounts to anything but a—almost a ruse there.

But another qualification is if these individuals have to fully disclose the nature and circumstance of any material support they provided to terrorist organizations. They have every incentive to

lie. What makes you think they are going to suddenly come clean and admit it if they do have a strong tie to a terrorist organization? You are leaving it up to them, themselves, nobody else, to determine whether they come in as refugees and extended their ties to terrorist organizations.

Secretary JOHNSON. The change is not an exemption by any means. The change in the rules still requires very extensive background check.

Mr. SMITH. I was quoting from the rules. You are leaving it up to those individuals to fully disclose the nature and circumstance of any material support they provided to the terrorist organization. How can you rely upon what they said?

Secretary JOHNSON. What you just read is in addition to a very, very long list of other things that we have to satisfy ourselves concerning before—

Mr. SMITH. But if you are leaving that to individuals who have every incentive to lie, that is a reckless disregard for the American public's safety, in my judgment, to leave it up to them to tell us what kind of ties they may or may not have to organizations, as well as the background check. I don't see how you conduct that in any meaningful way. You are welcome to get back to me if you want, but that is—I am just reading from the regs themselves.

My next question is this: Is the administration making record deportations or not?

Secretary JOHNSON. Well, if you focus on those removals by ICE, the numbers are higher than they have been previously.

Mr. SMITH. Oh. Okay. Because the administration has been accused by a number of organizations and individuals as being the deporter-in-chief because they are making record deportations. So you are acknowledging at least by your standards and your account that they are making record deportations. Is that right?

Secretary JOHNSON. The removals by ICE are higher than they have been previously. That is correct.

Mr. SMITH. Something that is higher—that tends to mean that is a record, does it not?

Secretary JOHNSON. It is higher. However you would like to characterize it, the numbers are higher than they have been previously. That is correct.

Mr. SMITH. Okay. We will let common sense prevail there.

Last question is this: When you appeared before us a few weeks ago, and we always appreciate your coming, I asked you about the tens of thousands of individuals who are being released from detention by the administration, criminal aliens, who then went on to commit thousands of serious crimes. I can list the crimes.

They go from battery, rape, kidnaping, murder, assault, child molestation, child cruelty, lynching, torture, and so forth. Thousands of individuals have committed additional crimes who have been released by the administration.

I mentioned to you that my data was to 2012 and I thought you were going to be able to get back to me and update that information and confirm it. I don't know if you had a chance to do that or if you can tell me now what your new data might show. Or do you have any data for me yet?

Secretary JOHNSON. I will get that information to you promptly.

Mr. SMITH. Okay. Great. Particularly looking for 2013 how many people released by the administration who could have been detained and what crimes they committed. I thank you, Secretary Johnson, and yield back.

Chairman McCAUL. Chairman recognizes the gentlelady from California, Ms. Sanchez.

Ms. SANCHEZ. Thank you, Mr. Chairman. I appreciate it. I appreciate our Secretary being before us. I just have one question in particular. This is a very parochial question.

Mr. Secretary, the sole commercial airport that we have in Orange County, California where I represent, has applied for U.S. Customs and Border Protection to be designated as a port of entry. In other words, we have international flights, if you will.

As of now CBP's presence at John Wayne is under the user fee program, which requires that the airport cover the CBP's cost. As a consequence, the airport is paying approximately \$2 million a year to CBP and the costs continue to rise because we have a lot of people that like to go to Mexico and other places, obviously, from there.

Under a port of entry designation CBP's costs would be covered under the Department's budget. So recently the airport was officially notified that its port of entry designation application was all set, everything was in order, et cetera, et cetera, but that processing it internally would take 24 months.

In the mean time of course we have to charge the passengers because we have to pay to have CBP there et cetera, et cetera. So if everything is in line, why would the process take so long? What do we need to do to get the Department, if everything is in place to agree and to give us—and to start taking up the costs on that?

Secretary JOHNSON. Well, if it is simply a matter of a review and an evaluation of something it is hard for me sitting here right now to understand why it should take 24 months. If it also involves construction of certain infrastructure or added security or something of that nature, I could understand why it might. But sitting here right now it is difficult—

Ms. SANCHEZ. Remember your people are already there. We are just paying for them there. So the infrastructure must be correct if we are allowing it to happen.

Secretary JOHNSON. Right. There are about 5 people sitting right behind me right now taking notes. We are noting the Secretary is concerned that it takes 24 months to get this done.

Ms. SANCHEZ. Great. Thank you so much. I look forward to a response once you look into it.

Secretary JOHNSON. Understood.

Ms. SANCHEZ. Thank you, Mr. Chairman. I yield back.

Chairman McCAUL. Chairman recognizes the former Chairman, Mr. King.

Mr. KING. Thank you, Mr. Chairman.

Secretary, it is a privilege to have you here today. I want to thank you for the dedication you have shown to the job in the only 3 months you have been on the job. So thank you very much for that.

Question I have, as I mentioned to you before, is on the Securing the Cities program, which right now it is in New York City, it is

in Los Angeles and I believe a third city was going to be selected in the near future. It had been funded at \$22 million a year. This is I believe a very vital program because it has to stop a—basically a nuclear, a dirty bomb attack in cities by having detection devices on all the main roads, highways, bridges, and tunnels leading into the cities. I think there is a philosophical disagreement at the start.

You know the DNDO would rather have that ultimately be phased out and have it administered by the cities. I would say because this is clearly a terrorist attack, which I think should be a responsibility of the Federal Government, it goes beyond local crime or local breakdown of law and order. It clearly would be a terrorist attack, which I think should be funded by the Federal Government, specifically DNDO.

But even if it was going to be a weaning off or a lessening of reliance, to cut it by almost 50 percent in 1 year at a time when you now have two cities and you are going to a third city, to me it seems like an unreasonable cut and it would have I think a disproportionate impact on what I think would be a very vital program.

Secretary JOHNSON. Congressman, my understanding is that despite the reduction in that specific program we are in a position to leverage other programs to make sure that all the cities including New York are adequately funded through a number of different grant programs.

As you also know, New York is a city that I take very personally. I am a New Yorker. I was there on 9/11. My second day on the job I went back to Ground Zero. Before I took this job my daily commute was either the Lincoln Tunnel or the railroad tunnel underneath the Hudson River through either Penn Station or Port Authority Bus Terminal.

I identify with New York's security needs and will commit to you that as long as I am Secretary New York will be adequately funded in this regard.

Mr. KING. Thank you, Mr. Secretary. I appreciate that.

I yield back, Mr. Chairman.

Chairman MCCAUL. Chairman recognizes the gentlelady from Texas, Ms. Jackson Lee.

Ms. JACKSON LEE. Thank you very much again, Mr. Secretary, for your presence here and certainly your diligence. I think you can find that there will probably be a great opportunity for collaboration on this committee. We work very well together.

But there are stark differences. In the neighborhood we sometimes say you are cutting it to the bone. Whenever we hear individuals speak about more deportations we literally have nightmares about dragging people out of their homes who happen to be U.S. citizens, but they happen to have Latino names.

I don't know how much more you can brag about deportations when statistics will show that fewer people are even coming across the border. I think our focus should be on people who are here to do us harm. I would like my line of questioning to go in that direction.

Frankly, if we could work together on comprehensive immigration reform, I think we would answer all of our colleagues' issues about deportation.

But I do want to associate myself with Chairman McCaul's comments on the missing, very tragic and mysterious missing airline. Two points I want to make.

I have written legislation over the years. It is still pending on the utilization of air marshals. I frankly believe they are not utilized the way they should and I am trying to pinpoint the budget, but I will make that another inquiry. I don't want to—I am interested in the increased use of air marshals on international and domestic flights.

The second point is, is that there are only four countries that actually utilize the data system on passports on individuals that board planes, and the United States is certainly one of them. I believe it is important for the Department of Homeland Security and the administration to engage internationally to ramp that number up.

Obviously those individuals are on the airline because there was no match. They happen not to match a watch list, but they were not checked at all and I think that is a very important point.

Let me quickly go to the question of detention facilities that we discussed earlier. Unfortunately there is a provision that requires ICE to have a quota of detention beds. In that it rejects what is now a new and recognized phenomenon of alternative detention for civil and nonviolent individuals.

I noticed that in the 2015 budget \$1.3 billion is for detention beds, but only \$94.1 million is for alternatives to detention. These are individuals, families, these are noncriminal and I would ask that you respond to why there is such a little bit of money on that, as my time goes.

Oh, I would like to see that number ramped up versus the large number for detention beds.

Secretary JOHNSON. The fiscal year 2014 number, as enacted by Congress, requires us to maintain a capacity for 34,000 beds. This budget submission in 2015 is based on our assessment that we need 30,600 beds at any one time in the course of fiscal year 2015 to detain those we regard as the most serious threats.

In addition, we have asked for \$94 million for our alternatives to detention program. We think that is a valuable program. We think it is a good program. We think we have the right balance there.

Ms. JACKSON LEE. Could I ask you to just go back and analyze that? It seems a very high number. The question is whether or not there is that number of individuals.

I would like to also ask across the board whether there can be an analysis. I notice that we are adding an additional number of CBP officers. I thank you for that. I don't believe that Homeland Security should be about economic opportunities. But I believe that the jobs are very important.

What I would ask is that we look as well at the salary range of our ICE and CBP officers, all of our front-line officers for potential increase. I know that there have been some increases, but I frankly believe that they are short on dollars.

But I would like to ask this question about our training CBP officers. It looks as if there was \$5.5 million that they have gained through seizures. But my question is: Have we funded staff training for human trafficking? All of our, across the board, whether it is TSA, TSO Officers, ICE, and CBP, is a budget line item for increased training or in the training dollars would we include the ability to perceive potential human traffickers and their—those in custody of them?

Secretary JOHNSON. I am sure that there is. Whether there is a specific line item for that I couldn't tell you. But I can state with pretty good confidence that part of the training involves training in matters of human trafficking.

Ms. JACKSON LEE. If you could look at that for me I would greatly appreciate it.

Finally, let me just say that I appreciate you dealing with the Coast Guard fleet. I would also like to see an increase in personnel in the Coast Guard. The range of responsibilities that they are engaged in, both in terms of fighting terrorism but also in protecting the Nation's waterways, but particularly our ports, which are targets. I would hope we would have a discussion further on that as we go forward in the budgeting process.

I thank you and I yield back.

Chairman MCCAUL. Thank you. The Chairman recognizes the gentleman from Alabama, Mr. Rogers.

Mr. ROGERS. Thank you, Mr. Chairman.

Thank you, Mr. Secretary, for being here. I appreciate your service to our country and look forward to getting to know you better and work with you.

Secretary JOHNSON. Thank you.

Mr. ROGERS. This is a very vital Department to our country. I know you take that seriously.

I want to ask you to think back to after the Boston bombing. Within the first 24 hours after that bombing the thing that most Americans saw on television when they were watching that event being recounted was what a great job the five hospitals did in taking those mass casualties in and the first responders and how different it was from 9/11 when we weren't as prepared. In fact it was pretty flawless.

The thing I took most pride in, in that, is that we as a country recognized we need to be prepared for those kinds of mass casualties and to deal with it. But that we had learned from 9/11 to get prepared. We were able to perform like we did in Boston.

I took particular pride in the fact that 8,000 of those first responders in those five hospitals in the police department and the fire departments were trained at the Center for Domestic Preparedness. So it was by no accident that we performed so well, our first responders did.

For that reason I want to ask, are you familiar with the Center for Domestic Preparedness? Are you committed to its continued role in FEMA to make sure our first responders are ready for the unlikely, hopefully, event of another attack on our country?

Secretary JOHNSON. Congressman, as I have said several times I think given how the terrorist threat is evolving against our coun-

try, working with State and local governments, first responders, is becoming more and more important.

You referred to Boston. I have seen vivid illustrations of in the first responses the equipment, the training that was brought to bear that day. A lot of it was funded by FEMA grants——

Mr. ROGERS. Right.

Secretary JOHNSON [continuing]. Contributions made by the Federal Government, as you just pointed out. So I am definitely a supporter of the overall mission, sir.

Mr. ROGERS. Well, I know Congress always ignores Presidential budgets and we are going to ignore this one. But it does give us some insight into your thinking and your priorities. One of the things I noticed is that you all call for a realignment of the grant process. I am really curious as to what is your intent. What do you mean by that with the realignment?

Secretary JOHNSON. The consolidation proposal reflects our considered view that if there is a consolidation, and many people take issue with this. But it is our considered view that with consolidation there are increased efficiencies in the grant programs such that more dollars reach the intended beneficiary, less overhead, more efficiency and oversight.

So the consolidation proposal is a reflection of that. It is intended to get more dollars to the intended beneficiaries.

Mr. ROGERS. Is there a working document that already outlines how that restructuring will manifest itself?

Secretary JOHNSON. I can—if there is I can get you that, sir.

Mr. ROGERS. I would appreciate that.

I would also like to invite you to come to the Center for Domestic Preparedness. It is located on a former army base. One of the things that we have at our disposal there, aside from live basic training, the only place where you can get that in this country, is a former hospital that has been retooled to train hospital personnel, both ER personnel, administrators, for mass casualties.

Just it is very high-tech and I think you would, as Secretary Napolitano did, you would find it very worth your time to come down and take a look at it. So I invite you to come down and do that. I hope you will.

With that I yield back.

Chairman McCAUL. Chairman recognizes the gentleman from Texas, Mr. O'Rourke.

Mr. O'ROURKE. Thank you, Mr. Chairman.

Mr. Secretary, I would like to join my colleagues in commending you on these first few months in office. I think the initiatives you have undertaken to bring greater transparency to the organization are welcome publishing the use-of-force guidelines initiatives to make sure that our agents who are serving on the front lines are sensitive to the communities in which they serve, sensitive to how we can avoid unnecessary violence and death along the border.

I think those are important first steps. I hope to build on that with other Members with a bill that we will be introducing shortly to try to provide greater accountability, oversight, and responsiveness on the border, and so we look forward to getting your feedback on this legislation, and hopefully ultimately your support.

Yesterday I had the privilege of attending a Border and Maritime Security Subcommittee hearing chaired by Mrs. Miller that looked at the Arizona Border Surveillance Technology Plan. This is, we learned yesterday, a plan that will cost the U.S. taxpayer between \$500 million to \$700 million over the next 10 years.

That will have a series of fixed towers, mobile sensors, infrared camera technology, and surveillance technology. Very similar to the plan that was initiated with SBInet, the billion-dollar boondoggle that after many years and hundreds of millions, in fact a billion dollars spent and wasted, delivered very close to zero in terms of value to the taxpayer.

We heard from the GAO yesterday that they have serious concerns about the way that CBP is proceeding with this Arizona Border Surveillance Technology Plan, including no integrated master schedule, incomplete testing, lack of performance measures, and questions about the life-cycle costs.

Our Ranking Member on the committee, Ms. Jackson Lee also brought up the issue that we are seeing a surge in activity and threats in south Texas right now. So I also question the wisdom of putting a fixed system in place when the threats that we face and the conditions are unpredictable, mobile, and may need greater mobility and creativity from us in our thinking.

So I would like you to—I personally think that we should stop this program, take a break and make sure that we resolve the discrepancies between the GAO findings, recommendations, and the way CBP is proceeding. But at a minimum I would love for you to review those GAO findings and assure yourself and then those of us and the American taxpayer that this is a warranted use of precious resources at a time of record debts and deficits.

Secretary JOHNSON. I think SBInet is definitely a learning experience. It is a learning experience for DHS. I also believe that surveillance technology on the Southwest Border in particular is critical. Investments in surveillance technology are critical. It is what the folks on the front line tell me they needed.

I just wanted to make one more comment about accountability on the border. Since the last time I was here we publicized the use-of-force guidelines.

Additionally, and I give the chief of the Border Patrol a lot of credit for this. He put out guidance last week to address specifically vehicles and rock throwing. That was something the leadership of the Border Patrol undertook to do to clarify. They did so.

One of the reasons that I counted on him to do that is because most of us in Washington have no idea how to patrol the border. What happens, what the encounters are like on the border. So I think we should all be sensitive to trying to legislate or mandate how the Border Patrol does their job every day.

We got to make sure that they are appropriately protected. I am glad the chief took the step he did. I fully support it.

Mr. O'ROURKE. Mr. Secretary, I was also glad to hear you talk about not just the threats that we see at the border in your opening statement, but also the requirement to facilitate legitimate trade and legitimate flow of people and goods through our ports of entry, which are vitally important to economic growth and job creation in this country.

El Paso is one of five cities recently that stepped up under a pilot program to fund CBP officer hours at our ports of entry so that we can get more people, more trade, more shoppers, and more goods into our economy and create more jobs.

I want your assurance that as you add additional CBP Officers to these ports, those cities like El Paso, one of the poorest cities in America, that stepped up to fund the Federal Government's responsibility are not penalized. That we supplement the efforts there and not supplant them.

In other words, because El Paso has funded these additional officers you might send officers somewhere else. I want you to send the officers that would have come there anyhow, even if El Paso had not paid for that additional overtime and additional man hours there.

Secretary JOHNSON. I think that is a fair point.

Mr. O'ROURKE. Thank you, sir.

Mr. Chairman, I yield back.

Chairman MCCAUL. Dr. Broun from Georgia.

Mr. BROUN. Thank you, Mr. Chairman.

Secretary Johnson, the TSA spends more than \$7 billion a year. Yet I cannot find one single instance that the agency has stopped a terrorist attack. Instead, what I find is story after story of a bloated bureaucracy that uses over-the-top tactics to violate Americans' civil rights and liberties.

Some particularly disturbing examples include past complaints of TSA workers in San Diego administering an invasive pat-down to a 95-year-old, wheelchair-bound Air Force veteran and his 85-year-old female companion. During which time they allegedly stole \$300 in cash from the Air Force veteran's possessions.

A TSA agent in Kauai, Hawaii forcing a nursing mother to openly demonstrate her breast milk pump in a public restroom to prove that it was real. Just 1 month ago TSA workers were accused of humiliating a cancer victim who was wearing an adult incontinence pad.

Beyond these accounts, other reports cast serious doubts over the TSA's effectiveness in their mission. For instance, coverage by ABC in 2011 detailed a 70 percent failure rate, a 70 percent failure rate on gun and knife detection. Failure to detect a simulated explosive on an undercover agent was widely reported in March of last year.

A 2013 GAO report showed that the billion-dollar behavioral detection program is no better than just random chance. Another GAO report from last year detailed an outrageous 26 percent increase in misconduct by TSA employees between 2010 and 2012, a quarter of which involved screening and security failures, including sleeping on the job.

In my opinion we owe the American taxpayers better than to see their money demonstrably wasted in the tax, and the American traveler better protection than the proven ineffective techniques and technologies employed by the TSA.

Taking all of this into account, I have several questions. Please answer them quickly because I have several.

Do you believe that the cost of this program is still completely justified?

Secretary JOHNSON. Yes, sir, I do.

Mr. BROUN. Okay. Do you believe that the—let's say are you open to expanding the privatization pilot program that has proven to be very successful in 14 different airports around the country?

Secretary JOHNSON. I am committed to considering whatever is an efficient and effective use of taxpayer dollars that enhances aviation security.

Mr. BROUN. For those privatization—I apologize cutting you off, Secretary, but I have got, like I said, a lot of questions. Those have proven very effective. TSA has held up the privatization program.

More broadly, considering that airports have the greatest incentive to protect their planes and passengers, it would not be as susceptible to these same lackadaisical security failures and ineffective decision making that seems to plague the TSA. Would you be open to full privatization of the program?

Secretary JOHNSON. Of the entire TSA mission?

Mr. BROUN. Yes, sir.

Secretary JOHNSON. No, I would not be.

Mr. BROUN. Well, I would like to talk with you about that because I think it would be much more effective to totally privatize it. I think it would be a whole lot safer for the American traveler and better for the taxpayer too.

I am going to go back to a question asked by my good friend from Mississippi because I believe this idea of the preclearance in Abu Dhabi is a bad policy. I hope that you and I can discuss that because I am very, very concerned about that.

I don't think it is good policy. I would like your assurance that we can work on this because I would like to see that policy change to something else happen if we could have that discussion.

Secretary JOHNSON. I am happy to have that discussion with you.

Mr. BROUN. Very good.

Refugee policy and relocation, in Georgia we are having a tremendous problem with the relocation. I have tremendous questions going back to what the Chairman was asking you about the—oh no, I am sorry, as Mr. Smith was asking you about the vetting of these people.

We are getting a tremendous number of refugees into my home State of Georgia. It is causing a tremendous concern within Georgians. A lot of them are coming within the Atlanta area. I believe pose a very real security threat to the people in Atlanta and the people in Georgia and the people in this Nation. So, I would like to work with you about that too.

The final question is on the 287(g) program. What is your long-term thoughts about that program?

Secretary JOHNSON. My long-term thought is we need to do a better job of working with State and local law enforcement in their support for our Homeland Security mission. In various places in the country we don't have such a good relationship.

I—through that kind of program, and so working with State and local law enforcement through grant programs and other programs of a similar nature I think is key given how the Homeland Security mission is evolving.

Mr. BROUN. I would like to see that continue.

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

Chairman MCCAUL. The Chairman now recognizes the gentleman from California, Mr. Swalwell.

Mr. SWALWELL. Thank you, Mr. Chairman.

Mr. Secretary, to go back to what the Chairman alluded to with the Malaysia Airlines disappearance, and while we do not know what happened to that plane, we do know that two passengers boarded the flight using stolen passports. It was encouraging to hear that the United States checks travelers inbound and outbound to the United States and within the United States against the stolen and lost passenger database that Interpol has.

What concerns me though is that last year over 1 billion passengers outside the United States were able to travel without having their passports checked against that database. So I have sent a letter along with my colleagues on this committee, Mr. Hudson, Mrs. Miller, and Ms. Jackson Lee, asking first for reassurances on what you said about what is going on in and out of the United States, but second whether there is leverage or negotiations going on with these countries, including what I understand to be border countries of the United States that are not using or checking against the Interpol database.

Secretary JOHNSON. I think it is definitely something we should look at, sir.

Mr. SWALWELL. Do you believe we have leverage or have abilities to work with these countries to implement the technological capabilities they will need to check against these databases?

Secretary JOHNSON. I intend to look at that question.

Mr. SWALWELL. Okay. Does it concern you at all that right now that perhaps some of these border countries are not checking against the database?

Secretary JOHNSON. It is a situation that we are looking at. With regard to the flight, obviously as I said earlier, we are not in a position to make any conclusions. But stolen passports is a priority item.

Mr. SWALWELL. Thank you, Mr. Secretary. With regards to FEMA, it currently administers 18 separate grant programs to help State and local governments prepare for and respond to terrorist events. The administration recently has, and again has proposed that these programs be consolidated into one large grant program.

Congress has rejected this attempt in the past, and it has been opposed by outside nonprofit organizations as well as law enforcement agencies and Members of both parties. I understand why the interest in consolidation exists in that it could give the Department more flexibility. But the experience is that when you consolidate that oftentimes important programs are left out. I will give you an example.

We, back home in the San Francisco Bay Area, under the Transit Security Grant Program were able to secure \$13 million to harden the Transbay Tube that connects Oakland to San Francisco, which over 100,000 people take every day—or move through.

Our concern and my concern is that if we consolidate this, the Transit Security Grant and other important grants may not receive the funding or the attention that they may receive. I was wondering if you would be open or remain open to keeping these individual grant programs so that that doesn't occur.

Secretary JOHNSON. Well, the administration proposal is to consolidate a number of them, but there are also others that are kept discrete and aside. Our assessment is that you enhance efficiency, you enhance oversight if you consolidate these grant programs.

Mr. SWALWELL. Going back to that, we also are hopeful and would like to invite you out this fall. We have Urban Shield. We were the first Urban Shield to use UASI grants in the country in the San Francisco Bay Area under Alameda County Sheriff Greg Ahern. So that exercise has taken off across the country. It was cited by the Boston police commissioner that his police attended Alameda County's Urban Shield program, and that that had prepared them to respond to the marathon bombing. So we will be having that this coming fall. You have an invitation from me and to see those funds at use.

With that, Mr. Chairman, I yield the balance of my time.

Chairman MCCAUL. The gentleman yields back.

Gentleman from Pennsylvania, Mr. Barletta.

Mr. BARLETTA. Thank you, Mr. Chairman.

Secretary Johnson, the President's fiscal year 2015 budget zeroes out funding for the State Criminal Alien Assistance Program. Now that is the program, as you know, that reimburses State and local governments for the cost of incarcerating unauthorized immigrants.

I am very troubled by this because already the program only reimburses a very small amount to the local governments for the actual cost of housing illegal immigrants. Just less than 2 weeks ago in our local newspaper on the front page there happens to be a story that the prison illegals costing the county of Luzerne \$1.7 million.

I am quoting from the paper that the county received only \$130,000 in Federal funding to offset the costs. That is \$1.7 million. That won't educate one child. It won't fix one pothole. It won't pick up one person's trash. Now if the President gets his way, the local taxpayers will foot the entire bill.

Back in my district already the people in my district are already struggling to figure out how they are going to pay their rent, how they are going to pay their mortgage, how they are going to educate their children. We want the local taxpayers to pay the cost.

This is a problem that was caused by the Federal Government. It was caused by the Federal Government by not securing our borders. It was caused by the Federal Government by not enforcing our immigration laws. Now we expect the local taxpayers to pay for it. How can you justify passing this onto the local taxpayers?

Secretary JOHNSON. Congressman, we have dedicated a record number of resources to securing our borders to prevent illegal border crossings. This budget submission reflects tough choices and——

Mr. BARLETTA. Well, my question is how do we justify putting the cost on the local taxpayer? When cities like mine, when I was mayor, and wanted to defend ourselves because the Federal Government wasn't doing its job, or a State like Arizona who also wanted to do something because the Federal Government wasn't doing its job, the Federal Government turns around and sues them?

So how do we justify asking the local taxpayer to pay for a problem that was caused by the Federal Government?

Secretary JOHNSON. I believe that your constituents, the people of the city that you were mayor of, we will—if a particular program is—the funding for it is decreased because of difficult choices—

Mr. BARLETTA. Well, it wasn't decreased. It was zeroed out. Basically telling our local taxpayers all around the country that you will pay for the cost of incarcerating illegal immigrants.

Secretary JOHNSON. I believe that if that occurs we can leverage other programs to support your—the public safety of your constituents, sir.

Mr. BARLETTA. So am I hearing that if the President's budget is passed, that there will be another program that will pay for the cost or help reimburse the cost?

Secretary JOHNSON. Something as important as public safety, if we are zeroing out a particular program we ought to be able to leverage other programs to compensate for that.

Mr. BARLETTA. You will make that recommendation to the President?

Secretary JOHNSON. I believe that is reflected in this budget submission, sir.

Mr. BARLETTA. Could you tell me what program offsets this cost to the local government?

Secretary JOHNSON. I can get back to you more specifically—

Mr. BARLETTA. So there is something in this budget that would offset the cost of incarcerating? I just want to make sure I have this right.

Secretary JOHNSON. Like I said, if we make a choice to defund a program because of the fiscal constraints we have and the—

Mr. BARLETTA. Let me tell you—

Secretary JOHNSON [continuing]. We have—

Mr. BARLETTA [continuing]. I know the fiscal constraints here. But I also know the fiscal constraints of local governments, too. They are bankrupt. The people are also on the verge of bankruptcy as well. So I don't know where they are going to get the money.

But I just want to make sure because my time is running out. There is another program in the President's budget that will offset the cost of incarcerating illegal immigrants?

Secretary JOHNSON. We defund something we hope to leverage it—

Mr. BARLETTA. So hope is different than there is. Is there something in the budget that actually does that?

I just want to be able to go home and tell the people back home that there is something else that will reimburse the minimal amount that the Federal Government was already paying.

Secretary JOHNSON. On matters of public safety, we will leverage it one way or another. My job is to ensure the homeland security of your constituents and the constituents of everybody else on this committee. If we can't do it one way, we are going to find a way to do it another.

Mr. BARLETTA. I will tell them—

Secretary JOHNSON. It is my job, sir.

Mr. BARLETTA. Thank you. Thank you. Yield back.

Chairman MCCAUL. The Chairman now recognizes the gentleman from Nevada, Mr. Horsford.

Mr. HORSFORD. Thank you, Mr. Chairman. Thank you, Mr. Secretary, for being here again.

Last year airports around the country raised serious concerns about potential security issues and significant costs associated with the TSA's unfunded mandate that they start providing staff to monitor the safety and security of exit lanes at each terminal. After we went back and forth and passed some legislation here, it appears that TSA is still continuing to try to push this responsibility onto the airports.

Now based on what I see in the fiscal year 2015 budget it includes funds for TSA staff to monitor these exit lanes at those airports where the agency provides the function. But are you aware that the TSA, despite your budget recommendation, is still trying to employ strategies to get out of their duty to continue monitoring these exit lanes?

Secretary JOHNSON. I know that our budget submission for fiscal year 2015 funds exit lane security in places I believe where we currently do that.

Mr. HORSFORD. Right, now one of the——

Secretary JOHNSON. In other words, status quo. That is my understanding.

Mr. HORSFORD. Right, now one concern that has been brought to me is TSA's creative interpretation of the law and the fact that they are saying that any time that there is a reconfiguration of exit lanes that they can then shift that responsibility to the airports going forward. You know, for those of us that travel virtually every week we know that a lot of the airports have to make adjustments based on traffic flow and other things.

So I would just ask that you look at that, because it is Congress' intent that the TSA continue its function and that the budget that you have presented funds that responsibility. So I would respectfully ask that you review that.

I would also like to bring up, Mr. Chairman, to the Secretary that according to the travel industry and the bureau of economic analysis international travel is particularly important to the U.S. economy as overseas or long-haul travelers spend on average about \$4,000 per visit.

Now, one of the areas that we are seeing is significant staff shortages within the CBP at airports that cause lengthy and persistent delays for those entering the country. Now efforts are underway to bolster the existing bio-graphic air entry and exit program for foreign travelers with the biometric program.

This year, your budget reflects 2,000 additional officers, and the fiscal year 2014 budget includes a proposal for 2,000 more officers. So what is the plan to address the CBP staffing shortages to try to address this shortfall?

Secretary JOHNSON. Part of the reason we requested 2,000 additional CBP officers was to deal with wait times at airports, and to facilitate lawful travel. So if we receive the funding for the additional 2,000 we will make an allocation of those additional officers at ports of entry across the country, and wait times, I am sure, will be a consideration.

Mr. HORSFORD. Will there also be consideration given to any planned biometric air exit program that involves airport operators and airlines as stakeholders to ensure that there are not negative impacts to the implementation of those new technologies?

Secretary JOHNSON. That sounds like something that ought to be a consideration.

Mr. HORSFORD. Thank you.

Finally, Mr. Chairman, we have also learned after the wake of the tragic shooting at the Los Angeles International Airport a few months ago that law enforcement officers play a key and vital role in supporting TSA screening operations.

What steps are being taken now or are in this budget proposal to ensure that airports are reimbursed for the law enforcement services that they already provide and will need to provide in the future?

Secretary JOHNSON. The security at airports, like LAX for example, is currently under review. I look forward to the results of that review. I have been to various airports and talked directly to airport officials about security at airports. It is something I am concerned about, because a lot of men and women at DHS work at airports.

So I am waiting for the results of our review and your question is something that I will consider at the time.

Mr. HORSFORD. Thank you, Mr. Chairman. Yield back.

Chairman MCCAUL. If I can just add, this committee will be holding a field hearing at LAX Airport the latter part of this month.

So the Chairman now recognizes Mr. Duncan, from South Carolina.

Mr. DUNCAN. I thank the Chairman.

Thank you, Secretary, for being here. I appreciated your comments and your statement about acquisition reform. I am happy to report that we dropped a bill today; it is bipartisan. I want to thank the gentleman from Arizona for being a primary sponsor in H.R. 4228, which deals with acquisition reform.

I appreciate all the other co-sponsors. I hope the rest of the committee will take a look at that.

So I know you are with me on acquisition reform, that we need to do a few things. So how does the budget that we are talking about today strengthen the acquisition framework and capabilities of its acquisition personnel?

What do you envision—when you say you are with us on acquisition reform, what do you envision some of the changes there?

Secretary JOHNSON. What I envision is a process that is—that focuses on the overall mission of the Department, where we are more strategic about our acquisitions. We start at an early phase to identify needs, to identify strategies. We inform the components with the overall strategy as they develop their acquisition needs.

I think there is some learning that can be done from the Department of Defense experience in this regard, though DoD is different in many respects from DHS. But I think that if we focus early on on the overall mission, the overall strategy, the overall plan for resources, that leads to greater efficiencies.

I am also interested in assessing your bill on acquisition reform. I am very interested in making improvements for the Department in that regard.

Mr. DUNCAN. Let me just say the Department was involved and we incorporated a good bit of the language that they requested on it. So it has been a work in progress. I do appreciate that.

Secretary JOHNSON. Thank you.

Mr. DUNCAN. I would hope that the Department would include some private-sector best practices. I realize the public sector and private sector have some differences with regard to acquisition and budgets.

But there are a lot of good private-sector best-management practices that could be implemented. That includes an enforcement of the Departmental policies. We have had numerous hearings on this issue. One thing that we notice is that the acquisition policies weren't always followed.

When they weren't followed, there was no repercussions and that sort of thing. So do you see a policy change with regard to how the managers actually implement the policies and what happens if they don't?

Secretary JOHNSON. Let me answer your question this way. I have spent most of my professional career in the private sector. As part of my daily effort to fill the vacancies in the leadership of this Department, I am recruiting people from the private sector with private-sector management experience to bring to bear some of the very same experiences that you just referred to.

I think that there is a lot we can learn in the Department from private-sector experience, whether it is crafting a budget or an acquisition process. So I hope to bring some very talented people from the private sector in to have the approach that you have identified, sir.

Mr. DUNCAN. Okay. Well, as I said in the first meeting you were here, you have quite a job, with all the different components, the different things that you are tasked with. I do agree that we have got to address as appropriators the Coast Guard fleet, and what we do there.

With regard to acquisition, you know, we are talking about being good stewards of taxpayer dollars and best management practices from the private sector, you know, I would be remiss if I didn't mention St. Elizabeths, and the fact that I think the Chairman mentioned it, you know, the cost overrun, the delays that are going to take it to a 21-year project.

Are we re-evaluating St. Elizabeths? Are you willing to agree to drop back and punt maybe on some of those issues to save taxpayer dollars and to keep this thing from turning into a true boondoggle?

Secretary JOHNSON. In our current budget submission, we have asked for \$78 million to complete the main building at St. Elizabeths, which is intended to be the DHS headquarters. I do believe that DHS needs a new headquarters. We have been working out of the same building that was always intended to be temporary since 2003.

I can tell you from having worked in other Government buildings, including the Pentagon, that the headquarters function is not doing as good a job as it could if it were in a newer facility.

There are lots of things as the Secretary of Homeland Secretary that I would expect to be able to do by way of having Classified communications, Classified conversations, and so forth, that I can't do because we are in the temporary facility that we are in.

I do believe that once we get this last piece done, that is a point at which we should assess where we go in the future with the overall project. I am sensitive to costs growing as the project takes longer.

But we have requested funding for the main building. I would like to see that get done. At that point, I want to assess where we go with the future of the project.

Mr. DUNCAN. Well, I am encouraged by your comments. I hope that as we evaluate St. Elizabeths, we will evaluate some of the spending like the hardest wood in the world purchased for the decking at the Coast Guard facility or rainwater flush toilets that are, in my opinion, a waste of taxpayer dollars.

With that, Mr. Chairman, I yield back.

Chairman McCAUL. Let me also commend Mr. Duncan and Mr. Barber for your hard work on the acquisition bill. It may not be the sexiest issue that we deal with, but it is a very, very important issue for the long-term mission of the Department. I look forward to working with you on that, sir.

Ms. Gabbard, from Hawaii is recognized.

Ms. GABBARD. Thank you very much, Mr. Chairman.

Welcome back, Mr. Secretary. I would like to first ask about the increase on either taxes or fees that have been tacked on to airline travel. You have seen my legislation previously that relates specifically to the TSA fee hikes.

But just overall I want to express a concern. Obviously we are very familiar with the tourism-based economy that relies heavily on air traffic, as there are other cities and States in the country that similarly rely on this travel.

Wanting to make sure that we are taking great care as we look at these potential tax and fee hikes, and how they are affecting our economy as a whole, specifically with the transportation security fee with the 40-cent increase in the President's budget for fiscal year 2015, generating an estimated \$195 million.

I am curious because the budget for TSA is decreased by \$59 million. The TSO funding is reduced by \$100 million. So I am wondering with the increase in this fee, what part of it is going towards increasing efficiency, waiting times, et cetera, at our T.S. checkpoints?

Secretary JOHNSON. Well, part of our requested funding is for TSA PreCheck, which adds to efficiencies, leads to reductions in wait times getting on airplanes. TSA PreCheck is, in my view, an enhancement of security.

It is also something that is—it promotes a better and more efficient use of taxpayer dollars. The fee increase that you mentioned is a 40-cent fee increase. The fee was increased last year by double after not having been increased for a number of years.

In my view, the fee increase is something that reflects a view that those that use aviation should share some of the costs. Those of us who use it more often should share more of the costs.

Now I understand how that could have an adverse impact on people who live on an island and therefore depend more on aviation to get certain basic places where others of us could take the train or drive.

Ms. GABBARD. Right, yes.

Secretary JOHNSON. So I am sensitive to that and want to think about that.

Ms. GABBARD. Well, I look forward to working with you on either finding an avenue where we can put either a cap or an exemption in place for these fees that disproportionately affect places like Hawaii and Alaska.

My second question is with regards to preclearance. Last time you were here there was extensive discussion on the Abu Dhabi preclearance. I am curious if there are any plans to expand this program, and if so, if you could touch on that a little bit, what that is.

Secretary JOHNSON. I believe we should expand the preclearance program. I think that preclearance is a homeland security imperative. I think the more opportunities with host governments we have to expand beyond our borders our homeland security, we should do that.

So I believe preclearance is very important. It is a priority of mine. I hope to see it expanded beyond Abu Dhabi.

Ms. GABBARD. What are the priority criteria as different countries express interest in this?

Secretary JOHNSON. Well, we look at airports that are last points of departure into the United States. The security measures that they have in place tend to vary. So I would want to focus on airports where the security is—could use some supplementation.

But it also depends on the arrangements we are able to make with host governments. You know, we depend on having good relationships with host governments. I am pleased that we were able to work out an arrangement along these lines with the government in Abu Dhabi.

Ms. GABBARD. Thank you. This is an area that we will follow up with you and your team on, especially with regards to some of the gateways that we have in the Asia-Pacific region where we already have a tremendous amount of travel and economic trade and opportunity.

Thank you very much. I yield back.

Chairman McCAUL. Members are advised that we have a vote scheduled in the next 15 minutes. So I would ask that we limit the time to 3 minutes per questioning.

Mr. Hudson is now recognized.

Mr. HUDSON. Thank you, Mr. Chairman. You did this to me at the last hearing—the 3-minute question.

Chairman McCAUL. Timing is everything.

Mr. HUDSON. Yes, sir.

Mr. Secretary, thank you for being with us again. I appreciate your candor. I appreciate the time you continue to give this committee. I think this process is very important.

I do want to associate myself with Mr. Duncan's comments about St. Elizabeths, the issue I raised last time. Again, I would hope

that we could come up with another plan that is more reasonable to the taxpayer.

But I wanted to focus more on the committee of jurisdiction that I chair, the Transportation and Security Committee. Mr. Horsford brought up the issue of airport law enforcement officers and the need to continue to have that strong working relationship.

As I believe you are aware, I will be holding a hearing at Los Angeles International Airport on the issue of the shooting that occurred there, and the death of the TSA employee. I think there are a lot of important questions that have been raised that, you know, I want to look at.

I do want to applaud Administrator Pistole. I think he is a fine public servant. I want to applaud his work on this issue. I think he has been very forward thinking in looking at what policy changes might need to be affected out of that. But I just wanted to say to you that I want to work with you, as we can look at the lessons learned from that going forward to try and make sure that kind of situation, if it happens again, we are better prepared. But certainly, maybe some ways to head that off.

I want to get to a question here. I apologize for talking, but in regard to the TSA's budget, I would say that I support—I was actually pleased with the TSA portion of the budget. I support the proposed \$100 million reductions, based on risk-based security efficiencies. I am a strong supporter of risk-based security. I think that is the way to go.

We have been waiting for years to see cost savings realized there as a result of some of the transition away from the one-size-fits-all approach to security. This year's budget represents a positive first step, in my opinion. I would, however, caution that TSA still has a long way to go. With over 1,200 employees at the headquarters, I believe TSA should be able to cut more than six headquarter staff, as we look at some of this risk-based security reduction.

So, the question to you would just be: How much insight and input does the Department have in TSA's plans to move to PreCheck, and moving forward on risk-based security? What are some of your thoughts on that?

Secretary JOHNSON. It is part of our—TSA PreCheck is part of our overall approach—risk-based—to aviation security, border security. I am very aware of it. I support it. I am open to TSA PreCheck centers myself. The one out in Dulles.

I also commend Administrator Pistole for his leadership. I appreciate your comments about the TSA budget submission. Given your work in the transportation area, I appreciate that.

Mr. HUDSON. Thank you, sir. I look forward to working with you.

Mr. Chairman, I yield back the 6 seconds here.

Chairman MCCAUL. That is very generous.

The gentleman from Arizona, Mr. Barber, is recognized.

[Laughter.]

Mr. BARBER. Thank you, Mr. Chairman. Thank you again for being with us, Mr. Secretary.

I just have to say, it is really refreshing the way you approach this job and these hearings. You are straightforward. We know what you mean when you say it, and it is greatly appreciated by this Member, and I think all of us.

When you came to Arizona back in January, I was appreciative, as I said last time, that you came to listen and see for yourself what is going on in the border.

As you know, I still, unfortunately, have the most porous area of the Southwest Border. When you were there, I know you heard from stakeholders, you heard from some of your own staff agents, how nimble the cartels are. They move around. They have got the technology. They got more money than we could ever muster. They spend it wisely to make sure they are two steps ahead of us. Back in 2012, the Department rolled out a new strategic plan, which was intended to be looking at the risks that we saw on the border, that were posed by the movement of the cartels and their nimbleness, if you will. We learned from GAO that that plan had really very little in it. Didn't have goals, didn't have management, or evaluation objectives. It didn't have metrics.

So, my question, really, Mr. Secretary, is: How is it possible, since we still don't have those reliable and credible metrics, to define what border security progress really means? How can we actually put together a budget—how was this budget put together in the absence of those kinds of metrics, which I know are still a work in progress?

Secretary JOHNSON. We are developing metrics. It is something that I have spent considerable time with the chief of the Border Patrol on. We look at a number of things, including the effectiveness rate, and additionally, the percentage of those with criminal convictions. I would be happy to be talk to you in greater detail about this exact issue.

We do have a series of things that we look at to define low-risk, high-risk, moderate-risk, different corridors and sectors. I agree with your assessment of the Arizona border. From what I have seen, we have got some issues that we need to work on. I personally intend to spend more time in Arizona.

But I believe that our submission is framed by the chief's view of what we need in the different corridors and different sectors, given the evolving challenges and threats that we face there. I would be happy to talk to you further about this subject.

Mr. BARBER. I appreciate that. I just want to draw to your attention, while it hasn't passed the House or the Senate yet, it is out of this committee. Unanimously, the Border Security Results Act does require some metrics to be developed, but in consultation with people who actually live and work on the ground.

I will just close with this one, not so much as question as a point. I hope that when we look at the increased budget for personnel for agents—Border Patrol agents, that we take a look at the increase that the Department has proposed to make sure that that can be applied to border agent overtime so that we never have a gap in the security that they are trying to provide to our border and border residents.

Thank you, Mr. Chairman. Yield back.

Chairman MCCAUL. The Chairman now recognizes the gentlelady from Indiana, Mrs. Brooks.

Mrs. BROOKS. Thank you, Mr. Chairman. Thank you, Mr. Secretary, for returning. You may recall that a couple of weeks ago, when you were here, we discussed the National Preparedness

Grant Program. I want to commend you, because it had been a long time coming. But finally, we have received the legislative proposal for this program with some explanation. While we are still going through it, one of the things that was included in it, it said that part of this new consolidated program, of which, I am certain that you are aware, have tremendous local and State interests in how this National Grant Program would be administered.

Part of it is based on risk and population, but another part now says it is based in a—it is going to be competitive—and wondered if you knew much about how the competitive portion might work, or if you know, if you knew that yet.

Secretary JOHNSON. Well, I am aware of our current budget submission. I recall your comments from the last time I was here.

I dug my—I dug into this process, including how we develop the formula for making these allocations with regard to the fiscal year 2014 money. The good news for fiscal year 2014 is that Congress has given us a little more money to work with this year, which I think is welcome.

I always—I believe that, given my exposure so far, how we allocate grants is something that we should continue to reevaluate, work on, make sure we have got it right in terms of our risk assessments. It is an evolving world. That is something I intend to pay personal attention to when I am in the job over the next budget cycle.

Mrs. BROOKS. Yes. As I am sure you know, a number of communities were cut off of the UASI funding—

Secretary JOHNSON. Right.

Mrs. BROOKS [continuing]. In the last cycle. So, it feels as if we are reading it right—that communities that had previously received that very important funding might now be able to compete for such funding. Would that be accurate?

Secretary JOHNSON. I welcome the fact that we have more money to work with this year.

Mrs. BROOKS. So, you are not certain then if the UASI funding will be more competitive this year or not?

Secretary JOHNSON. I think that UASI funding will have a greater impact this year.

Mrs. BROOKS. Okay.

Can you share with us very briefly the BioWatch Gen-3 program was not funded in this cycle? Should we take that as an indication that the Department doesn't intend to continue pursuit of BioWatch 3, or of the Gen-3 acquisition? Or is the review—the analysis of alternatives still on-going for the BioWatch program?

Secretary JOHNSON. Hold on a second. Hold on.

Mrs. BROOKS. Sorry.

Secretary JOHNSON. You are correct that there is no money in this current budget submission, but the analysis is on-going, and I expect to get it soon.

Mrs. BROOKS. Thank you. We appreciate the Department's participation in a Classified briefing on bioterrorism threats yesterday. Just want to thank you for sending personnel to participate in that.

Thank you. Yield back.

Secretary JOHNSON. Thank you.

Chairman MCCAUL. The gentlelady from New York, Ms. Clarke, is recognized.

Ms. CLARKE. I thank you, Mr. Chairman. I thank you as well, Mr. Secretary. You must want to just stand up and take a stretch right about now.

Secretary JOHNSON. I will—I know I am in the home stretch, so—

Ms. CLARKE. Okay. Well, then—

Secretary JOHNSON. This is my fourth time in 3 days, so—

Ms. CLARKE. I can imagine.

Mr. Secretary, I—

Secretary JOHNSON. You can imagine what is coming next.

Ms. CLARKE. Yes.

I wanted to just circle around to cybersecurity. Because you have a 10 percent cut proposed in the Science and Technology directorate. I was wondering whether you believe that DHS can effectively accomplish and enhance its mission in this space, given this cut. I realize that only 3 percent of the DHS budget is dedicated to cybersecurity efforts, whether you think this is sufficient funding for continued education and workforce development, as well as support for the Multistate Information Security and Analysis centers.

Secretary JOHNSON. I believe that our funding request for cybersecurity is adequate, given the budget environment we are in. I know that insofar as S&T is concerned, our request for cyber research funding is at \$72 million, I believe. Last year, it was \$70 million, so there is a slight plus-up there. In addition to our other programs and initiatives, I believe that the funding is adequate. But we need to keep at this year after year after year.

Ms. CLARKE. I am just hoping that we can do a maintenance of effort and somewhat enhance, as well. Because that area is growing in threats, as opposed to—it is not a static environment that you are dealing with, so—I will take you at your word, Mr. Secretary.

Then I wanted to just circle back to the grants that have historically come through the National Preparedness Grant Program. I am concerned about the High-risk Urban Areas Program. I understand that the National Preparedness Grant Program will continue to recognize high-risk urban areas, and the Department's grant program consolidates the proposals. However, it is unclear as to whether specific funding will be set aside to fund these jurisdictions.

Does the proposal envision the funding will continue to be set aside for high-risk urban areas?

Secretary JOHNSON. Well, there are certain grant programs that are not being consolidated in our proposal. The idea behind consolidation is to increase effectiveness in oversight, reduce inefficiency, and ensure that more grant dollars get to the intended beneficiaries, in high-risk areas, in particular.

Ms. CLARKE. Very well. I appreciate your work, and I look forward to your continued success, sir. Thank you.

I yield back, 4 seconds.

Chairman MCCAUL. Very generous, once again.

The gentleman from Pennsylvania, Mr. Perry, is recognized.

Mr. PERRY. Thank you, Mr. Chairman.

Mr. Secretary, it is a privilege to speak with you again. I just want to follow up on CPB's use of unmanned aerial drones. Just according to my understanding, according to U.S. Code, the purpose of the drones is for investigating smuggling of U.S. goods or goods into the United States, smuggling of goods into foreign countries, seizure and forfeiture of vessels, aviation smuggling, and general authorities.

I will have a question regarding the use of the drones for—with the U.S. Forest Service and the Minnesota Department of Natural Resources, although acknowledging that they can be loaned out to—the use of them can be loaned out to different agencies. But you must understand that I am concerned about an appropriation of Federal funds, not knowing exactly what the scope of the use of the drones may be.

You know, with that in mind, we also know that evidence acquired by DHS drones for cases not involving immigration or drug smuggling are admissible in the court of law, and in particular regarding a North Dakota Federal judge ruling in the case involving cattle.

That having been said, you know, we have got—DHS has got 10 of these things. They use the MQ9-Bravo—it has got a wing-span of 66 feet, which is—wouldn't fit in this room. It is three times longer than it is this way, and it is longer than it is that way. It is \$56 million; 50,000 feet is the service ceiling on the thing; and can carry a payload of 3,000 pounds.

The Air Force, generally speaking, doesn't use this one. The Air Force uses one that is significantly cheaper; you know, carries a payload that is \$20 million; carries 450 pounds. I mean, the camera that you are using is about 250 pounds.

With all that in mind, I am just wondering if you are willing to submit to this committee the mission parameters for assignments in which the DHS drones have been used by other agencies, and if you are willing to submit the flight logs for those missions as well. I will just be clear. I will let you know what my concerns are.

I am wondering if they are being used in areas in the country not along the border. I understand that there are some transition routes, one across the Gulf, and then across the central portion of the country, going from the Northern to the Southern Border; whether they are being used for other purposes not related to border security; and the other things already enumerated; and if they are being used for environmental purposes. Because my concern is that they would be using to spy on Americans or potentially being used to spy on Americans.

If you would also—and if you know now, that would be great as well, under general authorities—I listed the things that they are to be used for. I also said “general authorities.” Do you know what is included under “general authorities”? Just curious if you know, because I don't.

Secretary JOHNSON. You must be a lawyer.

Mr. PERRY. I am not; not even close.

Secretary JOHNSON. Well, that was pretty good.

Mr. PERRY. I am trying to get it in.

Secretary JOHNSON. Look, in my view, the role, the purpose of having UAVs is border security. I can envision circumstances

where we would support a law enforcement mission elsewhere. I also believe that we need to have adequate privacy protections in place.

One of my objectives is to advance and refine our current privacy protections when it comes to aerial surveillance, because I recognize that is important. A number of people have raised that with me.

Mr. PERRY. Could we get that information that I asked for, though?

Secretary JOHNSON. I will take that under advisement.

Mr. PERRY. Thank you.

I yield back.

Chairman MCCAUL. Mr. Richmond is recognized.

Mr. RICHMOND. Thank you, Mr. Chairman.

Mr. Secretary, I will try to be very quick. The Senate appears to be poised to approve a flood insurance reform bill that we passed out of the House last week, which hopefully will go on to the President, and the President will sign.

Does FEMA have the resources to implement the changes we have made—that we made in Biggert-Waters?

Secretary JOHNSON. I believe so. I know that there was an issue with the affordability study. I think the issue there was that there was not adequate funding to do the affordability study.

Mr. RICHMOND. I guess the other question would be the resources and FEMA's process of evaluating non-Federally certified levees in its mapping process. I can give you an example in my district, in one of the parishes where they came in and did the maps. They just completely ignored two Federally-constructed levees. So the rates were enormous, and requires the community to appeal and do all of those things so that they can get accurate and affordable rates.

So the general question is just, in your opinion, do you think FEMA is ready to adhere and can quickly implement the changes we made so that we can secure home values in areas that may be subject to flooding?

Secretary JOHNSON. I believe so. I would add that in the process of developing the maps for setting premiums, there is a built-in community consultation and an appeal process. I am encouraging people to participate in that process. I am encouraging local communities to participate in that process so we have informed views.

Mr. RICHMOND. Thank you, Mr. Secretary, and I will yield back.

Chairman MCCAUL. Mr. Sanford, from South Carolina is recognized.

Mr. SANFORD. Mr. Secretary, thank you for past service to the country and your present service to the country.

We had a subcommittee hearing on a GAO report on basically behavioral observation and its effectiveness. What the GAO said was basically the program that we spent \$1 billion on, and we have over 3,000 officers enlisted in, isn't working; that it is not effective; it hadn't produced results.

That being the case, why would it be left in your budget?

Secretary JOHNSON. Sir, my understanding is that TSA regards the program as a valuable one, and one that should be funded. It

supports aviation security. That is our assessment. I am aware of the GAO report.

Mr. SANFORD. So you would disagree with the GAO report.

Secretary JOHNSON. Yes.

Mr. SANFORD. You talked a moment ago about bringing a private-sector perspective to the way that the budget was configured within Homeland Security. If that is the case, how many business guys would go out there and subscribe to a program wherein results are 50-50 at best?

Secretary JOHNSON. Our assessment is that it is a valuable program.

Mr. SANFORD. I have I guess a couple of minutes. So, flat-out disagree with them. Then I would look for other efficiencies. If you disagree with the GAO, you have got about a 2.5 percent cut in your budget. If you look at the long-term deficits in this country, they are closer to 5 percent of GDP, something along those lines.

So, you know, if we don't get our numbers right, probably much bigger cuts to come. If it is not in programs like behavioral detection, which again GAO has strongly condemned, where would you look for cuts? What are two of the least-effective programs within Homeland Security based on your understanding of the program right now?

Secretary JOHNSON. Well, just in our discussion this afternoon, Members have highlighted places where we have identified areas where we think we can work with less money, leverage other resources within the Department. We have identified inefficiencies. You know, we have a top line that we must work with.

So—

Mr. SANFORD. I understand. But what would, not the Members, but what would your idea of those two programs be?

Secretary JOHNSON. In our budget submission, we have identified many areas where we think there are inefficiencies, including within TSA. We are decommissioning a number of assets in the Coast Guard, for example.

Mr. SANFORD. I am just asking for two. Give me just two.

Secretary JOHNSON. Decommissioning assets in the Coast Guard that we—that are old, that we no longer need; and certain headquarters inefficiencies, sir.

Mr. SANFORD. Okay.

Secretary JOHNSON. I am committed to look for others as well in the next year's budget and the budget after that and the budget after that, if I am still around.

Mr. SANFORD. Fair enough, sir. Yield back.

Chairman MCCAUL. Thank you, sir.

The gentleman from New Jersey, Mr. Payne.

Mr. PAYNE. Thank you, Mr. Chairman.

Mr. Secretary, good to see you again.

The fiscal year 2015 budget anticipates \$100 million in savings through the reduction of 1,441 screeners. These reductions are purportedly going to result from risk-based efficiencies. How does the TSA plan to eliminate these TSA officer positions? Will it be reduction? Will the reduction be a result of attrition or layoffs?

Secretary JOHNSON. Let me get back to you on that. I can't answer with any specificity, but I would like to take that for the record, sir, and get back to you on that.

Mr. PAYNE. Okay. In terms of a lot of discussion around funding today, historically grants funded through Homeland Security grant programs have been targeted to address the unique threats posed by terrorism. Although this committee has supported investments that could have an all-hazards benefit, the primary goals have been terrorism prevention, protection, response, and recovery.

The proposed National preparedness grant, as an all-hazards grant program, would eliminate the requirement that a portion of the funding be dedicated to law enforcement terrorism prevention activities. Over a decade after the attacks of September 11, such a move appears to reflect the view that terrorism should no longer be a focus. In the wake of the Boston Marathon bombing, this view is particularly troubling.

Can you explain the rationale for that?

Secretary JOHNSON. I would not want anything in our budget submission to be interpreted as a sign that we no longer view counterterrorism as a priority. I believe it is the cornerstone of our mission and I am personally committed to it.

If there is a decrease in funding in some respect for an important Homeland Security mission, my sense is that it is because we believe we can leverage other programs that we have.

Mr. PAYNE. Okay. Well, I would like to explore that topic with you further to see what those programs would be.

Thank you, and I yield back.

Chairman MCCAUL. Thank you.

Mr. Secretary, let me say thank you for being here today, for the second time. We appreciate, again, your communications and outreach to us. You may have additional questions from the Members in writing.

With that, the committee stands adjourned.

[Whereupon, at 4:20 p.m., the committee was adjourned.]

APPENDIX

QUESTION FROM HONORABLE SUSAN W. BROOKS FOR HONORABLE JEH C. JOHNSON

Question. I am concerned that the President's request includes a nearly \$1 million reduction for the Office of Emergency Communications, which according to NPPD officials will result in a reduction of the number of Technical Assistance offerings to State, local, Tribal, and territorial governments. How will requests for Technical Assistance engagements that are continued be prioritized?

Answer. Response was not received at the time of publication.

QUESTION FROM HONORABLE STEVE DAINES FOR HONORABLE JEH C. JOHNSON

Question. The Federal Acquisition Regulations (FAR) allow for various procurement tools that would hold contractors accountable for their performance, preventing significant cost overruns, and bring a greater return on investment of the taxpayer dollar. Incentives are key. Would DHS consider contracting mechanisms where contractors would be required to put a portion of their contract revenue at risk—based on performance incentives (e.g. firm fixed price with incentive fee)?

Answer. Response was not received at the time of publication.

