

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

---

---

**HEARINGS**  
BEFORE A  
SUBCOMMITTEE OF THE  
COMMITTEE ON APPROPRIATIONS  
UNITED STATES SENATE  
ONE HUNDRED THIRTEENTH CONGRESS

FIRST SESSION

ON

**H.R. 2217**

AN ACT MAKING APPROPRIATIONS FOR THE DEPARTMENT OF HOME-  
LAND SECURITY FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2014,  
AND FOR OTHER PURPOSES

---

**Department of Homeland Security  
Nondepartmental Witness**

---

Printed for the use of the Committee on Appropriations



Available via the World Wide Web: [http://www.gpo.gov/fdsys/browse/  
committee.action?chamber=senate&committee=appropriations](http://www.gpo.gov/fdsys/browse/committee.action?chamber=senate&committee=appropriations)

---

U.S. GOVERNMENT PUBLISHING OFFICE

78-057 PDF

WASHINGTON : 2015

---

For sale by the Superintendent of Documents, U.S. Government Publishing Office  
Internet: [bookstore.gpo.gov](http://bookstore.gpo.gov) Phone: toll free (866) 512-1800; DC area (202) 512-1800  
Fax: (202) 512-2104 Mail: Stop IDCC, Washington, DC 20402-0001

COMMITTEE ON APPROPRIATIONS

BARBARA A. MIKULSKI, Maryland, *Chairwoman*

PATRICK J. LEAHY, Vermont	RICHARD C. SHELBY, Alabama, <i>Vice Chairman</i>
TOM HARKIN, Iowa	THAD COCHRAN, Mississippi
PATTY MURRAY, Washington	MITCH McCONNELL, Kentucky
DIANNE FEINSTEIN, California	LAMAR ALEXANDER, Tennessee
RICHARD J. DURBIN, Illinois	SUSAN M. COLLINS, Maine
TIM JOHNSON, South Dakota	LISA MURKOWSKI, Alaska
MARY L. LANDRIEU, Louisiana	LINDSEY GRAHAM, South Carolina
JACK REED, Rhode Island	MARK KIRK, Illinois
FRANK R. LAUTENBERG, New Jersey	DANIEL COATS, Indiana
MARK L. PRYOR, Arkansas	ROY BLUNT, Missouri
JON TESTER, Montana	JERRY MORAN, Kansas
TOM UDALL, New Mexico	JOHN HOEVEN, North Dakota
JEANNE SHAHEEN, New Hampshire	MIKE JOHANNIS, Nebraska
JEFF MERKLEY, Oregon	JOHN BOOZMAN, Arkansas
MARK BEGICH, Alaska	

CHARLES E. KIEFFER, *Staff Director*

WILLIAM D. DUHNKE III, *Minority Staff Director*

---

SUBCOMMITTEE ON THE DEPARTMENT OF HOMELAND SECURITY

MARY L. LANDRIEU, Louisiana, *Chairman*

PATRICK J. LEAHY, Vermont	DANIEL COATS, Indiana
PATTY MURRAY, Washington	THAD COCHRAN, Mississippi
FRANK R. LAUTENBERG, New Jersey	RICHARD C. SHELBY, Alabama
JON TESTER, Montana	LISA MURKOWSKI, Alaska
MARK BEGICH, Alaska	JERRY MORAN, Kansas

*Professional Staff*

STEPHANIE GUPTA  
CHIP WALGREN  
SCOTT NANCE  
DRENAN E. DUDLEY  
CAROL CRIBBS (*Minority*)

*Administrative Support*

COLIN MACDERMOTT  
COURTNEY STEVENS (*Minority*)

# CONTENTS

TUESDAY, APRIL 23, 2013

	Page
Department of Homeland Security .....	1

TUESDAY, MAY 14, 2013

Department of Homeland Security: U.S. Coast Guard .....	73
Nondepartmental Witness .....	107



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

**TUESDAY, APRIL 23, 2013**

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

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

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

**DEPARTMENT OF HOMELAND SECURITY**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### PREPARED STATEMENT

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

[The statement follows:]

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

Good afternoon. I call the subcommittee to order.

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

Senator Coats.

## STATEMENT OF SENATOR DAN COATS

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

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

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

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

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

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

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

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

STATEMENT OF SENATOR BARBARA A. MIKULSKI

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

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

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

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

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

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

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

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

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

#### PREPARED STATEMENT

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

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

[The statement follows:]

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

##### INTRODUCTION

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

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

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

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

##### BUDGET STATEMENT

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

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

## CONCLUSION

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

Senator LANDRIEU. Thank you very much.

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

## PREPARED STATEMENT

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

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

## PREPARED STATEMENT OF SENATOR THAD COCHRAN

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

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

## SUMMARY STATEMENT OF HON. JANET NAPOLITANO

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

#### PREPARED STATEMENT

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

[The statement follows:]

#### PREPARED STATEMENT OF HON. JANET NAPOLITANO

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### MAXIMIZING EFFICIENCY AND EFFECTIVENESS

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

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

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

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

##### *Strategic Sourcing*

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

##### *Travel and Conferences*

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

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

#### *Real Property Management*

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

#### *Management and Integration*

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

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

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

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

#### *Strategic Re-Organizations*

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

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

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

### *State and Local Grants*

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

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

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

### *DHS Commonality Efforts*

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

#### *Common Vetting*

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

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

#### *Aviation Commonality*

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

#### *Investigations*

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

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

*CBP Staffing and Mission Integration*

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

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

*Supporting Economic Growth and Job Creation*

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

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

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

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

#### BUDGET PRIORITIES

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

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

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

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

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

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

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

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

The following are highlights of the fiscal year 2014 budget.

#### *Preventing Terrorism and Enhancing Security*

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

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

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

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



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

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

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

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

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

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

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

The fiscal year 2014 budget supports the following efforts:

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

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

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

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

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

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

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

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

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

#### *Securing and Managing Our Borders*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### *Safeguarding and Securing Cyberspace*

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

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

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

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

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

#### *Ensuring Resilience to Disasters*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

#### CONCLUSION

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

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

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

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

#### VIOLENT EXTREMISM

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

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

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

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

## IMPROVISED EXPLOSIVE DEVICES

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

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

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

## CHEMICAL FACILITY ANTI-TERRORISM STANDARDS

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

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

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

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

Let me go to Senator Cochran.

## COAST GUARD VESSELS

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

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

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

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

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

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

Senator LANDRIEU. Yes, it will.

[The information follows:]

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

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

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

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

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

## BORDER SECURITY

Senator COCHRAN. Thank you.

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

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

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

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

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

Senator COCHRAN. Thank you.

Senator LANDRIEU. Thank you.

Senator Begich.

## BORDER FEE STUDY

Senator BEGICH. Thank you very much, Madam Chairwoman.

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

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

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

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

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

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

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

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

#### TRANSPORTATION WORKER IDENTIFICATION CREDENTIAL

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

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

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

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

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

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

#### ICEBREAKERS: FUNDING

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

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

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

Senator BEGICH. Gotcha.

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

#### MILITARY HOUSING

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

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

Senator BEGICH. Great.

Thank you very much, Madam Chair.

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



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

Senator Murkowski.

#### ARCTIC POLICY

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

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

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

#### ICEBREAKERS: NUMBER NEEDED

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

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

#### NATIONAL SECURITY CUTTERS

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

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

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

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

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

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

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

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

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

Senator Moran.

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

Senator MORAN. Madam Chairman, thank you very much.

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

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

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

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

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

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

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

Chairman, thank you.

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

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

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

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

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

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

#### IMMIGRATION

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

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

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

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

#### CYBERSECURITY EDUCATION

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

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

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

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

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

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

[The information follows:]

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

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

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

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

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

Senator LANDRIEU. Okay.

Senator Cochran, additional questions?

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

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

Senator Murkowski.

Senator MURKOWSKI. Thank you, Madam Chairman.

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

Secretary NAPOLITANO. I'm getting that idea.

## AVIATION SECURITY: PROHIBITED ITEMS LIST

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

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

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

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

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

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

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

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

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

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

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

#### TRANSPORTATION SECURITY ADMINISTRATION TRAINING

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

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

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

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

Senator LANDRIEU. Thank you, Senator.

Senator Moran.

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

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

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

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

Thank you, Madam Chairman.

Secretary NAPOLITANO. Thank you.

Senator LANDRIEU. Senator Moran.

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

Senator MORAN. Chairman, thank you.

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

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

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

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

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

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

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



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

Senator MORAN. Secretary, thank you.

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

#### REIMBURSABLE AGREEMENTS

Senator LANDRIEU. Thank you.

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

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

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

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

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

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

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

## COAST GUARD'S CAPITAL INVESTMENT PLAN

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

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

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

[The information follows:]

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

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

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

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

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

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

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

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

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

#### ADDITIONAL COMMITTEE QUESTIONS

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

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

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

##### COAST GUARD FAST RESPONSE CUTTERS

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

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

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

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

## STAFFING INITIATIVE AT THE PORTS AND FEE INCREASE PROPOSALS

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

How important is it that these fees be increased?

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### FEMA—DISASTER RELIEF FUND

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

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

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

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

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

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

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

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

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

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

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

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

#### FUNDING INNOVATIVE TECHNOLOGIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

##### *Funding*

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

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

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



*Measuring Performance*

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

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

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

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

*Consolidation*

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

When do you anticipate submitting this grant reform package?

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

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

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

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

## DETENTION BEDS VS. ALTERNATIVE METHODS OF DETENTION

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

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

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

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

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

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

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

#### TRUSTED TRAVELERS

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

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

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

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

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

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

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

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

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

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

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

#### TRADE ENFORCEMENT

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

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

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

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

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

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

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

#### SEQUESTRATION IMPACT ON SMALL BUSINESSES

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

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

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

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

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

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

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

#### WORKSITE ENFORCEMENT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

---

QUESTIONS SUBMITTED BY SENATOR FRANK R. LAUTENBERG

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Answer. I would defer to DOJ regarding explosives laws.

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### NATIONAL PROTECTION AND PROGRAMS DIRECTORATE

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

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

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

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

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

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

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

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

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

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

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

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

QUESTIONS SUBMITTED BY SENATOR LISA MURKOWSKI

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



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

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

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

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

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

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

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

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

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

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

*Question.* Is one new polar icebreaker enough?

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SUBCOMMITTEE RECESS

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

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

Senator LANDRIEU. Meeting is recessed.

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



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

---

**TUESDAY, MAY 14, 2013**

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

The subcommittee met at 3:12 p.m., in room SD-138, Dirksen Senate Office Building, Hon. Mary L. Landrieu (chairman) presiding.

Present: Senators Landrieu, Cochran, and Moran.

DEPARTMENT OF HOMELAND SECURITY

U.S. COAST GUARD

**STATEMENT OF ADMIRAL ROBERT J. PAPP, JR., COMMANDANT**

OPENING STATEMENT OF SENATOR MARY L. LANDRIEU

Senator LANDRIEU. Good afternoon. I'd like to call the subcommittee to order. Let me apologize for the delay, but I had to be on the floor for an amendment on flood insurance, which is another important issue, as important as the Coast Guard for the State of Louisiana and other States. So I apologize, but I am happy to get underway.

Admiral Papp, welcome to our oversight subcommittee hearing today.

This meeting has been called to review the budget proposed for the Coast Guard. Admiral, I want to thank you for your extraordinary service to our country, for the way that you lead the men and women of the Coast Guard, for your energetic and visionary approach to the work that you are doing. We hold the men and women of the Coast Guard in the highest regard on this subcommittee and the people that I represent in Louisiana think very well of the Coast Guard under a variety of different leaders, yourself included.

We consistently hear stories of the Coast Guard providing a great service to the public, such as the recent high-profile rescue of 14 sailors aboard the HMS *Bounty*, a historic sailing vessel, when it got caught in Hurricane Sandy. Senator Cochran and I, who is here today, understand many rescue missions are conducted off the coast of Mississippi and Louisiana routinely, and this was a very high-profile case. Ninety miles off the coast of North Carolina, Coast Guard helicopter pilots and rescue swimmers fought 30-foot seas, 60-knot winds, and torrential rain to rescue the HMS

*Bounty* crew. They rescued 13. Unfortunately, the captain of the ship was not recovered. But it is stories like these that truly make us all proud of our Coast Guard.

Our job here today and through the appropriations process is to ensure that the next generation of Coast Guard men and women has the tools they need to accomplish their many missions and that taxpayer dollars are allocated wisely. I know that you share that goal.

That's why I am very disappointed in the President's 2014 budget request for the Coast Guard. I understand that difficult tradeoffs need to be made in this budget climate, but I believe the top line given to the Coast Guard in the administration's budget request is wholly inadequate.

In 2012, the Coast Guard responded to 19,700 search-and-rescue cases, saved 3,500 lives, interdicted 30,000 undocumented migrants, detained 352 suspected smugglers, inspected 25,000 ship containers, and the best statistic I think is, seized 107 metric tons of cocaine, more cocaine than all other Federal agencies combined. That expresses to me the width and breadth of the Coast Guard mission, which you all carry out from Rhode Island to Alaska, and in other places in the world as well. I am concerned that the Coast Guard's ability to maintain performance measures like these is threatened if this budget that has been presented to us stays as it is.

The President's fiscal year 2014 discretionary budget request is \$7.993 billion, almost 8.5 percent below last year's level, which was, I thought, very modest. The budget request includes a reduction of 850 military billets; moves 1,000 reservists to inactive status; reduces capital expenditures by 38 percent, a level not seen since 2003; and in my view puts the Coast Guard further behind in acquiring the assets it needs to fulfill its important missions, just a few of which I outlined earlier in this statement.

This capital investment request the President submitted for the Coast Guard is, no pun intended, a sea change from the \$2.5 billion that you testified, Admiral Papp, as the amount required to properly replace the Coast Guard's aging stock of ships, aircraft, and other infrastructure. When you testified before the House in 2011 you said, "It would really take close to about \$2.5 billion a year if we were to do all things that we would like to do to sustain our capital plant." In comparison, this budget requests only \$951 million.

I don't see how we can possibly replace the unreliable fleet that we have. Some of these ships, we know them well, are 47, 50 years old. We built some of them in Louisiana. They are not all, of course, built in our State or on the gulf coast, but we know these ships well. How long can a ship last doing the kind of work that we require of them and their crew?

While the budget does include \$660 million for the seventh national security cutter (NSC), and I am very happy about that because it is a priority for our subcommittee, almost every other capital priority is either reduced substantially or completely eliminated. The request essentially overwrites the congressional direction that we gave in 2012 and 2013 requiring you to procure six

fast response cutters per year, eliminating \$30 million in cost savings that we had anticipated.

No funding is provided for new aviation assets or military housing despite known backlogs and despite the understanding that the Coast Guard and their families are sometimes placed in very remote areas by the nature of the mission they are asked to do. It's not like you can run down the road and get affordable community-built housing. Sometimes Coast Guard men and women are the only people within miles.

To make matters worse, the 5-year Capital Investment Plan the subcommittee recently received calls for a radical change to Coast Guard recapitalization efforts in future years. If enacted, the plan will likely delay completion of the offshore patrol cutter, decrease the number of fast response cutters to a level that jeopardizes the program, stop the acquisition of all new aircraft, and scale back investments in deteriorating shore facilities.

#### PREPARED STATEMENT

So today I want to explore the impacts this investment plan will have on the Coast Guard's mission. I'm going to shorten my statement because of the lateness of getting started, but I have to say that we added funding last year to maintain aging assets, enhance oil spill response capabilities, and restore essential mission hours for drug and migrant interdiction. These are just not the chairman's priorities, Mary Landrieu's priorities, or the Senator from Louisiana priorities. These are priorities for our Nation. That's what the Senators of both parties tell me they want. I just don't see how we can accomplish what I know is necessary to keep our country safe and to complete these missions with some degree of professionalism with the budget that we have before us.

With that, I'm going to turn it over to Senator Cochran for his opening statement. Then Senator Moran. Thank you for joining us. [The statement follows:]

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

Good afternoon. I call the subcommittee to order.

Today I welcome the Commandant of the Coast Guard, Admiral Robert J. Papp, to discuss the Coast Guard's fiscal year 2014 budget request. I want to thank Admiral Papp for his service to this country and for leading the men and women of the Coast Guard.

Admiral Papp, we hold the men and women of the Coast Guard in the highest regard on this subcommittee. We consistently hear stories of the Coast Guard providing great service to the public, such as the rescue of 14 sailors aboard the HMS *Bounty*, a historic sailing vessel, when it got caught by Hurricane Sandy. Ninety miles off the shores of North Carolina, Coast Guard helicopter pilots and rescue swimmers fought 30-foot seas, 60-knot winds, and torrential rain to rescue the crew. Unfortunately, the captain of the ship was not recovered. It is stories like these that make us proud of our Coast Guard.

Our job here today and through the appropriations process is to ensure that the next generation of Coast Guard men and women has the tools they need to accomplish their many missions and that taxpayer dollars are allocated wisely. I know that this is a goal you share.

That is why I am so disappointed with the President's fiscal year 2014 budget request for the Coast Guard. I understand that difficult trade-offs need to be made in this budget climate, but I believe the topline given to the Coast Guard in the President's budget request is wholly inadequate.

In fiscal year 2012, the Coast Guard responded to 19,790 search-and-rescue cases, saved 3,500 lives, interdicted 3,000 undocumented migrants, detained 352 suspected smugglers, inspected 25,000 ship containers, and seized 107 metric tons of cocaine.

The Coast Guard seizes more cocaine annually than all other Federal agencies combined. I am concerned with the Coast Guard's ability to maintain performance measures like these if the President's budget is enacted.

The President's fiscal year 2014 discretionary budget request for the Coast Guard is \$7.993 billion, 8.36 percent below last year's enacted level. The budget request includes a reduction of 850 military billets, moves 1,050 reservists to inactive status, and reduces capital expenditures by 38 percent to a level not seen since 2003, putting the Coast Guard further behind in acquiring the assets it needs to fulfill its missions. This capital investment request the President submitted for the Coast Guard is a sea change from the \$2.5 billion you spoke about as the yearly amount required to properly replace the Coast Guard's aging stock of ships, aircraft, and other infrastructure. When you testified before the House in 2011, you said: "It would really take close to about \$2.5 billion a year if we were to do all the things that we would like to do to sustain our capital plant." In comparison, this budget requests far less than that amount: \$951 million to be precise. I don't see how you can possibly replace your old and unreliable fleet within this budget.

While the budget does include \$616 million for the seventh national security cutter, almost every other capital priority is either reduced substantially or eliminated. The request essentially overwrites congressional direction in 2012 and 2013 requiring you to procure six fast response cutters per year, eliminating \$30 million in cost savings that we anticipated. No funding is provided for new aviation assets or military housing despite known backlogs.

To make matters worse, the 5-year Capital Investment Plan the subcommittee recently received calls for a radical change to Coast Guard recapitalization efforts in future years. If enacted, the plan will: likely delay completion of the offshore patrol cutter; decrease the number of fast response cutters to a level that jeopardizes the program; stop the acquisition of new aircraft; and scale back investment in deteriorating shore facilities. Today, I want to explore the impacts this investment plan will have on Coast Guard missions, such as interdicting drugs in the transit zone, managing a mass migration, oil spill response, fisheries enforcement, and the need to increase our presence in the Arctic.

In the fiscal year 2013 DHS Appropriations Act, Senator Coats and I worked with the other members of the subcommittee to strengthen the Coast Guard's capital investment program. We funded:

- six, instead of two, fast response cutters;
  - long lead time materials for the seventh national security cutter as well as construction costs for the sixth national security cutter;
  - plans and designs for new offshore patrol cutters;
  - one new C130J aircraft;
  - the 18th maritime patrol aircraft, including a mission pallet and spares not requested in the budget but needed to operate effectively; and
  - critically needed military family housing in Kodiak, Alaska.
- Operationally, we added funding to maintain aging assets, enhanced oil spill response capabilities, and restored essential mission hours for drug and migrant interdiction.

The Coast Guard shouldn't always depend on Congress to plug these holes.

I look forward to examining your budget in more detail today so we can make sound decisions about the resources and assets the Coast Guard men and women need today and in the future.

I now recognize Senator Coats for any opening remarks he may wish to make.

Following Admiral Papp's statement, each member will be recognized by order of arrival for up to 5 minutes for any statement and questions.

I now recognize Admiral Papp for his statement.

#### STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. Madam Chairman, I am pleased to join you and the other subcommittee members in welcoming the Commandant of the U.S. Coast Guard to review the service's annual budget request. It's my hope that we will be able to recommend the level of funding required to support the U.S. Coast Guard's important missions.

From the search-and-rescue case of the tall ship *HMS Bounty* to leading efforts in reopening the ports of New York and New Jersey after Hurricane Sandy, and in my State of Mississippi, from recent hurricanes which threatened their own facilities in New Orleans in



the case of the Coast Guard, the Coast Guard has continued to provide important public service in so many different ways.

We look forward to working with you to understand the appropriate funding levels that are needed to support the important work of the men and women of the U.S. Coast Guard who work hard to protect our coasts and our citizens. Thank you.

Senator LANDRIEU. Thank you.

Senator Moran.

Senator MORAN. Madam Chairman, I have no opening statement other than to say, Admiral, welcome, and to express, as a landlocked Kansan, the value of the Coast Guard to our entire country and my great appreciation for the men and women who serve in the Coast Guard. Thank you very much, Admiral.

Senator LANDRIEU. Thank you.

Admiral, please proceed.

SUMMARY STATEMENT OF ADMIRAL ROBERT J. PAPP, JR.

Admiral PAPP. Madam Chairman, Senator Cochran, Senator Moran, thank you for having me here today.

I would like to deviate just for a moment from my prepared remarks to address a deplorable issue that I am infuriated by that is confronting the Armed Forces today, and I want to take this opportunity to make a public statement in terms of my feelings in this regard.

A little over 1½ years ago, I communicated with the entire Coast Guard, every member of the Coast Guard. I do that through something called Shipmates Messages. In Shipmates No. 19, the title was "Respecting Our Shipmates: Duty Demands Courage." I would just like to read a couple of phrases from that message.

When I assumed my duties as Commandant, I told you that respecting our shipmates is one of my four guiding principles. Sexual assault, hazing, harassment, and discrimination undermine morale, degrade readiness and damage mission performance. These and other similar acts of misconduct break our obligation to one another. Each incident of sexual assault, hazing, harassment, or discrimination is a deliberate act that violates law, policy, and service standards.

We will not tolerate this behavior in the Coast Guard. We will intervene to prevent or halt these acts when they are occurring. We will investigate and discipline those who have violated law and service policy. And let me be clear, there are no bystanders in the Coast Guard. Our duty to respect our shipmates demands each of us to have the courage to take immediate action to prevent or stop these incidents. Your duty as a coastguardsman is to intervene, prevent or halt it and report it. Failure to help a shipmate in those circumstances demonstrates a lack of courage that is contrary to our core values. I expect every coastguardsman will display the same courage in those circumstances as they would in rescuing someone in peril at sea.

Americans must have confidence that the Coast Guard men and women understand their duty and are committed to our service. Commanding officers and officers in charge shall read this message at the next quarters or appropriate muster to ensure my expectations and intent are clear.

I have repeated that message both in my State of the Coast Guard speech this year and when I've been traveling around the country talking to my senior leaders. In fact, when I leave here today, I'll be going down to Norfolk to speak to all my senior flag officers from the Atlantic area and probably close to about 2,000 coastguardsmen down there. We are taking this seriously, and certainly when we get into the questions and answers, if there are any questions regarding our sexual assault program, I would be happy to answer them.

But I know we are here today to talk about the fiscal year 2014 budget, and I will begin by thanking you for your support in the 2013 budget and the supplemental for Hurricane Sandy. Unfortunately, much like the weather and seas that were produced by Sandy, and we face those weather and seas generally on a daily basis, the Coast Guard cannot control the fiscal environment in which we operate.

The fiscal year 2014 budget sustains the most critical frontline operations while funding our most critical acquisition projects. In the current fiscal environment, this required tough decisions, informed by my highest priorities. These were difficult decisions for me and for our service, but they were the best decisions to ensure that we provide the next generation of coastguardsmen the tools required to protect our Nation.

We are making great strides in recapitalizing the aging fleet. In October, we will christen the fourth national security cutter. On Friday, we celebrate the keeling of No. 5, and the production contract for No. 6 was awarded just 2 weeks ago. Taking into account inflation and other factors within the contract for earlier NSCs, the cost for No. 6 was nearly the same as No. 4 and No. 5. This illustrates the maturity of this project, the stable and efficient production line, and the professionalism and achievements of our Coast Guard acquisition corp.

These cutters are doing amazing work. On our most recent patrol, *Waesche* interdicted contraband worth an estimated \$7.5 million, and just last week *Bertholf* disrupted the shipment of cocaine valued at more than \$5 million.

These cutters are also key to meeting the growing demands in the Bering Sea in the Arctic. With the extreme conditions and lack of shore site infrastructure, the operational effectiveness and command-and-control capabilities of the national security cutter are critical to our success. As the receding Arctic ice gives way to increased human and economic activity, the Coast Guard must be present to ensure safety, security, and stewardship there, and we are preparing for future operations in this emerging maritime frontier.

We've also taken delivery of the first five fast response cutters, the FRCs, and these too have proven to be amazing platforms. Several more will soon join the fleet, and No. 9 was launched last week.

We have also taken delivery of 14 HC-144 aircraft, have contracted for our ninth HC-130J, and have completed life extending of our patrol boats and our medium endurance cutters.

Despite these successes, we still must work to recapitalize the Coast Guard ships, boats, and aircraft that the Nation needs. I'm

happy to report that I received strong support from the Secretary and the President on my highest acquisition priorities, including the funding for the seventh national security cutter in the 2014 budget.

So as I look back on the successes of our past year, I have never been more convinced about the value our Coast Guard provides to the Nation. While mindful of the current fiscal environment, I remain optimistic about the future of the Coast Guard. It is my duty to look beyond the annual budget cycle and to prepare and adapt the service and keep it moving forward to address the greatest maritime safety and security risks to the Nation, not only now but in the future.

In December, we were reminded of the dangers of our duties as I presided at a memorial service for Senior Chief Boatswains Mate Terrell Horne of the Coast Guard cutter *Halibut*. He was killed by smugglers when they rammed his Coast Guard pursuit boat near San Diego. I was reminded of it once again as Mrs. Horne, Rachel, and her three young sons, Kade, Miller and Wells, came into my office this morning in preparation for the ceremony to honor their husband and their father at the wall for the law enforcement officers.

The men and women of the Coast Guard will give their all and make sacrifices every day, putting their country first, and I have never been prouder of them, and they have never been better. Working together, we owe them our very best efforts to provide the support they need.

#### PREPARED STATEMENT

This subcommittee has long supported the men and women of the Coast Guard. I appreciate that, and I thank you for recognizing their sacrifices. On behalf of all my Coast Guard shipmates, I say thank you.

I look forward to answering your questions.  
[The statement follows:]

#### PREPARED STATEMENT OF ADMIRAL ROBERT J. PAPP, JR.

Good afternoon Madam Chair Landrieu and distinguished members of the committee. Thank you for the continuing support you have shown to the men and women of the United States Coast Guard, including the funding provided in the Consolidated and Further Continuing Appropriations Act, 2013 to recapitalize the aging fleet and sustain frontline operations.

This year marks our 223rd year of protecting those on the sea, protecting the Nation from threats delivered by the sea, and protecting the sea itself. The Coast Guard is the Nation's maritime first responder. We are vested with unique authorities, equipped with capable cutters, boats, aircraft and infrastructure, and are composed of the best people the Nation has to offer. We are *Semper Paratus*—"Always Ready" to meet the Nation's evolving maritime safety, security and stewardship needs. We are locally based, nationally deployed and globally connected.

I am here today to discuss the Coast Guard's fiscal year 2014 budget request. Before discussing the details of the request, I would like to take this opportunity to highlight some of the Coast Guard's recent operational successes, and our value and role in the Department of Homeland Security (DHS) and in service to the Nation.

Over the past year, Coast Guard men and women (Active Duty, Reserve, civilian, and auxiliaries), with strong support from our families, continued to deliver premier service to the public. When Hurricane Sandy threatened the eastern seaboard, the Coast Guard acted with the speed, agility and courage that America expects during natural disasters. In advance of the storm's landfall, we worked with the interagency, industry and State and local partners to ensure our ports and maritime

transportation system were prepared. As the storm raged, our aircrews and cutters responded to the foundering HMS *Bounty*, rescuing 14 crewmembers from the 30-foot seas and 60-knot winds. In the Port Authority of New York and New Jersey, Coast Guard personnel restored the aids to navigation system within days; worked with U.S. Customs and Border Protection, the Army Corps of Engineers, local government and industry to reopen the port to commerce; helped de-water flooded tunnels leading to Manhattan, and contained 378,000 gallons of diesel fuel that had spilled into the Arthur Kill waterway when the storm surge caused the failure of shoreside fuel storage tanks.

To prepare to meet the emerging challenges in the Arctic, we successfully completed Operation Arctic Shield, a 9-month interagency effort to assess our capabilities, including the deployment of a national security cutter and two of our ocean going, light ice capable buoy tenders, as well as the temporary assignment of two H-60 helicopters 300 miles north of the Arctic Circle.

Last year, the Coast Guard responded to 19,790 search-and-rescue cases and saved more than 3,500 lives; seized over 107 metric tons of cocaine and 56 metric tons of marijuana destined for the United States; seized 70 vessels, and detained 352 suspected smugglers; conducted more than 11,600 annual inspections of U.S. flagged vessels; conducted 4,600 marine casualty investigations; conducted more than 9,000 Port State Control and Security examinations on foreign-flagged vessels; and responded to 3,300 pollution incidents.

This past year we made great strides in recapitalizing the Coast Guard's aging fleet. In October we will christen the fourth national security cutter, Coast Guard cutter *Hamilton*. In addition to providing us off-shore presence in the Arctic during heightened summer activity, these remarkable ships have excelled in interdicting drug and migrant smuggling in the eastern Pacific and have enabled the Coast Guard to provide command and control, helicopter, and boat capabilities from the farthest reaches of the Pacific to the Bering Sea. I am also very pleased with our new fast response cutters (FRCs). To date, we have taken delivery of five of these new highly capable patrol boats. We have also taken delivery of 14 new HC-144 medium range surveillance aircraft, contracted for the ninth HC-130J and have nearly completed the H-60 conversion project. At the Coast Guard Yard, we completed work on the Patrol Boat Mission Effectiveness Project, extending the service lives of our 110-foot patrol boats, and continued work on the sustainment projects for our fleet of medium endurance cutters. We also recently completed an overhaul of the cutter *Polar Star*, returning the Nation's only heavy icebreaker to active service. None of these critical recapitalization milestones would have been reached without the strong support of the administration and the committees.

As a military service, we provide unique, specialized capabilities as part of the joint force. But the Coast Guard is much more. We are the maritime arm of the DHS. We seek to prevent dangerous or illicit maritime activities, and if undesirable or unlawful events do occur, whether deliberate or accidental, to rapidly respond in order to protect the Nation, minimize the impact, and recover.

Every day the Coast Guard acts to prevent and respond to an array of threats that, if left unchecked, could disrupt regional and global security, the economies of partner nations, access to resources and international trade. All of these are vital elements to our national prosperity. And it is this prosperity that spurs investment and global development, provides jobs, and provides the resources to pay for both our national security and our national defense. It is Coast Guard men and women, working every day in the maritime domain, who enhance our security, reinforce the rule of law, support stability at home and abroad, and increase our prosperity.

The Coast Guard protects:

- Those on the sea: leading responses to maritime disasters and threats, ensuring a safe and secure Maritime Transportation System, preventing incidents, and rescuing those in distress.
- The Nation from threats delivered by sea: enforcing laws and treaties, securing our ocean resources, and ensuring the integrity of our maritime domain from illegal activity.
- The sea itself: regulating hazardous cargo transportation, holding responsible parties accountable for environmental damage and cleanup, and protecting living marine and natural resources.

#### FISCAL YEAR 2014 BUDGET REQUEST

The Coast Guard's fiscal year 2014 budget continues the critical balance between investment in current operations and recapitalization. The fiscal year 2014 budget strategically allocates resources to best mitigate current and long-term operational

risks, while investing in new cutters, boats, aircraft, systems and infrastructure necessary to ensure the viability of the Coast Guard in the future.

The Coast Guard's fiscal year 2014 strategic and budget priorities are to:

- Build essential Coast Guard capability for the Nation;
- Strengthen resource and operational stewardship; and
- Sustain the most critical frontline operations.

Highlights from our request are included in appendix I.

#### *Build Essential Coast Guard Capability for the Nation*

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

#### *Strengthen Resource and Operational Stewardship*

In fiscal year 2014, Coast Guard will decommission two high endurance cutters (WHECs) that are being replaced by more capable national security cutters. The Coast Guard will also consolidate regional assets where overlapping capabilities exist by closing air facilities in Newport, Oregon, and Charleston, South Carolina. The 2014 budget ensures that our resources are aligned to our Nation's highest priorities in a manner that balances key investments for the future with sustaining essential investment in today's missions and capabilities that provide the highest return on investment.

#### *Sustain the Most Critical Frontline Operations*

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

### CONCLUSION

The United States is a maritime nation. Foreign trade relies upon the safety and security of our Nation's ports and waterways. Coast Guard missions, authorities and capabilities are crucial to providing for that safety and security and preserving our national interests. We ensure the safe and secure flow of commerce, patrol our vast exclusive economic zone, fight maritime drug smuggling and human trafficking, provide the Nation's maritime first response force to both natural and manmade disasters, and protect our shores against transnational criminals, extremists, and others who seek to do us harm. We remain focused on protecting the United States as the strong maritime arm of the DHS. The Coast Guard's fiscal year 2014 budget request allocates resources to the highest priority initiatives to counter the most emergent threats, mitigate risks, and keep the maritime domain safe and secure. I request your full support for the funding requested for the Coast Guard in the President's fiscal year 2014 budget. Again, thank you for the opportunity to testify before you today. I am pleased to answer your questions.

### APPENDIX I—FISCAL YEAR 2014 BUDGET REQUEST

#### *Build Essential Coast Guard Capability for the Nation*

##### *Surface Assets: \$743.0 Million (0 full-time equivalent (FTE))*

The budget provides \$743.0 million for surface assets, including the following surface asset recapitalization and sustainment initiatives:

- National Security Cutter (NSC)*.—Provides funding for the seventh NSC; NSCs will replace the aging fleet of high endurance cutters, first commissioned in 1967. The acquisition of NSC-7 is vital for performing DHS missions in the far off-shore regions, including the harsh operating environment of the Pacific Ocean, Bering Sea, and Arctic as well as providing for robust homeland security contingency response.

- Fast Response Cutter (FRC)*.—Provides production funding to procure two FRCs. These assets replace the aging fleet of 110-foot patrol boats, and provide the coastal capability to conduct search-and-rescue operations, enforce border security, interdict drugs, uphold immigration laws, prevent terrorism, and enhance resiliency to disasters.
- Offshore Patrol Cutter (OPC)*.—Supports continued initial acquisition work and design of the OPC. The OPC will replace the medium endurance cutter class to conduct missions on the high seas and coastal approaches.
- Polar Ice Breaker (WAGB)*.—Continues funding for pre-acquisition activities for a new Coast Guard polar icebreaker. This cutter will provide continued heavy icebreaking capability to the Nation for missions in the Arctic and Antarctic following the projected end of service life of the *Polar Star* on or about 2022.
- Cutter Boats*.—Provides continued funding for production of multi-mission cutter small boats that will be fielded on the Coast Guard's major cutter fleet beginning with the NSC.
- In-Service Vessel Sustainment*.—Continues to fund sustainment projects on 140-foot ice breaking tugs (WTGB), 225-foot seagoing buoy tenders, and the training barque *Eagle* (WIX).
- Survey and Design*.—Builds upon previous years to continue multi-year engineering and design work for multiple cutter classes in support of future sustainment and acquisition projects.

*Air Assets: \$28.0 Million (0 FTE)*

The budget provides \$28.0 million for the following air asset recapitalization or enhancement initiatives:

- HH-65*.—Continues modernization and sustainment of the Coast Guard's fleet of HH-65 helicopters, converting them to MH-65 Short Range Recovery (SRR) helicopters. The modernization effort includes reliability and sustainability improvements, where obsolete components are replaced with modernized subsystems, including an integrated cockpit and sensor suite.
- C-130H/J*.—Funds sustainment of avionics systems on existing C-130H aircraft. The avionics 1 upgrade (AIU) installations on C-130H aircraft enhances the capability of the C-130H fleet by replacing aging/obsolete equipment, and updating avionics to comply with Communications Navigation Surveillance/Air Traffic Management (CNS/ATM) requirements.

*Other (Asset Recapitalization): \$59.9 Million (0 FTE)*

The budget provides \$59.9 million for asset recapitalization, including the following equipment and services:

- Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance (C4ISR)*.—Provides design, development, upgrades and assistance on C4ISR hardware and software of new and in service assets.
- CG-Logistics Information Management System*.—Continues development and deployment to Coast Guard operational assets and support facilities.
- Nationwide Automatic Identification System (NAIS)*.—Completes deployment of the permanent transceiver system to recapitalize the existing interim NAIS capability in 58 ports and 11 coastal areas.

*Shore Units and Aids to Navigation (ATON): \$5.0 Million (0 FTE)*

The budget provides \$5.0 million to recapitalize shore infrastructure for safe, functional, and modern facilities that support Coast Guard assets and personnel:

- Specific Project*.—Completes Phase One of Base Miami Beach waterfront facilities.
- ATON Infrastructure*.—Maintains transportation safety on Federal waterways through construction and improvements to short-range aids and infrastructure to improve the safety of maritime transportation.

*Personnel and Management: \$115.8 Million (818 FTE)*

The budget provides \$115.8 million to provide pay and benefits for the Coast Guard's acquisition workforce.

*Strengthen Resource and Operational Stewardship*

*Fiscal Year 2014 Major Decreases*

*Asset Decommissionings*.—In fiscal year 2014 the Coast Guard will make targeted operational reductions to prioritize frontline operational capacity and invest in critical recapitalization initiatives:

- High Endurance Cutter (WHEC) Decommissionings: -\$14.2 Million (-184 FTE)*.—The fiscal year 2014 budget decommissions the fifth and sixth high en-

- durance cutters (WHECs). National security cutters, including the seventh NSC which is fully funded in this budget request, replace the aging HEC fleet.
- Cutter Shoreside Support Personnel Reduction: –\$0.8 Million (–10 FTE).*—Reduces WHEC Maintenance Augmentation Team (MAT) and Surface Forces Logistics Center (SFLC) billets associated with the decommissioning of two WHECs.
  - HU-25 Aircraft Retirements: –\$9.4 Million (–36 FTE).*—Retires the eight remaining HU-25 aircraft assigned to Coast Guard Air Station Corpus Christi, Texas; Aviation Logistics Center, Elizabeth City, North Carolina; and, Aviation Training Center, Mobile, Alabama. This will allow for the transition to HC-144A aircraft.
  - HC-130 Aircraft Retirements: –\$7.7 Million (–29 FTE).*—This initiative eliminates funding and personnel associated with two HC-130H aircraft. The newly acquired HC-130J aircraft will provide increased operational reliability.
  - Close Air Facilities: –\$5.1 Million (–28 FTE).*—The Coast Guard will close AIRFACs at Charleston, South Carolina, and Newport, Oregon. The search-and-rescue response times within the AIRFAC areas of responsibility will remain within national standards.
- Programmatic Reductions.*—The budget proposes targeted reductions in several base program areas. These base adjustments recognize changes in requirements need for selected activities and prioritizes sustainable investment in recapitalization programs:
- CG Headquarters Staffing: –\$6.7 Million (–53 FTE).*—Reflects the anticipated reduction in Coast Guard headquarters personnel as a result of the existing hiring freeze and normal workforce attrition.
  - Targeted Intelligence Program: –\$1.5 Million (–14 FTE).*—Scales intelligence activities across the Service by consolidating analysts at centers, Areas, and Districts; consolidating IT support positions at headquarters; and, eliminating the 24/7 call-in maritime watch at the El Paso Intelligence Center (EPIC) that provides services that will remain available through a different watch floor.
  - Port State Control Examinations: –\$1.7 Million (–20 FTE).*—Reduces port State control personnel by limiting examination activities aboard some foreign flagged vessels assessed as lower risk.
  - Coast Guard Training: –\$43.2 Million (–153 FTE).*—Leverages Web-based distance learning and reduces schoolhouse throughput. Specialty and technical training schools will group into centers of expertise to leverage available resources. Educational benefits will be focused on enlisted personnel who are pursuing an initial undergraduate degree. Reduces accessions and support staffs as well as operational and maintenance funds at the Coast Guard Academy, Leadership Development Center, and Officer Candidate School commensurate with anticipated reduction in out-year accession projections based on reduced workforce levels.
  - Other Targeted Program Reductions: –\$1.2 Million (–26 FTE).*—The Coast Guard will make targeted reductions to Auxiliary Program Management, the International Port Security Program, and District Drug and Alcohol Program Inspectors (DAPI). Routine DAPI functions will shift to Coast Guard marine inspectors and investigators.

#### *Sustain the Most Critical Frontline Operations*

##### *Pay and Allowances: \$43.9 Million (0 FTE)*

The budget provides \$43.9 million to fund the civilian pay raise and maintain parity of with DOD for military pay, allowances, and healthcare. As a branch of the Armed Forces of the United States, the Coast Guard is subject to the provisions of the National Defense Authorization Act, which include pay and personnel benefits for the military workforce.

##### *Operating and Maintenance Funds for New Assets: \$64.7 Million (213 FTE)*

The budget provides a total of \$64.7 million to fund operations and maintenance of shore facilities and cutters, boats, aircraft, and associated C4ISR subsystems delivered through acquisition efforts. Funding is requested for the following assets and systems:

- Shore Facilities.*—Funding for the operation and maintenance of shore facility projects scheduled for completion prior to fiscal year 2014.
- Response Boat-Medium.*—Funding for operation, maintenance and support of 30 RB-Ms as well as personnel for maintenance support requirements and instructors to support fleet training requirements.

- Rescue 21 (R21)*.—Funding for the support of the R21 system as well as maintenance of Coast Guard-leased and -owned towers, Western Rivers communications sites, and encrypted communications for over-the-air-re-key (OTAR).
- Fast Response Cutter (FRC)*.—Operating and maintenance funding for FRCs Nos. 10–12 and funding for personnel to operate and maintain hulls Nos. 11–12, homeported in Key West, Florida, as well as the first two San Juan, Puerto Rico hulls.
- National Security Cutter (NSC)*.—Operating and maintenance funding for NSC No. 4 to be homeported in Charleston, South Carolina. The initiative also provides personnel to operate NSCs Nos. 4–5.
- HC-144A MPA*.—Operating and maintenance and personnel funding to operate and support aircraft Nos. 16–17 that will be assigned to Air Station Corpus Christi, Texas. Also funds maintenance of the first 17 mission system pallets (MSPs)—the sensor package for each operational HC-144A.
- Manned Covert Surveillance Aircraft (MCSA)*.—Operating, maintenance and personnel funding to operate and support the first aircraft which is planned to operate out of Miami, Florida, and provide an additional 1,000 hours of maritime surveillance capacity.
- Air Station Corpus Christi Transition*.—Provides funding for the transition from operating HU-25 aircraft to operation of HC-144A aircraft.

*Financial Systems Modernization: \$29.5 Million (0 FTE)*

Provides funding to support the Financial Management Service Improvement Initiative (FMSII) for Coast Guard and Transportation Security Administration (TSA). This initiative will plan, prepare, configure, test, and migrate the Coast Guard's and TSA's financial management system (FMS) including the financial, contract, and asset accountability management systems to a shared service provider (SSP).

#### SEXUAL ASSAULTS

Senator LANDRIEU. Thank you, Admiral. Let me begin where you began, because it is very troubling to many of us in the Senate and House who have been following story after story about the sexual assaults happening within the Department of Defense (DOD). Let me start with a question on this, and then we will go to the budget.

The Coast Guard reported 141 incidents of sexual assaults in 2012. The number was up from 83 in 2011 and 75 in 2010. That is clear. What is not clear is how many assaults in the Coast Guard go unreported, which unfortunately may happen due to the fears and consequences of coming forward. Other military branches track and file reports and survey their workforce. Last week we learned that 26,000 people within DOD said they were sexually assaulted, but only 3,374 filed complaints.

My understanding is the Coast Guard does not survey its workforce for anonymous claims. I can understand the pros and cons of that but given the really troubling statistics and horrifying stories that are coming out, do you plan to track the claims the same way, or are you giving some thought to opening up opportunities for people to respond anonymously? They obviously seem to be afraid to come forward. This could help get a fuller picture of what's happening within the Coast Guard. While none of this is acceptable, but as you have reviewed this, do you think that the Coast Guard is on par with other military branches in terms of support personnel, training and education programs? Do you have an active victim support network? If you would just take 2 or 3 minutes or longer if you need to answer, and then we'll go to the budget. We may end up having a special hearing on this.

Admiral PAPP. Thank you, Madam Chairman. I appreciate the opportunity to speak about it because this is deeply personal to me. Things like this were personal to me even before I became a coast-



guardsman. My father placed in my DNA the duty to protect people. So you can imagine how frustrating it is to know that people within my Coast Guard are being harmed or hurt and feel like they have no way to be able to respond.

The increase in numbers to 141 this year, I'll start by saying that one is too many. But anecdotal information leads me to conclude that by me talking about it for nearly 2 years now, by going out there and talking to my leaders and talking to the deck plate as well, people are coming forward and reporting who would not have before.

I have spoken to young people within the service. I've spoken to senior people who had experienced sexual assault early in their career. They all indicate a more willingness and trust to come forward now. I choose to interpret that as a good thing, that they are coming forward and reporting, and I think that shows an increase in the numbers.

Plus, we have a strategic plan, and we have put a lot of effort with our senior leadership to push training out throughout the service. We have now designated 18 collateral duty sexual response coordinators throughout the Coast Guard, and we have a network of 500 volunteer victim advocates who are receiving formal training and are out there.

I spoke to a young woman yesterday who is a victim advocate who is stationed in St. Louis, and she went on and praised the program, the training she received and how it has improved her ability to talk to people. In fact, in her particular case, she is dealing with men-on-men situations in terms of sexual assault.

So once again, we are learning more, because I think we have invested more.

In comparison to the other services, I have spoken to the other four service chiefs, and not only the Department of Defense but also the individual services have surveys that they do. I am interested in this. There are pros and cons to a survey, but as far as I am concerned, any measure that you have that would indicate trends is going to be useful for us as we take on the situation.

So we are further studying whether we are going to put a survey into effect for the Coast Guard. I am inclined to do that. We are also looking now at how we might get more full-time people, if the budget allows, to commit them as full-time sexual response coordinators instead of making that a collateral duty assignment across the Coast Guard.

#### CAPITAL INVESTMENT PLAN

Senator LANDRIEU. I am going to follow up later with some questions along this line, and I appreciate your frankness and opening your statement with your commitment to address what is a very serious and troubling situation.

But let me shift to a question on the budget. The \$1 billion Capital Investment Plan is, in my view, wholly inadequate to replace the old and unreliable assets of the Coast Guard. Please be frank and describe the impact this plan will have on Coast Guard operations as compared to the \$2.5 billion you indicated that you would like to have. Now, we can't have everything we want, but \$2.5 billion to maintain the fleet, to accomplish or at least try to meet the

targets in the mission, is far different than \$950 million. How is this going to impact Coast Guard operations?

Admiral PAPP. Madam Chairman, \$500 million, a half a billion dollars, is real money for the Coast Guard. So clearly, we had \$1.5 billion in the 2013 budget. It doesn't get everything I would like, but it gave us a good start, and it sustained a number of projects that are very important to us. When we go down to the \$1 billion level this year, it gets my highest priorities in there, but we have to either terminate or reduce to minimum order quantities for all the other projects that we have going.

If we're going to stay with our program of record, things that have been documented that we need for our service, we are going to have to just stretch everything out to the right. And when we do that, you cannot order in economic order quantities. It defers the purchase. Ship builders, aircraft companies, they have to figure in their costs, and it inevitably raises the cost when you are ordering them in smaller quantities and pushing it off to the right, plus it almost creates a death spiral for the Coast Guard because we are forced to sustain older assets, older ships and older aircraft, which ultimately cost us more money. So it eats into our operating funds as well, as we try to sustain these older things.

So we'll do the best we can within the budget, and the Secretary and the President have addressed my highest priorities. We'll just continue to go on an annual basis seeing what we can wedge into the budget to keep the other projects going.

#### FAST RESPONSE CUTTERS

Senator LANDRIEU. My last question, and then I will turn to my colleagues and then come back for a second round. On the fast response cutters, we are very proud that they are built in Louisiana. I'd like to take credit for that, but it happened before I was chairman of the subcommittee, and it was a competitive bid that was won, a public bid to build these ships. Last year we put six FRCs in the budget. We are going to save \$30 million because of that rate of building once the line is open, to build it efficiently and have the same crew there.

With this budget, we potentially could lose the \$30 million in savings, which is very troubling. My question is, will you award a contract for the six we funded in 2013, as intended, and is it correct that you will achieve \$30 million in savings by awarding the contract for six boats at a time?

Admiral PAPP. Well, I have a couple of alternatives, Madam Chairman. The first option is to award those six in fiscal year 2013, which was our original intent, and then renegotiate with the shipyard to see if we can go to a minimal quantity of two for fiscal year 2014. We are at that point now where we can renegotiate. The fact of the matter is that renegotiating to build only two per year will increase the price. Our estimate is probably anywhere between \$10 million and \$20 million per ship more when we go down to only two, plus it pushes out the replacement program to 18 years to get all those boats built. We will be having to put the first one through a mid-life renovation before the last one is constructed. So that is just the realities of what we are confronted with.

The other option is to try to balance out four per year, and I understand that is a little unfair to the shipbuilder because they gear up, they bring people on board, they invest in their infrastructure on the basis of the prediction of six per year. As I've said in the past, we think if we build six per year, our estimate is we get at least \$30 million in cost avoidance.

I wanted to make sure that I was very clear and understood that, and I've had my people go back and take a look. I really think it is more than \$30 million per year, but we start getting into competition-sensitive information and things like that when we get any more detailed than that. But it is clear that when you use the economic order quantity, you will get those savings.

Senator LANDRIEU. Thank you.

Senator Cochran.

#### NATIONAL SECURITY CUTTER

Senator COCHRAN. Thank you very much for your leadership of the Coast Guard and your cooperation with our subcommittee as we review the budget request for the next fiscal year.

Like other shipbuilding accounts, we look ahead at long lead time material purchases and other necessary preparation for actually submitting requests for construction funding, and I was going to ask you about the budget request. As I understand it, it does provide for full funding for national security cutter No. 7, and it also projects funding for the eighth cutter in next year's request.

Are these current projections, or have they been affected in any way with changes in the economic situation or the budget uncertainties? What do you see the future over the next few years being for the funding request for these construction projects?

Admiral PAPP. Senator, I am very confident and optimistic on the funding for the national security cutter, and I think the national security cutter serves as a perfect example of what I've been talking about in terms of a mature project that only needs predictable funding and then the time to get it done.

Because it is a mature project, we are not making any changes. It is a stable project. All the shipbuilder needs is now a constant source of funding. Last year I was here explaining why Nos. 7 and 8 were not in the projection. So I feel much better being here saying that No. 7 is in the budget and that No. 8 is predicted for next year, that is, the full funding for No. 8 is in the next year's budget, which takes a large chunk out of that predicted \$1 billion that we would have in acquisition funds.

The wisdom, I think, of having long lead materials is demonstrated, though, this year. We had long lead materials for No. 7 in the fiscal year 2012 budget. We were able to take that \$30 million in cost avoidance, and we actually worked that into our computations when we produced the 2014 budget and the level that we asked for to do the construction on No. 7. So that is validation that long lead materials works, but I will take the money for the ship whatever way I can get it, and right now it sits with the full funding in next year's budget.

## OFFSHORE PATROL CUTTERS

Senator COCHRAN. As you are looking to the future, I know that there has been consideration of an acquisition budget that would involve upkeep, modernization, and ongoing national security fabrication, which also employs people. I was told that 1,200 people in Pascagoula, Mississippi, are employed now for fabrication activities.

What other projections can you let us know about that we need to work into the budget if the subcommittee approves this for a new class of ships called the offshore patrol cutters? Is that still in the plan, to replace the medium endurance cutters with the offshore patrol cutters?

Admiral PAPP. Yes, Senator. Absolutely. The first ships that will be replaced are 210-foot medium endurance cutters. There are 14 of them right now. They are all nearly 50 years of age. In fact, the *Dauntless*, which is one of those ships, just had to be put in the shipyard because the hull has wasted through and the framing has wasted through, and we are putting it up in the shipyard for emergency availability to do steel repair on that ship just to keep her functional and safe for the crew who has to deploy in it.

So these ships are well past their time and need to be replaced. We are pressing along with the offshore patrol cutter, and we are on schedule with that. We are in the process now of down-selecting to three competitors for the replacement ship. Next year we will down-select that. Actually, in the fiscal year 2016 budget, we will down-select to one after we have evaluated the three candidates, and then start construction in fiscal year 2016 on the lead ship of that class.

The challenge, not necessarily for me but for whoever relieves me, will be how do we fit that ship into the acquisition budget as we go forward. The original plan was to build two of those per year. We are projected to start building two per year in 2020. We are going to be hard-pressed to be able to fit those in at the current acquisition top-line level and do anything else within the Coast Guard. So we may be forced to do only one per year, which then increases the unit cost on each single ship and, once again, pushes that out for probably about 25 years or so. Once again, the lead ship would probably be in the position of having to go through a midlife before the last ship of the class is produced.

So it is the same rule of thumb for each and every one of these projects. If we are going to maintain the program of record, everything is going to get pushed to the right and we will just have to build them more slowly and probably at increased cost.

## ACQUISITION PROJECTS

Senator COCHRAN. In looking at what the Coast Guard has already received for recapitalizing the aging ships and other aircraft, boats, and shore facilities, in fiscal year 2013 you received \$1.4 billion for this account, and the fiscal year 2014 budget requests only \$951 million, of which \$616 million, we are told, is for the seventh national security cutter. Are you on track, do you think, to acquire these additional cutters over the term that you project, as well as

other long-term acquisition priorities of aircraft, as you also plan for?

Admiral PAPP. Senator, my job is to look at the annual budget cycle and work our way through that on a year-by-year basis. But I am also obligated as the Commandant to look out 10, 20, 30 years to try and determine what the Coast Guard is going to need to conduct its missions. So I am focused on what we need, and we have a program of record. The challenge is, like any acquisition project, having stable requirements and then getting a steady funding stream.

The national security cutter is there. It is a stable project, and now at least we have a predictable funding stream. That keeps us at a reasonable price for the ship. As I mentioned during my opening comments, in our negotiations for hull No. 6, it is coming in basically at the same price as No. 5 and No. 4 because it is a stable contract. The shipbuilder now has a prediction that not only are they going to get No. 6 but the President put the money in for No. 7, and the 5-year plan now predicts that No. 8 will be in there.

That's the way things should work, a stable project with predictable funding. We have a lot of companies right now that have put proposals in for the offshore patrol cutter. I don't know how many because that is acquisition sensitive, but I am led to believe that there is anywhere between eight and a dozen companies that are competing for the ship. We are going to pick three very good candidates and then down-select to one 2 years from now, and all that it will need is a steady funding stream to get that project going at a reasonable price for the Government.

I am becoming concerned that we may not be able to fit that in within the top line if we continue at these levels for the next 5 to 10 years or so.

Senator COCHRAN. Well, we thank you for your leadership and your service and helping protect our Nation and our citizens. Thank you.

Admiral PAPP. Thank you, Senator.

Senator LANDRIEU. Senator Moran.

#### FUTURE OF THE COAST GUARD

Senator MORAN. Chairman Landrieu, thank you.

Admiral, while I indicated in my brief opening comments that we are landlocked, we very much appreciate the pay and personnel center located in Topeka, Kansas. So we do have a Coast Guard presence in our State, and we are very grateful for that.

I just wanted to follow up on your answer to Senator Cochran's question. You indicated that you are looking, as the Commandant, for a number of years into the future. How do you see the Coast Guard different in the 10- or 20-year focus that you are now viewing?

Admiral PAPP. Sir, I am a student of history, and I have gone back to the beginnings of the service, why it was created. Alexander Hamilton, the first Secretary of the Treasury, created this maritime, law enforcement, security force. It's all because this country depended then and depends now on maritime trade for its prosperity. This country will not survive long if you don't have safe and secure sea lanes coming into safe and secure ports. The Coast

Guard provides maritime governance. It provides aids to navigation. It provides security in the waters. It provides law enforcement. And those things will continue into the future. They have been the principles and the missions that our service has done for 223 years, and I anticipate very similar things happening over the next 30, 40, and 50 years.

What will change is the technology, and that is what we are in the process of doing right now. My vision has to be what technology, what assets do we need to be doing those duties 10, 20, and 30 years from now. Right now, we are doing them with technology that was created in the 1950s. Our high endurance cutters and our medium endurance cutters were built during the 1960s, which means they are using 1950s technology for propulsion and for many of the systems that are on board, and they are just plain wearing out.

So the way the Coast Guard will be different is we will have better technology, better ships, better aircraft that requires fewer people to operate, and expands through sensors and communications gear and command-and-control capabilities. Broader communication not only within the Coast Guard but through the interagency, through the Department of Defense, makes us more effective.

Maritime trade has increased. From the time I was born in the early 1950s to now, our population has grown by about—I forget how much it has increased, but 40 percent of the population lives near the shore or within coastal counties, and they are near the water. And all of our ports, 95 percent of our trade comes in through the ports.

So the missions and the things that we do will not change much. How we do them, the tools we use to accomplish them, and the quality of our people will be the thing that will change.

Senator MORAN. Admiral, thank you for your answer. You also reminded me of another Kansas connection to the Coast Guard, which is that we export a lot, and those sea lanes are very valuable and important to our economy. I just would conclude by thanking you for your service.

Admiral PAPP. Thank you, sir, and I did go out for the 25th anniversary to Topeka and spoke out there when they had the ceremony.

Senator MORAN. I knew you were there, and I appreciate that very much.

Admiral PAPP. Yes, sir.

Senator LANDRIEU. Senator, thank you for mentioning that. You will have to come to New Orleans or to the Mississippi coast and see all that grain coming out of Kansas at the mouth of the Mississippi River and what the Coast Guard does to get those barges in and out of that river, particularly at a high time like this. The river is very high, not flooding in our part, but it is very, very high, and it is amazing work that our pilots do to navigate the barges that come down river.

Senator MORAN. If we can get some rain, we will be glad to ship our wheat.

## POLAR ICEBREAKERS

Senator LANDRIEU. Well, I don't know if this subcommittee can do anything about that, but we would be happy to accommodate you for a visit any time.

I have three additional questions on polar icebreakers. Our Senators from Alaska are not here, and they normally are. They both have been very, very supportive of the polar icebreaker, and Senator Murkowski, I believe, is, as we speak, at an Arctic conference and I think is representing the members of the Senate. She has been particularly, along with Senator Begich, a very excellent leader.

It is very concerning to me, and we don't have much ice in Louisiana, but we don't need to have ice to realize how important the Arctic is for our Nation. I just do not understand why this administration's budget seemingly is preparing in just the most modest way for the building of a new icebreaker. The polar icebreaker *Healy* was actually built in Louisiana. Again, we are happy and proud of the work, to have had that work. But other nations, I understand, have several icebreakers—Norway, China, Russia.

Do you know how many icebreakers other nations have already operating in this area of the world? Our plan calls for a minimum of three. How do you explain this budget, and what are your views about how we're going to have the ships that we need based on the budget that we have before us?

Admiral PAPP. Well, Madam Chairman, as the service chief, I am always looking for—I would love to get whatever I can, and I would love to get more tools for my people. But actually this is one that—compared to 3 years ago, when I became Commandant, we were in dire straits. Before this subcommittee and others, I laid out a plan on how I was going to attempt to get us back to be able to take care of our minimal requirements in the Arctic. I thought they were stretch goals at the time, so perhaps I should have set my goals a little bit higher.

But the first thing was to keep *Healy* running, our medium icebreaker. The second was to get the operating funds for the icebreakers back in the Coast Guard's budget so we could operate them. And then third was to get *Polar Star* reactivated and have the funding and the operating funds to get *Polar Star* back in service.

All three of those have been accomplished. *Healy* is running fine. We have the operating funds back in our budget. And *Polar Star* is now reactivated and has been out for operational trials. We are going to send *Polar Star* up to the Arctic to start rebuilding the proficiency of our people in icebreaking in preparation for sending it down to Antarctica to break up McMurdo in February 2014.

So all three things that I set out have been accomplished. I set one stretch goal, and that was to begin the construction of a new icebreaker. I didn't think I would get that, but the President has put money in the budget to start that process, and we are working now on the preliminary requirements document going across the interagency and pressing ahead.

There was a question in other hearings I have been in about the minimal amount of money that is in the 2014 budget. That is sim-

ply because we got the money to begin this so late in the 2013 budget that we made some reasonable decisions, based upon the availability of acquisition funding, to only ask for what we needed for 2014 to keep the project going.

Senator LANDRIEU. But how much does an icebreaker cost, approximately?

Admiral PAPP. My estimate is somewhere between \$800 million and \$1 billion.

Senator LANDRIEU. How much is in the whole capital budget for this year?

Admiral PAPP. In the entire capital budget?

Senator LANDRIEU. In this budget, in the President's budget for this year. Is it \$900 million, \$950 million?

Admiral PAPP. No—

Senator LANDRIEU. It's \$951 million.

Admiral PAPP. Oh, if you look out across, yes.

#### BORDER SECURITY

Senator LANDRIEU. Yes. We are laying the groundwork, which is good. I want to tell the members of our subcommittee to think about the possibility of building an icebreaker. But in order to accommodate that, we would have to use the entire capital budget to build the icebreaker, somewhere between \$800 million and \$900 million. That would eliminate all other capital projects in this budget, and the budget is not even including some of the projects, Senator Cochran, just discussed with you. The offshore patrol cutter is not in this budget. The required number of fast response cutters are not in this budget. Aviation assets are not in this budget, and there are some housing deficiencies that I'm going to come to in a minute.

But for the record, Admiral, I would like you to just submit in writing a complete list of the options that are at your disposal to obtain a polar icebreaker, including building one from scratch here domestically, using a parent craft design perhaps one built by a foreign partner, or leasing. Those are the three that come to mind. If there is a fourth option that you are aware of, please include it and provide for this subcommittee within a couple of weeks the pros and cons of each, because our subcommittee is going to be focused on actually how to get this done, and I am really unsure at this point.

[The information follows:]

Answer. The most recent analysis, which included options such as building a new icebreaker, leasing of currently available platforms, and build-to-lease alternatives, was thoroughly examined in the Polar Icebreaker Replacement Business Case Analysis (BCA) which was delivered to Congress on 02 November 2011. However, there are currently no U.S.-built icebreakers available for lease that are capable of operating in the Arctic.

The BCA determined that the most cost-effective path forward was to maintain current icebreaking capability, which now includes the recently reactivated *Polar Star*, and to build a new icebreaker. The Coast Guard has initiated pre-acquisition activities for the construction of a new icebreaker using the funding appropriated in fiscal year 2013.

Senator LANDRIEU. Let me ask you something about border security, because this concerns me and I would really like the subcommittee member's thoughts on this. You know, we are spending



an awful lot of time up here talking about securing our land borders between Mexico, California, Arizona, Texas, et cetera, and we plan to pass a comprehensive immigration bill that spends billions of dollars improving the fencing that our subcommittee has supported, the smart fencing using technology, unmanned vehicles, drones, et cetera, to secure our border, new technology pressing out.

I want to hear from you today about how you think this focus on securing our land borders is going to have on potentially pushing some illegal activity into the maritime space, which would be very concerning to those of us that have a coast, like Senator Cochran and myself, Florida, and Texas. Do you have an estimate of what could potentially happen? Are there any studies guiding you in how you are thinking about deploying your maritime assets over the next few years based on what Congress seems about ready to do?

Admiral PAPP. Yes, ma'am. A couple of things to look at here. What we are concerned about mostly in terms of border issues are illegal migrants and drugs. There are smaller things, whether it is weapons, cash, other things. Most of them are related, though, to human trafficking and drugs. Those are the two major issues.

Right now I think the Coast Guard and our partners are doing pretty good in the maritime in terms of migrants. We watch this very carefully. We are particularly concerned in the Florida Straits, the Caribbean side going toward Florida, about Cubans, Haitians, Dominicans, and in routes through the Bahamas. We provide a good deterrent value out there. We provide a deterrent value because we have major cutters out there that interdict people and do direct repatriations. That has a great deterrent value that has shown our numbers continuously going down now because of our presence out there.

I am concerned, though, that through sequestration or the limited budgets that we are facing, that it is narrowing down the number of ships that we can keep out there on station as that deterrent value. If people start thinking they can make their way through, migration increases. We are not seeing a lot of migration on the Pacific side, the border between California and Mexico. What we are seeing is an increase in drugs, particularly marijuana being transported through that vector, because the border has tightened down.

So it is clear and there is plenty of evidence that will tell us that, as you clamp down on the land border, it is like a balloon. You squeeze it, and it will go out around the edges. We are seeing increased incursions on the Gulf of Mexico side, between Mexico and Texas, and we are seeing an increase in the trafficking of drugs. As we have addressed that close to the border between Mexico and California, we are finding that they are going further out to sea and going further north in California, and we will continue to address that as well.

It is not just a Coast Guard issue. It is a Department of Homeland Security issue, and Customs and Border Protection has been working with us. We have a task force in San Diego, and we are making a good dent in that, I believe. But, once again, as you increase the pressure on the border, it will go out to the maritime

route, which is more challenging because there is a lot more area out there. My concern is, once again, we have had to cut back on operating hours because of sequestration. There are fewer boats, fewer aircraft out there.

The other place where you want to forward deploy is to the eastern Pacific and the deep Caribbean off of Columbia to try and cut down the transit zones, the incursions of cocaine, which goes up into Central America and then is broken down into Mexico, which destabilizes Mexico, feeds the cartels, and then makes its way across the border.

The entire law enforcement organization of the lower 48 States only comes up with about 40 tons of cocaine each year, interdicted at the border or in our cities. We have been interdicting over 100 tons in the transit zone before it even gets into Central America and into Mexico to be broken down into smaller loads to get into our country. Right now, we have the lowest number of ships in the transit zone, in the east pack and the deep Caribbean, that I have ever seen in my career, and most of that is due to a reduction in operating funds that we are experiencing right now.

#### HOUSING

Senator LANDRIEU. Well, this is very concerning. I have one more question, and then I will turn it over to my colleagues.

The issue of housing has been something that you and your wife, Linda, have really focused on for your people, and I appreciate that. You obviously have comfortable accommodations. I have been there, and thank you for your hospitality. But in many places, not just Kodiak, Alaska, where I got a chance to visit, but in other places, the Coast Guard bases are very remotely situated. I think it is important for us, when we ask people to serve, to be able to give them not luxury but something very comfortable and safe in some of these areas.

There is a limited need for new sites in remote locations. You just had a study confirming that affordable housing is in short supply. The good news is there were 43 sites that were in poor condition and there might be places where the Coast Guard can be accommodated in local housing. But what are we doing about these remote sites, and is there any money in this budget to do that?

Admiral PAPP. There is no money in this budget. There is maintenance money, so let's look at two things. There is a need in certain areas for new construction, like you saw in Kodiak, and I have to thank the subcommittee for the \$10 million that was put in the 2013 budget. It is going to a good cause. We are devoting that to the housing shortfall in Kodiak, and as more funds become available, we will complete that project. But for this year we have maintenance funds that are in there, and we will continue our projects where we are upgrading the homes that we already own.

My primary focus has been on our overseas housing. We have made that mandatory for my people. But before we made it mandatory, we made sure that we were upgrading them to a condition that I would be proud to have them stay in. So places like Bayamon in San Juan, Puerto Rico, or Air Station Brank in Kodiak, these are places where we don't have much choice. There is not much in the community, and we are requiring our people to live in

them, so we have spent maintenance money to upgrade them and get them in shape. Kodiak, of course, needs new construction, which we can only do with our acquisition money.

We have a prioritized list of other locations, and as money becomes available for new construction in those areas, we will do it. Meanwhile, we have identified those that are beyond repair and those that are in areas where there is ample housing in the community that they can spend their housing money on, and we are going to devote our scarce resources to the highest priority areas.

Senator LANDRIEU. Thank you. If you would submit those details to this subcommittee, we would appreciate it.

[The information follows:]

Answer. The Coast Guard addresses and prioritizes the projects on the shore acquisitions, construction, and improvement (AC&I) backlog each year while balancing the shore AC&I requirements with other competing fiscal priorities.

Additionally, the Coast Guard performs an annual review of military housing projects and updates housing priorities as part of the 5-year Capital Investment Plan. The Coast Guard's intent is to address military housing priorities utilizing the Housing Special Funds Authority derived from the sale of Coast Guard real property assets.

The following list of projects shows the Coast Guard's highest priority of new construction and repairs of family housing throughout the United States.

PRIORITIZED FAMILY AND UNACCOMPANIED PERSONNEL HOUSING BACKLOG

(Dollars in thousands)

Location	Project description	Estimated project cost
Air Station Kodiak, AK .....	Construct Family Housing .....	9,039
Station Jonesport, ME .....	Recapitalize Family Housing .....	4,000
Station South Padre Island, TX .....	Construct Family Housing .....	6,000
Sector Columbia River, OR .....	Construct Unaccompanied Personnel Housing .....	11,000
Upper Keys, FL .....	Construct Upper Keys Family Housing Phase II .....	3,500
Sector Columbia River, OR .....	Greater Astoria Family Housing Phase II .....	6,000
Air Station Cape Cod, MA .....	Renovate Unaccompanied Personnel Housing Phase II .....	8,000
Aviation Training Center Mobile, AL .....	Recapitalize Unaccompanied Personnel Housing .....	7,000
Training Center Petaluma, CA .....	Recapitalize Housing .....	41,000
Sector Columbia River, OR .....	Construct Housing in Greater Astoria, Phase III .....	10,000
	Prioritized Housing Backlog Total .....	105,539

Senator LANDRIEU. Senator Cochran, any further questions?

Senator COCHRAN. I have no further questions, Madam Chairman.

Senator LANDRIEU. Senator Moran.

CONSEQUENCES OF SEQUESTRATION

Senator MORAN. Admiral, this is a question that could be asked of any agency head. You mentioned in your testimony about fewer boats and fewer hours due to sequestration. I didn't vote for sequestration, so this is not in defense of sequestration, but how does the number of hours and your number of boats compare to 1 year ago, 2 years ago? Every agency head tells us about the dire consequences of sequestration. At least the allegation is made that sequestration returns us to the levels of spending prior to the stimulus spending. I don't know whether you received any stimulus money or not at the Coast Guard, but I am trying to just get an

understanding of what the consequence of sequestration is as compared to what it was just several years ago.

So you say fewer boats, fewer hours. Is that less than it would have been 2 years ago?

Admiral PAPP. Absolutely. Yes, Sir. We are very fortunate that military pay counts are off limits in sequestration. So the military workforce of the Coast Guard is there and ready to go. A lot of our benefits, things like tuition assistance and bonuses and other things that we might like to give out are being curtailed, but at least they have their base pay, and we are keeping them employed.

Our civilians, we have 8,000 civilians, but part and parcel they are integrated with our military workforce. For instance, they sit side-by-side in command centers. We rely upon them for acquisition expertise and other staffs throughout the Coast Guard.

So whereas some people took savings because their pay accounts were subject to sequester, I could not do that. They are part of the team, and we need them on board. We need the capacity of our workforce so that when we face things like Hurricane Sandy or an oil spill or some other major disaster, we have the whole team ready to go. So my first goal was to maintain our capacity to be able to respond.

Then we set priorities on missions. Search and rescue, we are never going to cut back there. And certainly the security of our ports, we're not going to cut back there. So then that sort of limits you down to a small area of things that you have to accrue 25 percent of our savings, and what we looked at was reducing our other operations by 25 percent.

Senator MORAN. And that is the number of boats and hours, when you say other operations?

Admiral PAPP. Number of boats, aircraft, and hours. That is sort of an insidious effect because you don't see it immediately. You don't see the cocaine that is not being interdicted in the transit zone until it shows up on the streets and starts becoming less expensive because the supply is greater in the States now. That will take time for it to work its way through the system.

Fisheries, we are spending less time on fisheries, more incursions by foreign fishing fleets. And once again, it is insidious. They know that we maintain our fish stocks, and people are out there trying to get to our fish stocks. That is going to have a long-term effect.

Other things like aids to navigation, all these things in the short term aren't going to be so apparent, but in the long term, as this continues, we start suffering more failures or there are more maritime accidents. So you're not going to see the immediate effect. All I can do is tell you about what I think the long-term effects will be.

Senator MORAN. And let me see if I can summarize, and this may not be exactly what you want to say. The sequestration has a consequence today, but it's not dramatic, but it's over time, over a longer period of time in which the cumulative effect of sequestration occurs that has the significance and the change in your method of operation?

Admiral PAPP. Sir, that is absolutely right. But once again, I am only speaking for the United States Coast Guard and how we are dealing with sequestration. So our highest priority things, if some-

one sinks out there, they are going to see no change in terms of our performance because we will be out there. We maintain that capability and capacity. But it is the other things that are perhaps further offshore that the general American public doesn't see on a daily basis that is going to have the effect.

Senator MORAN. It's one of the reasons I asked the question, is because every agency seems to have a different consequence in regard to this issue.

Chair, thank you very much.

Senator LANDRIEU. Thank you, Senator.

We will just submit for the record the testimony of the Coast Guard estimating a 50-percent cut to ship hours and 33-percent cut in air assets due to the sequestration, and the cumulative effect over years.

[The information was provided within the appendix section of Admiral Papp's prepared statement on pages 81–84.]

Senator LANDRIEU. Thank you, Admiral Papp, for your testimony. This is going to be a very challenging year. I am committed to doing what I can to make sure that you and the Coast Guard have the resources you need to carry out the missions we have asked you to do.

#### ADDITIONAL COMMITTEE QUESTIONS

We will keep the record open for 1 week. Questions should be submitted to the subcommittee by close of business Tuesday, May 21, and I'm going to submit two additional questions, one about the portal for technology and using new technology that is on the shelf today and being designed as we speak to accomplish some of the missions at a lower cost to the taxpayer. We are using basically manpower, woman power, ships and detection technologies. There might be unmanned opportunities. There could be other technologies that could be brought to bear, and I would like to understand a little bit more about the portal small businesses and high-tech companies have to the Coast Guard. And then, of course, we will get the questions answered about the polar icebreaker.

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

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

##### CAPITAL INVESTMENT PLAN

*Question.* The 2014 Capital Investment Plan (CIP) indicates that the U.S. Coast Guard (USCG) is working with the Department of Homeland Security (DHS) to conduct a portfolio review that will aid in achieving the Coast Guard's mission needs in a balanced funding manner.

Please describe what the portfolio review in more detail, including the full schedule for the review, and the expected outcomes?

*Answer.* DHS will conduct a comprehensive portfolio review in 2013 that will help develop revised acquisition program baselines (APBs) to reflect acquisition priorities and operational requirements achievable within the funding projections contained in the 2014 CIP report. The review will incorporate performance analyses using a variety of approaches (e.g., campaign-level modeling tool, such as that used for the recent cost-constrained DHS cutter study) to address the full spectrum of USCG assets (surface, air and shore). The performance analysis will identify an acquisition portfolio that optimizes mission performance within the resource constraints identified.

## POLAR ICEBREAKERS

*Question.* The fiscal year 2014 budget request includes \$2 million “to continue survey and design activities for a new polar icebreaker.” According to information provided by your staff, construction of the new icebreaker will not be completed until 2024 and won’t be fully ready for operations until 2026 or 2027.

Please describe why it will take nearly 13 years to have a fully operational vessel and how you plan to fill the operational gap after the *Polar Star* reaches the end of its service life.

Is it a matter of available funding, or are there other challenges the Coast Guard faces in building a new icebreaker, including the industrial supplier base and requirements from other agencies that wish to utilize the vessel, such as the National Science Foundation?

Provide the committee with a complete list of options at the Coast Guard’s disposal to obtain a polar icebreaker, including: (1) building an icebreaker from scratch; (2) using a parent-craft design, perhaps one built by a foreign partner; or (3) leasing. For each option, please provide the pros and cons if it were to be pursued as well as cost and delivery schedule.

*Answer.* The polar icebreaker replacement is still in the pre-acquisition phases, and as such a detailed acquisition strategy has not yet been developed. However, funding provided in fiscal year 2013 coupled with the \$2 million requested in fiscal year 2014 is sufficient to enable the Coast Guard to complete the required pre-acquisition activities, and the Department anticipates delivering an operational ship within a decade after this work is complete coinciding with the end of *Polar Star*’s anticipated service life.

## OFFSHORE PATROL CUTTER

*Question.* The Coast Guard plans to build 25 offshore patrol cutters (OPC) to replace its medium endurance fleet of cutters that are technologically obsolete and poorly suited for performing deepwater missions. It is estimated that the total acquisition cost of 25 cutters will exceed \$10 billion. The Coast Guard plans to award design contracts for the OPC this year, downselect to one shipyard in fiscal year 2016, and have the lead ship commissioned in 2020. Multi-year procurement (MYP) authority provides the potential for significant cost savings in the acquisition of major vessels by using a single contract to buy multiple ships over a number of years. Savings are achieved because the shipyard has more certainty in funding, which allows for efficiencies in planning, a steady workforce, and lower overhead costs.

What are the pros and cons of multi-year procurement authority with regard to the OPC procurement?

*Answer.* In order to qualify for multi-year procurement authority in accordance with 10 U.S.C. 2306(b) a program must meet several criteria, including the following:

- Substantial Savings.*—The program must estimate that using an MYP contract would result in “substantial savings” compared with using annual contracting.
- Realistic Cost Estimates.*—The program’s estimates of the cost of the MYP contract and the anticipated savings must be realistic.
- Stable Need for the Items.*—The program must expect that its minimum need for the items will remain substantially unchanged during the contract in terms of production rate, procurement rate, and total quantities.
- Stable Design for the Items.*—The design for the items to be acquired must be stable, and the technical risks associated with the items must not be excessive.
- Sufficient Prior Deliveries To Determine Whether Estimated Unit Costs Are Realistic.*—A sufficient number of the type of item to be acquired under the proposed MYP contract must have been delivered under previous contracts at or within the most current estimates of the program acquisition unit cost or procurement unit cost to determine whether current estimates of such unit costs are realistic.
- No Nunn-McCurdy Critical Cost Growth Breaches Within the Last 5 Years.*—The system being proposed for an MYP contract must not have experienced within 5 years of the anticipated award date of the MYP contract a critical cost growth breach as defined under the Nunn-McCurdy Act (10 U.S.C. 2433).
- Fixed-Price Type Contract.*—The proposed MYP contract must be a fixed-price type contract.

If annual funding were not available the Coast Guard would be required to renegotiate, suspend, or terminate the contract. Terminating the contract could require the government to pay a cancellation penalty to the contractor. Renegotiating or suspending the contract could also have a financial impact. Therefore, a principal potential disadvantage of using MYP is that it can reduce the flexibility for making

changes (especially reductions) in procurement programs in future years without incurring cancellation penalties.

#### TECHNOLOGY TRANSFER

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

Who makes the decision about which technologies the Coast Guard tests, researches, and ultimately procures? Is there a “one-stop shop” in the Science and Technology Directorate or elsewhere in the Coast Guard or Department that these individuals can reach out to directly?

I’d also like to understand how the Coast Guard seeks out innovative technologies from the private sector with potential mission value. Do program staff only await formal responses to contract solicitations, or do they also get out of Washington, attend trade shows, and conduct proactive outreach to businesses that may have already developed technology solutions?

Can you also comment on current efforts within the Coast Guard to evaluate long-duration unmanned and autonomous surface vehicles to support research and surveillance capabilities for port security, oil spill response, interdiction, and other Coast Guard missions? What other technologies are being pursued or considered that help the Coast Guard maximize its maritime domain awareness and presence without a significant increase in manpower or an expansion of its traditional fleet of cutters and aircraft?

*Answer.* The public, vendors, OGA, and DHS are encouraged to reach out to the Office of RDT&E Program at Coast Guard headquarters or the Research and Development Center (RDC) in New London, Connecticut. An Internet link to organizational description can be found at <http://www.uscg.mil/acquisition/rdc/rdc.asp>. Unsolicited proposals from the private sector are required to follow the Federal Acquisition Regulations (FAR) (FAR subpart 15.6). The Coast Guard specific process for implementation of FAR subpart 15.6 is found at <http://www.uscg.mil/acquisition/business/unsolicited.asp>.

The Coast Guard maintains information on vendor contacts made, as part of market research, in the event future requirement/capability gaps are identified that could potentially be filled with private sector technology solutions.

There are many ways of engaging the private sector in funded and collaborative research to assist the Coast Guard in improving mission effectiveness and efficiencies. Funded Coast Guard research projects with the private sector are identified and developed using Broad Agency Announcements and Federal Register Requests for Information (RFI). Collaborative Coast Guard research with the private sector includes the use of Cooperative Research and Development Agreements (CRADAs)—a tool that Federal labs can use under the Technology Transfer Act. The DHS Technology Transfer Program, which is housed in the Science & Technology Directorate (S&T), has supported the Coast Guard on several CRADAs.

In 2009, the Coast Guard conducted a preliminary assessment of the potential of unmanned and autonomous surface vehicles to improve the effectiveness and efficiency of Coast Guard boat operations. This assessment indicated that while this technology may have potential, there are several challenges to viable implementation into Coast Guard capability. These included (a) potential changes to the United States and International Rules of the Road regarding the navigation of unmanned vessels; (b) the reliability and cost of the technology to meet current and anticipated Rules of the Road requirements; and (c) Coast Guard boats are multi-mission platforms, performing more than just a single operational task such as surveillance, which make a business case for such unmanned and autonomous vehicles difficult at this time.

Recently the Coast Guard initiated the planning process, with the Office of Naval Research (ONR) and other U.S. Navy organizations, for a joint R&D project that will investigate the potential of submerged glider technology.

#### NATIONAL SECURITY CUTTER

*Question.* Has the national security cutter (NSC) gone through official operational testing, and if not, will operational testing be completed in time to inform the purchase of NSCs Nos. 7 and 8?

*Answer.* The Coast Guard has engaged the Navy’s Commander, Operational Test and Evaluation Force (COTF) since 2007 to conduct a variety of initial testing. The

Initial Operational Test and Evaluation (IOT&E) event for the NSC is planned for fiscal year 2014. Prior and ongoing testing such as Combat System Ship Qualification Trials (CSSQT), aviation certification and information assurance certification, as well as operational successes with the first three cutters, have continually demonstrated the capabilities and performance of the NSC.

#### UNMANNED AIRCRAFT VEHICLES

*Question.* The Capital Investment Plan (CIP) states that unmanned aircraft vehicles are still planned to operate from the NSC.

Please explain your plan for this program given the lack of consistent funding in the CIP.

*Answer.* Coast Guard Research and Development (R&D) Center successfully conducted phase 1 of the ScanEagle (a small ship-based UAS) demonstration on CGC *Stratton* in August 2012. This event focused on the engineering, installation, certification and basic operation of an sUAS aboard the NSC. The Coast Guard R&D Center is currently conducting operationally oriented ScanEagle demonstrations aboard CGC *Bertholf* with a follow-up demonstration planned for winter 2014.

#### MARITIME PATROL AIRCRAFT

*Question.* The Capital Investment Plan (CIP) appears to include no funding for additional maritime patrol aircraft (MPAs).

What is the effect of this funding decision on the existing contract?

What is the Coast Guard's plan to replace this capability? Provide an update on the potential transfer of C-27s from the Air Force and what happens if the Coast Guard does not receive them?

*Answer.* Fiscal year 2014 is the final option year on the current HC-144A MPA production contract. The option for up to two aircraft will not be awarded.

U.S. Coast Guard and U.S. Air Force staffs have been discussing the possibility of transferring excess C-27J aircraft from the Air Force to the Coast Guard. A formal letter of intent was sent from the Coast Guard to the Air Force in March of 2013 explaining that the Coast Guard stands ready to immediately accept all excess C-27J aircraft, spares and support equipment. The Coast Guard will accept a minimum of 14 C-27J aircraft.

#### MEDIUM ENDURANCE CUTTERS

*Question.* Given current timeframes for the when the offshore patrol cutter (OPC) is expected to become operational, please clarify the Coast Guard's plans for medium endurance cutter (MEC) sustainment until the OPCs are fully operational. To what extent will current mission effectiveness projects (MEPs) on the MECs be sufficient to carry out mission requirements until the OPCs are operational?

*Answer.* The purpose of the MEP conducted on the 210-foot and 270-foot MECs was to provide cost-effective upgrades and enhancements to selected equipment. The systems and structures targeted during MEP will contribute to mission execution and cutter reliability. Although not scoped to increase design service life, the MEP may provide 5-7 years of additional useful life.

Those systems and structures that were not addressed during MEP will likely require attention in the coming years. The Coast Guard will utilize the fiscal year 2013 MEC sustainment funding appropriated in fiscal year 2013, to conduct MEC condition assessments in preparation for potential future sustainment work.

#### QUESTIONS SUBMITTED BY SENATOR PATTY MURRAY

*Question.* Admiral Rapp, I would like to address concerns relating to a specific project in my State, the Columbia River Crossing (CRC) project. As you are well aware, the U.S. Coast Guard (USCG) permitting process for this project requires complex interagency coordination to complete the multi-year, multi-agency timeline as identified by the President's Dashboard Initiative. I want to make sure that the project is not delayed as a result of this process, which may jeopardize the project's eligibility for State and Federal funding opportunities.

Please identify how the USCG plans to complete the bridge permitting process by the September 30, 2013, deadline?

*Answer.* The Coast Guard is making every effort to meet the Federal Infrastructure Dashboard permit decision target date of September 30, 2013. The time taken to achieve an application submission with all the necessary components to be considered complete was significant, decreasing the Coast Guard's time to evaluate the application, as well as adjudicate comments received during the public comment pe-



riod which ends on June 20, 2013. The number and complexity of comments received during the public comment period may require the Coast Guard to implement an adjustment to the timeline.

*Question.* The USCG requested the permit applicant to identify avoidance, minimization and mitigation measures for impacts but does not specify what standards USCG will use to evaluate those impacts and determine whether adequate mitigation has occurred to meet the reasonable needs of navigation.

Please specifically list and describe each standard USCG will use to measure the overall impact to navigation and how mitigation measures are taken into account in USCG's decision.

Please also describe how the overall economic benefit of the project for the region and Nation will be taken into account in USCG's final determination.

*Answer.* Per 33 CFR section 114.10, "The decision as to whether a bridge permit or a drawbridge regulation will be issued or promulgated must rest primarily upon the effect of the proposed action on navigation to assure that the action provides for the reasonable needs of navigation after a full consideration of the proposed action on the human environment."

The Coast Guard Bridge Program Manual (COMDTINST M16590.5) and the Bridge Permit Application Guide (COMDTPUB P16591.3C) provide an overview of the requirements to determine the reasonable needs of navigation. Courts rely on Coast Guard experts to make such a determination based on objective, fact-based criteria. Courts will defer to agency practice so long as the agency brings the expertise to bear in making a decision, *Citizens to Pres. Overton Park, Inc. v. Volpe*, 401 U.S. 402, 417 (1971). For those waterway users that will be restricted from transiting through the bridge, incur a loss, and/or incur additional costs (direct or indirect) as a result of the proposed action the Coast Guard considers them burdened waterway users. In order for these waterway users to not be considered burdened, the Coast Guard needs confirmation from the burdened parties that their impacts have been mitigated. The Coast Guard will then look to the remaining list of burdened users to determine whether their needs are reasonable and should be accommodated.

The Coast Guard reviews the overall economic impacts and the impacts to waterway users when evaluating the entirety of a permit application. However, the Coast Guard's primary consideration is to ensure that bridges over navigable waters meet the reasonable needs of navigation.

*Question.* Admiral Rapp, the Columbia River Crossing Project has identified fewer than 10 users that could be impacted by the current bridge design. The identified height of 116 feet would affect less than 0.1 percent of bridge users and less than 0.1 percent of cargo.

Does the USCG take into account the entirety of river users, or only those river users that are negatively impacted by the proposed project, when it determines the impact to navigation?

*Answer.* When reviewing a permit application the Coast Guard takes into account all waterway users.

#### USCG RESPONSE BOAT-MEDIUM

*Question.* Admiral Rapp, the Coast Guard is 10 boats short of completing its acquisition of the response boat-medium (RB-M). Throughout its procurement history, the RB-M has been delivered on-time, on-budget, and meets or exceeds all of its performance goals. Furthermore, the RB-M offers a number of operational and cost advantages over the Coast Guard's fleet of 41-foot utility boats (UTBs), which the RB-M is in the process of replacing. I am concerned because the USCG's budget request for fiscal year 2014 did not request funds for the fulfillment of RB-M procurement.

Given its record of exceptional performance and cost-effectiveness, why has the Coast Guard declined to complete its RB-M procurement?

*Answer.* The Coast Guard has completed a mission need analysis and only requires 170 RBMs to support Coast Guard operations.

*Question.* As you know Admiral, the RB-M was procured to replace the USCG's existing fleet of 41-foot utility boats, many of which are approaching or have passed four decades of service. If the USCG prematurely ends this procurement program, I fear the USCG's capability will be diminished. The development and fielding of the RB-M has been characterized by the use of technologies such the Coast Guard's Asset Logistics Management Information System and an Integrated Electronic Technical Publication System to facilitate maintenance planning and contractor logistics support.

How successful have these kinds of support systems been towards enhancing the planned maintenance and uptime of deployed RB–Ms?

How does their performance with the RB–M compare to similar applications with other USCG vessels and platforms?

Answer. Our existing logistics information technology (IT) systems, Asset Logistics Management Information System (ALMIS) and Interactive Electronic Technical Publication (IETP), have been successful maintenance planning tools. They provide the capability to properly schedule and execute planned maintenance while tracking overdue maintenance requirements. They currently provide visibility of inventory parts required for the execution of scheduled and unscheduled maintenance. ALMIS' most robust feature is its ability to track asset performance and maintenance completion data in near real-time. This enables the performance of reliability-centered maintenance analyses which allow the Coast Guard to make data driven decisions regarding maintenance and operations.

Not all of the Coast Guard surface assets are supported by ALMIS or an equivalent IT tool. The new Coast Guard Logistics Information Management System (CG-LIMS) will provide a technology refreshment of legacy logistics IT systems, including ALMIS and IETP. It is configured to match the Coast Guard's integrated business model and replace a number of obsolete and disparate maintenance, supply, configuration management, and technical information IT systems for aircraft and boats.

---

QUESTIONS SUBMITTED BY SENATOR FRANK R. LAUTENBERG

*Question.* The Coast Guard needs 58 fast response cutters (FRCs) to replace their aging fleet of patrol boats. Congress may fund six boats each year—the maximum number allowed to be commissioned under the current contract—yet the Coast Guard only requested two boats in the fiscal year 2014 budget. If four additional FRCs were funded, two would be slated for homeport at Cape May, New Jersey.

The Coast Guard is currently operating more than 25 percent short of its needed patrol boat mission hours. How would a total of six additional boats help close this gap?

What is the financial impact, in the long-term, of commissioning two vessels at once instead of the full six allowed under the current contract?

Answer. Fast response cutters are programmed to deliver 2,500 resource hours each fiscal year. Six FRCs (four more than requested) would provide 15,000 resource hours. The 2014 request funds the Coast Guard's highest priority needs.

*Question.* The Coast Guard Reserve serves a vital role in assisting the active Coast Guard on a variety of demanding missions, including drug interdiction, search and rescue, and disaster response. After Superstorm Sandy, more than 180 reservists, or approximately 20 percent of the response force, provided recovery assistance in regions across the Northeast that were affected by the storm. The fiscal year 2014 budget request reduces reservists by more than 1,000 men and women.

How will this cut impact the ability to provide surge capacity in the case of a contingency or natural disaster, like Superstorm Sandy?

Answer. The Coast Guard Reserve is a national, strategic resource that mobilizes reservists nationwide to support contingencies and natural disasters such as Superstorm Sandy. Our Reserve workforce will remain a vital addition to the Coast Guard's multimission Active Duty forces that can be surged in response to future contingencies.

*Question.* The Coast Guard is establishing electronic card reader requirements for maritime facilities and vessels to be used in combination with the Transportation Security Administration's Transportation Worker Identification Credential (TWIC) program. A risk-level assessment of various facilities and vessels will be used to establish standards and determine allocation of TWIC resources. Most container terminals would likely fall into the lower risk category (risk group B), and therefore be subject to a lesser standard. This risk determination is based on the known hazardous nature of the cargo presented for shipment.

Does this approach adequately account for risks to our Nation's ports that may be concealed in containerized cargo? If not, what steps should be taken to ensure that the TWIC program and related risk assessments eliminate risks to our ports from both known and concealed containerized cargo shipments?

Answer. The TWIC program, including the use of biometric readers, addresses access control into secure areas of Maritime Transportation Security Act (MTSA) regulated facilities and vessels. In the TWIC Reader Requirements Notice of Proposed Rulemaking, the Coast Guard evaluated both the overall risk at various vessels and facilities and where the access control benefits of TWIC readers will have the great-

est impact on that risk. The Coast Guard will continue to monitor the costs and security benefits of TWIC readers, as well as the external security environment.

The Coast Guard recognizes the importance of container facilities to the Nation's economy, and the need to maintain security at these, and other facilities, in order to protect workers, mariners, and others who could be impacted by a transportation security incident. TWIC is just one of many mechanisms in the multi-layered security regime in America's ports that include, but are not limited to: international port security; advance notice of arrivals to facilitate screening of vessels, crew and cargo; site-specific security assessments; Coast Guard-approved vessel and facility security plans; security exercises; inspections and spot-checks; and regular patrols. The Coast Guard will continue to enforce existing security requirements and conduct other security activities at these facilities.

*Question.* The Cape May Coast Guard Training Center has significant safety and equity improvement needs. Pier 4 is extremely deteriorated and presents a major safety hazard. In addition, the barracks at the Cape May training facility currently lack sprinkler systems and the facilities for male and female recruits are not of equal quality.

The Coast Guard has received \$11 million to address and recapitalize portions of the condemned Pier 4, and that project is currently in the design phase. Will the proposed project adequately address the safety hazards at the pier, and when will it be completed?

In 2012, the Coast Guard provided a basic plan to make necessary improvements to the barracks; however, the plans lacked specific details. When will the Coast Guard address the safety conditions and inadequate facilities at the barracks?

*Answer.* The Cape May Pier project will adequately address the concerns with Pier 4. While the project is currently in the design phase, there have been no delays, and the contract is anticipated to be awarded in September 2013 with 18 to 24 months for contract completion.

In December 2012, the Coast Guard awarded a contract to address the most critical maintenance to the barracks at Training Center Cape May, specifically to upgrade the fire detection and suppression system at the Healy and James Hall recruit barracks and the Bruckenthal unaccompanied personnel housing (UPH) barracks. The contractor has a required completion date of January 1, 2014. Munro Hall, the remaining recruit barracks building, will have fire detection and suppression system upgrades as part of a planned acquisitions, construction, and improvement (AC&I) project.

---

#### QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

*Question.* Admiral, it's my understanding that you have expressed interest in obtaining excess Department of Defense aircraft as part of a recapitalization strategy. How would this help the U.S. Coast Guard's long-term acquisition plan and have you identified the resources that would be required to operate and maintain such aircraft?

*Answer.* Obtaining excess USAF C-27J aircraft provides cost avoidance over the Coast Guard's maritime patrol aircraft (MPA) program of record.

*Question.* Admiral, these seem like challenging times for the Coast Guard for a number of reasons. With the Department of Defense's strategic emphasis on the Western Pacific, it's my understanding that U.S. Navy ships are being diverted to that region, which means fewer assets that the Coast Guard can leverage to conduct its migrant and drug interdiction missions. Your recapitalization budget request is reduced by 35 percent and you have plans to decommission several aging high endurance cutters because of the significant costs to maintain and repair them. Can you describe the concerns you may have in being able to complete the myriad of missions that the Coast Guard is responsible for?

*Answer.* Coast Guard operational commanders allocate resources to address the highest threats and operational priorities. The Coast Guard will continue to do so in this resource-constrained environment. The fiscal year 2014 budget submission will provide the Coast Guard with funding for the seventh national security cutter and two more fast response cutters. These new assets, coupled with robust inter-agency and international coordination will enable the United States and partner nations to best mitigate threats throughout the maritime domain.

---

#### QUESTIONS SUBMITTED BY SENATOR LISA MURKOWSKI

*Question.* As the Arctic continues to open, sufficient Coast Guard presence in the region is vital to ensuring the safety and security of the region. In fact, we recently

saw how important the Coast Guard is when the mobile offshore drilling unit *Kulluk* ran aground off Sidkalidak Island at the beginning of this year. I am concerned by your recent announcement that between budget constraints and Shell Oil's recent announcement that it will not be drilling in the Arctic in 2013, you won't have an Arctic presence this summer. There are a number of reasons we still need a Coast Guard presence exist—last year Rear Admiral Thomas Ostebo said that some 1,000 vessel transits are taking place in the Bering Strait each summer. What is the Coast Guard plan to respond to these needs without an Arctic presence?

Answer. The Coast Guard will have an Arctic presence this summer. Arctic Shield 2013 will focus on understanding traffic on Alaska's west coast and the Bering Strait. It includes the Coast Guard's two ice-breaking vessels, the CGC *Polar Star* and the CGC *Healy*, as well as a national security cutter. CGC *Healy* will conduct science missions and will partner with the Coast Guard Research and Development Center to evaluate equipment, and CGC *Polar Star* will test the readiness of the icebreaker and crew. A national security cutter will be deployed as a command and control platform that will conduct various missions. Another essential element will be the forward operating location, based at the Alaska National Guard hangar in Kotzebue, to support deploying our helicopter and personnel. Additionally, a U.S. Coast Guard buoy tender and the Canadian Coast Guard will test a State of Alaska emergency towing system and a vessel of opportunity (oil) skimming system to reinforce crew equipment familiarization and to build upon the U.S. Coast Guard's international partnership with Canada. A Spill of National Significance (SONS) seminar and a mass rescue workshop are also planned.

Question. I'm happy to see that you requested funding for the seventh national security cutter (NSC) as part of the Coast Guard's fleet recapitalization program, but I'm concerned that the requested \$909 million for acquisitions is a dramatic reduction of \$600 million below the fiscal year 2013 enacted level. Is this the funding level you plan for the Coast Guard in the future?

Answer. The Coast Guard's out-year plans are outlined in the Capital Investment Plan to Congress.

Question. Currently there is one high endurance cutter, the *Munro*, homeported in Alaska. Cutters from California or Hawaii conduct all other Alaska Patrol deployments. The *Munro* is over 40 years old and there is no planned replacement. Can the Coast Guard afford to waste precious underway days, 20–30 days per patrol, transiting to and from the operating area, or does it make more sense to homeport more cutters, including a national security cutter, in Alaska?

Answer. The Coast Guard conducts homeport analysis when considering all ports to account for factors including infrastructure costs, access to logistics support, quality of life for families, and distance to areas of operations.

Question. Have any studies been conducted to compare the prudent cost of facility renovations to homeport and support a national security cutter (NSC) in Alaska versus the annual cost of wasted transit time for deployments and casualty repair? Will you commit to such a review?

Answer. The Coast Guard conducts homeport analyses when considering all ports to account for factors including infrastructure costs, access to logistics support, quality of life for families, and distance to areas of operations. No Government Accountability Office (GAO) study or business case analysis has been conducted to compare the prudent cost of facility renovations to homeport and support the NSC in Alaska versus the annual cost of transit time for deployments and casualty repair.

Question. Last year we discussed the aggressive pursuit of polar shipping routes and control of resources by our Arctic neighbors, and the fact that we were so woefully behind on required assets and infrastructure. Last year's \$8 million for the study and design phase for a new polar ice breaker was a good start, but as we move forward towards the requests for proposals (RFP), is the \$2 million requested enough for continued progression in fiscal year 2014?

Answer. Funding provided in fiscal year 2013 coupled with the \$2 million requested in fiscal year 2014 is sufficient to enable the Coast Guard to complete the required pre-acquisition activities, and the Department anticipates delivering an operational ship within a decade after this work is complete.

Question. With the *Polar Star* reactivated, I believe you have requested \$58 million for polar operations. Will that allow you to meet mission requirements in both the Antarctic and Arctic regions?

Answer. The requested amount of \$54 million for polar operations (\$30 million for *Polar Star* and \$24 million for *Healy*) will enable the Coast Guard to meet current mission requirements in both the Antarctic and Arctic regions.

Question. How long do you anticipate it will take to budget for the full \$850 million required to build a new polar icebreaker that the Nation so desperately needs?

Answer. The polar icebreaker replacement is still in the pre-acquisition phases, and as such a detailed acquisition strategy has not yet been developed. However, funding provided in fiscal year 2013 coupled with the \$2 million requested in fiscal year 2014 is sufficient to enable the Coast Guard to complete the required pre-acquisition activities, and the Department anticipates delivering an operational ship within a decade after this work is complete.

Question. Is one new polar icebreaker enough?

Answer. The Coast Guard will be able to meet Federal icebreaker requirements in the high latitude regions with CGC *Healy* and CGC *Polar Star*.

Question. What are the Department's long-term plans to address our critical Arctic needs?

Answer. The Coast Guard's current suite of cutters, boats, aircraft, and shore infrastructure is sufficient to meet mission demands in the Arctic. Lessons learned and the experience gained during Arctic Shield will be applied to refine and improved Coast Guard Arctic operations and presence for the near future and inform the development of the Coast Guard's plan to provide strategic long-term presence in the region.

Question. With Rescue 21, Coast Guard units performing search-and-rescue missions have been more efficient and effective. Rescue 21 means less fuel consumption, less crew fatigue, and less wear and tear on assets. In addition, more lives are saved. Alaska has more than 33,000 miles of coastline, over 700 search-and-rescue cases a year, over 300 lives saved or assisted yearly by the Coast Guard, but I've heard reports that Alaska is getting a watered down system using remaining acquisition funds. What is your plan for fully implementing this vital lifesaving tool in Alaska?

Answer. Due to the Coast Guard's unique operational requirements in the 17th Coast Guard district, the Coast Guard plans to recapitalize the existing National Distress and Response System per Alaska's geographic requirements, which differ substantially over the Continental U.S. coastline.

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

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

Additionally, though the Continental United States (CONUS) Rescue 21 system is deployed to Coast Guard CONUS Sector Command Centers (SCCs), in Alaska the recapitalization will extend to 11 command centers in six locations as indicated in the following table.

Anchorage	Juneau	Valdez	Kodiak	Sitka	Ketchikan	Command centers	Total
1	1					Sector	2
	1	1			1	Station	3
			1	1		Air Station	2
		1				SERVS Building	1
		1				Marine Safety Unit	1
		1				Vessel Traffic Center	1
			1			Communications Station	1
1	2	4	2	1	1	Totals	11

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

Answer. The Coast Guard's Continental United States Rescue 21 direction finding (DF) capability is applicable from the shoreline to 20 nautical miles offshore. In Alaska, the vast majority of search-and-rescue cases occur well beyond this 20 nautical mile offshore requirement that is necessary for the Continental United States Rescue 21 coastline coverage.

Instead, priority is on adding DSC (digital selective calling) capability for Alaska. The project is adding DSC functionality and completing network infrastructure upgrades. This will allow all 17th Coast Guard district command centers to automati-

cally receive GPS (Global Positioning System) based data and voice from vessels in distress with properly configured DSC radios. The increased position accuracy of DSC enables a more efficient response tailored to the nature of the distress in Alaska while reducing on scene arrival times and crew fatigue.

CONCLUSION OF HEARINGS

Senator LANDRIEU. Thank you very much. This has been a very informative hearing. Meeting recessed.

Admiral PAPP. Thank you, Madam Chairman.

[Whereupon, at 4:10 p.m., Tuesday, May 14, the hearings were concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]

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

---

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

NONDEPARTMENTAL WITNESS

[The following testimony was received by the Subcommittee on Homeland Security for inclusion in the record. The submitted material relates to the fiscal year 2014 budget request for programs within the subcommittee's jurisdiction.]

PREPARED STATEMENT OF THE NATIONAL TREASURY EMPLOYEES UNION

Chairman Landrieu, Ranking Member Coats, distinguished members of the subcommittee; thank you for the opportunity to provide this testimony. As president of the National Treasury Employees Union (NTEU), I have the honor of leading a union that represents over 24,000 Customs and Border Protection (CBP) officers and trade enforcement specialists who are stationed at 331 land, sea and air ports of entry (POEs) across the United States.

NTEU applauds the administration's fiscal year 2014 budget that recognizes that there is no greater roadblock to legitimate trade and travel efficiency than the lack of sufficient staff at the ports. Understaffed ports lead to long delays in our commercial lanes as cargo waits to enter U.S. commerce. NTEU strongly supports the fiscal year 2014 budget request for a total of 3,477 new CBP officer hires at the air, sea and land ports of entry—1,600 paid for by an increase of \$210.1 million in fiscal year 2014 funding and 1,877 paid for by an increase in customs and immigration user fees that have not been increased since 2001.

For years, NTEU has maintained that delays at the ports result in real losses to the U.S. economy. According to the U.S. Department of the Treasury, more than 50 million Americans work for companies that engage in international trade and, according to a recent University of Southern California study, "The Impact on the Economy of Changes in Wait Times at the Ports of Entry", dated April 4, 2013, for every 1,000 CBP officers added, the United States can increase its gross domestic product by \$2 billion. If Congress is serious about job creation, then Congress should support enhancing U.S. trade and travel by mitigating wait times at the ports and enhancing trade enforcement by increasing CBP security and commercial operations staffing at the air, sea, and land ports of entry and increase the CBP appropriation to the level requested in the administration's fiscal year 2014 budget submission.

NTEU was heartened to see that there was no decrease in CBP officer overtime funding as there has been in previous budget submissions. Overtime is essential when CBP officer staffing levels are insufficient to ensure that inspectional duties can be fulfilled, that officers have sufficient back-up and that wait times are mitigated. In CBP's own words, "Overtime allows OFO to schedule its personnel to cover key shifts with a smaller total personnel number." This is one reason that Congress authorized a dedicated funding source to pay for overtime—customs user fees, pursuant to title 19, section 58c(f) of the U.S. Code.

NTEU strongly supports the increase of the immigration and customs user fees by \$2 each to fund the hiring of an additional of 1,877 CBP officers. CBP collects user fees to recover certain costs incurred for processing, among other things, air and sea passengers, and various private and commercial land, sea, air, and rail carriers and shipments. The source of these user fees are commercial vessels, commercial vehicles, rail cars, private aircraft, private vessels, air passengers, sea pas-

sengers, cruise vessel passengers, dutiable mail, customs brokers and barge/bulk carriers. These fees are deposited into the customs user fee account. Customs user fees are designated by statute to pay for services provided to the user, such as inspectional overtime for passenger and commercial vehicle inspection during overtime shift hours. User fees have not been increased in years and some of these user fees cover only a portion of recoverable fee-related costs. In 2010, CBP collected a total of \$13.7 million in commercial vehicle user fees, but the actual cost of commercial vehicle inspections in fiscal year 2010 was over \$113.7 million—a \$100 million shortfall.

Increasing the immigration inspection user fee by \$2 to allow CBP to better align air passenger inspection fee revenue with the costs of providing immigration inspection services, is also supported by the Government Accountability Office (GAO). According to GAO (GAO-12-464T, page 11), fee collections available to ICE and CBP to pay for costs incurred in providing immigration inspection services totaled about \$600 million in fiscal year 2010, however, “air passenger immigration fees collections did not fully cover CBP’s costs in FY 2009 and FY 2010.”

NTEU is opposed to the \$16 million cut in the fiscal year 2014 budget for the Foreign Language Award Program (FLAP), established by the 1993 Customs Officer Pay Reform Act (COPRA), which allows employees who speak and use foreign language skills on the job to receive a cash award if they use the language for at least 10 percent of their duties and have passed the competence test. FLAP is fully funded by customs user fees. Also, under COPRA, Congress made FLAP funding a priority because not only do language barriers delay processing of trade and travel at the ports, for these law enforcement officers, communication breakdowns can be dangerous. Since its implementation in 1997, this incentive program, incorporating more than two dozen languages, has been instrumental in identifying and utilizing CBP employees who are proficient in a foreign language. Qualified employees are also eligible for awards for use of languages of special interest, such as Urdu, Farsi and Arabic that have been identified as critical foreign languages in support of CBP’s anti-terrorism mission.

NTEU also supports GAO recommendations aimed at more fully aligning Agriculture Quality Inspection (AQI) fee revenue with program costs (see GAO-13-268). According to GAO, in fiscal year 2011, CBP incurred 81 percent of total AQI program costs, but received only 60 percent of fee revenues; whereas the Animal, Plant Health Inspection Service (APHIS) incurred 19 percent of program costs but retained 36 percent of the revenues. In other words, APHIS covers all its AQI costs with AQI fee revenues, while CBP does not. AQI user fees fund only 62 percent of agriculture inspection costs with a gap of \$325 million between costs and revenue. To bridge the resulting gap, CBP uses its annual appropriation. NTEU also supports CBP’s efforts to establish an agriculture specialists resource allocation model to ensure adequate CBP agriculture specialist staffing at the POEs.

Finally, NTEU supports CBP’s study of land border fee options and an active review of all other existing fee rates to ensure that they are set at a level that recovers the full cost of performing “fee-related” inspection services.

CBP has a dual mission of safeguarding our Nation’s borders and ports as well as regulating and facilitating international trade. Since CBP was established in March 2003, however, there has been no increase in CBP trade enforcement and compliance personnel. NTEU is concerned that the fiscal year 2014 budget, rather than increasing full-time equivalents (FTEs) for CBP trade operations personnel, proposes to cut 21 trade operations positions including 14 rulings and regulations staffers who are responsible for promulgating regulations and rulings, and providing policy and technical support to CBP, DHS, Treasury, Congress, and the importing community concerning the application of Customs laws and regulations.

NTEU urges the Committee not to cut CBP trade operations staff, but to increase funding to hire additional trade enforcement and compliance personnel, including import specialists, at the POEs to enhance trade revenue collection.

NTEU commends the Department for increasing the journeyman pay for CBP officers and agriculture specialists. Many deserving CBP trade and security positions, however, were left out of this pay increase, which has significantly damaged morale.

NTEU strongly supports extending this same career ladder increase to additional CBP positions, including CBP trade operations specialists and CBP seized property specialists. The journeyman pay level for the CBP technicians who perform important commercial trade and administration duties should also be increased from GS-7 to GS-9.

CBP continues to be a top-heavy management organization. In terms of real numbers, since CBP was created, the number of new managers has increased at a much higher rate than the number of new frontline CBP hires. According to CBP’s own numbers, a snapshot of CBP workforce demographics in September 2012 shows that



the supervisor to frontline employee ratio was 1-to-6 for the CBP workforce, 1-to-6.2 for CBP officers and 1-to-6.9 for CBP agriculture specialists.

The tremendous increase in CBP managers and supervisors has come at the expense of national security preparedness and frontline positions. Also, these highly paid management positions are straining the CBP budget. With the increase of potentially 3,477 new CBP officer new hires, NTEU urges that CBP return to a more balanced supervisor to frontline employee ratio.

NTEU strongly urges Congress to end the sequester. Under sequestration, CBP's salaries and expenses (S&E) discretionary and mandatory accounts must be reduced by \$512 million including a \$75 million cut in CBP user fee accounts. On March 26, the President signed a continuing resolution (CR) to fund the Government through the end of the fiscal year. The CR does not cancel the sequester. Congress did provide some additional funding for the CBP S&E account in the CR, but also required CBP to maintain the current CBP officer staffing level. Maintaining current staffing floors means CBP cannot use all of the increased funding in the CR to reduce furloughs for current employees since it must continue to fill vacant positions.

Prior to enactment of the CR, the CBP sequester plan required all CBP employees to be furloughed up to 14 days during the remainder of fiscal year 2013 or 1 day per pay period beginning early to mid-April through September 30. With the additional funding included in the CR, however, there may be a reduction in the number of furlough days that all CBP employees must take before the end of the fiscal year. In light of the new funding bill, CBP is re-evaluating previously planned furloughs, and has postponed implementation of furloughs pending that re-examination.

#### RECOMMENDATIONS

Funding for additional CBP staff must be increased to ensure security and mitigate prolonged wait times for both trade and travel at our Nation's ports of entry. Therefore, NTEU urges the Committee to end the sequester and include in its fiscal year 2014 DHS appropriations bill:

- funding to increase CBP officer staffing at the ports of entry to the level in the administration's fiscal year 2014 budget submission;
- funding to increase agriculture inspection and trade enforcement staffing to adequately address increased agriculture and commercial trade volumes; and
- funding to extend enhanced pay and retirement recognition to additional CBP personnel, including import and other commercial operations specialists, CBP-seized property specialists and CBP technicians.

The more than 24,000 CBP employees represented by NTEU are proud of their part in keeping our country free from terrorism, our neighborhoods safe from drugs and our economy safe from illegal trade, while ensuring that legal trade and travelers move expeditiously through our air, sea and land ports. These men and women are deserving of more resources to perform their jobs better and more efficiently.

Thank you for the opportunity to submit this testimony to the Committee on their behalf.

COLLEEN M. KELLEY,  
*National President.*



## LIST OF WITNESSES, COMMUNICATIONS, AND PREPARED STATEMENTS

	Page
Coats, Senator Daniel, U.S. Senator From Indiana, Statement of .....	7
Cochran, Senator Thad, U.S. Senator From Mississippi:	
Prepared Statement of .....	10
Questions Submitted by.....	65, 103
Statement of .....	76
Landrieu, Senator Mary L., U.S. Senator From Louisiana:	
Opening Statements of .....	1, 73
Prepared Statements of .....	4, 75
Questions Submitted by.....	47, 97
Lautenberg, Senator Frank R., U.S. Senator From New Jersey, Questions Submitted by .....	59, 102
Mikulski, Senator Barbara A., U.S. Senator From Maryland:	
Prepared Statement of .....	9
Statement of .....	8
Murkowski, Senator Lisa, U.S. Senator From Alaska, Questions Submitted by .....	68, 103
Murray, Senator Patty, U.S. Senator From Washington, Questions Submitted by .....	100
Napolitano, Hon. Janet, Secretary, Department of Homeland Security .....	1
Prepared Statement of .....	13
Summary Statement of .....	10
National Treasury Employees Union, Prepared Statement of the .....	107
Papp, Jr., Admiral Robert J., Commandant, U.S. Coast Guard, Department of Homeland Security .....	73
Prepared Statement of .....	79
Summary Statement of .....	77



# SUBJECT INDEX

## DEPARTMENT OF HOMELAND SECURITY

	Page
Additional Committee Questions .....	47, 97
Arctic Policy .....	37
Aviation Security: Prohibited Items List .....	42
Border:	
Fee Study .....	34
Security .....	34
Budget:	
Priorities .....	19
Statement .....	9
Chemical Facility Anti-Terrorism Standards .....	30
Coast Guard(s):	
Fast Response Cutters (FRCs) .....	47
Vessels .....	31
Capital Investment Plan (CIP) .....	46
Cybersecurity Education .....	40
Detention Beds Vs. Alternative Methods of Detention .....	53
Federal Emergency Management Agency (FEMA)—Disaster Relief Fund (DRF) .....	49
Funding Innovative Technologies .....	50
H-2B Visas .....	58
Icebreakers:	
Funding .....	36
Number Needed .....	37
Immigration .....	40
Improvised Explosive Devices (IEDs) .....	30
Maximizing Efficiency and Effectiveness .....	15
Military Housing .....	36
National:	
Bio and Agro-Defense Facility (NBAF):	
Funding .....	38
Kansas Contribution .....	44
Validation .....	44
Protection and Programs Directorate (NPPD) .....	67
Security Cutters (NSCs) .....	37
Reimbursable Agreements .....	45
Sequestration Impact on Small Businesses .....	56
Staffing Initiative at the Ports and Fee Increase Proposals .....	48
State, Local, Tribal, and Territorial Government Preparedness Grants and Training .....	52
Trade Enforcement .....	55
Transportation:	
Security Administration (TSA) Training .....	43
Worker Identification Credential (TWIC) .....	35
Trusted Travelers .....	54
Violent Extremism .....	29
Worksite Enforcement .....	56
U.S. COAST GUARD	
Acquisition Projects .....	88
Additional Committee Questions .....	97
Border Security .....	92

	Page
Capital Investment Plan (CIP).....	85, 97
Coast Guard (USCG) Response Boat-Medium (RB-M) .....	101
Consequences of Sequestration .....	95
Fast Response Cutters (FRCs) .....	86
Fiscal Year 2014 Budget Request .....	80
Appendix I .....	81
Future of the Coast Guard .....	89
Housing .....	94
Maritime Patrol Aircraft (MPA) .....	100
Medium Endurance Cutters (MECs) .....	100
National Security Cutter (NSC).....	87, 99
Offshore Patrol Cutter(s) (OPCs).....	88, 98
Polar Icebreakers.....	91, 98
Sexual Assaults .....	84
Technology Transfer .....	99
Unmanned Aircraft Vehicles (UAVs) .....	100