

Hon. Judd Gregg
Hon. Kent Conrad
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The Honorable Judd Gregg
Chairman
Committee on the Budget
United States Senate
Washington, D.C.

The Honorable Kent Conrad
Ranking Minority Member
Committee on the Budget
United States Senate
Washington, D.C.

Dear Chairman Gregg and Ranking Member Conrad:

Thank you for affording me the opportunity to provide my views and estimates regarding the President's Fiscal Year 2007 (FY2007) Budget as it affects matters within the purview of the Homeland Security and Governmental Affairs Committee (HSGAC). I hope the comments and recommendations that I will outline in this letter will assist you in preparing a budget plan for the federal government.

Homeland Security

For the past three years, I have criticized the Administration's proposed homeland security budget for failing to provide the resources needed to adequately protect this country. This year is no different. The Administration's FY2007 Budget reflects an inadequate investment of resources that will prevent us from doing what is necessary to prevent, protect against, respond to, and recover from acts of terrorism and natural disasters. The budget is shortsighted and short-funded given the dangers – both natural and terrorist – that the Department of Homeland Security (DHS or Department) was created to confront.

A new hurricane season is now precisely three months away. And as we've seen in London, Madrid, Bali and other places – despite the best efforts to prevent it – a terrorist attack could happen almost anywhere at anytime. DHS must be more ready than it is now to detect, prevent, and respond.

The Administration's government-wide spending request for homeland security is \$58 billion. The President's total request for DHS is \$42.7 billion, including fee collections and \$30.9 billion in net appropriated funding. The Administration is proclaiming a \$2.2 billion - or 6% percent - increase over last year in total spending, but this increase is largely contingent on the President's proposal to raise aviation passenger fees, an idea that Congress rejected last year. When comparing the President's net appropriations spending request from FY2006 to FY2007, there is a meager 1% increase for FY2007, less than the rate of inflation. Moreover, some key homeland security programs in areas that history has shown are most crucial when responding to disasters would actually be cut significantly while others would be completely eliminated.

In reviewing the President's budget proposal, I have identified significant shortfalls in an array of homeland security needs. I am calling for \$8.1 billion in additional funding above the Administration's proposal to support some of our most urgent homeland security needs. This increase, for example, would restore dangerous cuts in preparedness funding for first responders and public health officials, and would make significant new investments in these programs as well. It would further strengthen our rail and transit security, port security, chemical plant security, Coast Guard readiness, bioterrorism preparedness, aviation security, and border security.

These are not gold-plated expenditures. On the contrary, they represent only a small down payment on the investments we need to address the clear and persistent threat of terrorist attacks on U.S. soil and to ensure our readiness for inevitable catastrophic natural disasters. In the aftermath of the response to Hurricane Katrina, which exposed deep flaws in the federal preparedness and response system, we must act with a sense of urgency and purpose to make the homeland security investments we need to keep our citizens as safe as they can possibly be.

The Committee is now finishing its investigation into the preparation for and response to Hurricane Katrina and will soon issue significant recommendations as part of its final report. Among the recommendations may well be changes to the Department's operations that will likely impact the Department's budget.

Preparedness/First Responders

Following the Department's Second Stage Review, the Secretary announced the creation of a new Preparedness Directorate and emphasized that enhancing preparedness, particularly for catastrophic events, was one of the Department's chief objectives. Unfortunately, the Administration's budget proposal, which slashes preparedness funding

by 16%, does not support this goal. Substantial reductions in preparedness funding are particularly startling in the wake of Hurricane Katrina, which demonstrated once again the importance of preparedness in mitigating the damage and human suffering from a catastrophe, whether natural or man-made and the devastating effect that lack of preparedness can have. Secretary Chertoff has testified that planning was one of the key failures of Katrina, and that, in terms of preparedness “we were not where we needed to be.”

I advocate adding \$2.8 billion in FY2007 above the Administration’s request to ensure our nation is prepared to respond to both terrorism and natural disasters, and help make sure our nation’s first responders receive the training and equipment they need to prevent, protect against or respond to disasters of all types.

First Responders: The Administration’s request represents an unwise assault on programs that support the men and women who are on the front lines in the fight against terrorism and natural disasters. It would continue the devastating trend of cutting programs that state and local governments and first responders depend upon just months after Hurricane Katrina demonstrated that our country remains dangerously unprepared for terrorism or catastrophic natural disasters.

The President’s Budget would cut DHS first responder grants by 23% from FY2006. If passed, this would mean that these programs have been reduced by over 50% from FY2004. The President would eliminate entirely the Law Enforcement Terrorism Prevention Program (LETPP), which provides much-needed grants focused on preventing terrorism.

In addition to the overall funding reductions, the President’s request would slash the minimum guaranteed funding for states to approximately \$1.58 million – down from \$7.13 million in FY2006, a reduction of nearly 78%. This is a result both of a decrease in the overall funding level for first responder grants and the proposed reduction in the guaranteed minimum from .75% of state grants to .25%.

The President has also proposed sizeable cuts in the important Fire Assistance Grant Program – which provides direct assistance to fire fighters across the country - reducing the program by \$247 million, or 46% from last year’s approved budget; a 61% reduction over the past three years. The President includes no funding at all for the Staffing for Adequate Fire and Emergency Response (SAFER) program, which provides much needed staffing support to fire departments that remain seriously understaffed. Full funding for the SAFER program is needed to hire 10,000 additional fire fighters. Through the SAFER Act, Congress authorized \$7.6 billion in grants over 7 years to career, volunteer and combination fire departments to help communities attain the 24 hour staffing needed to protect citizens from fire and fire-related hazards. The Administration has proposed eliminating the \$109 million Congress appropriated for this program in FY2006.

For the second year in a row, the Administration has proposed to eliminate funding for the Metropolitan Medical Response System (MMRS) which received \$30 million in FY2006. This program, which provides roughly a quarter of a million dollars a year to each of 125 metropolitan areas, is the only federal program that provides direct funding to local governments to help them develop a coordinated medical response to a mass casualty incident such as a catastrophic terrorist attack. The lack of a coordinated response to the medical needs of victims of Hurricane Katrina clearly shows us how important it is to have traditional first responders, hospitals, public health officials, emergency management officials and other health care providers in our major metropolitan areas all planning and coordinating with each other before tragedy strikes. Elimination of MMRS will erode support for the medical planning and response that is essential in the event of a terrorist attack or other large scale catastrophe and will prompt laying off of key planning staff in states at a time when preparedness planning should be a top priority.

The Administration's Budget also reduces key programs that support our nation's law enforcement officers. In addition to eliminating LETPP (a cut of \$400 million) and the Justice Assistance Grant (JAG) program (a cut of \$416 million.), the Budget cuts the Community Oriented Policing Services (COPS) Program by \$376 million, or 78%. The cuts in COPS funding includes elimination of funding to help first responders purchase interoperable communications equipment. The proposed reduction of \$1.1 billion in funding for these programs would bring the total cuts to law enforcement programs to more than \$2.3 billion since 9/11.

The President's Budget cuts funding for emergency managers – Emergency Management Performance Grants (EMPG), which many states depend upon for all-hazards emergency planning, would be cut by \$15 million. This program, which requires a 50% match of state and local funds, is the only source of federal funds specifically for all-hazards planning (including evacuation plans in the aftermath of Katrina); it helps to fund critical full and part-time emergency management positions in states, municipalities and tribal nations.

The Administration has also proposed cutting programs to provide much-needed technical assistance to state and local officials – for example on critical issues such as communications interoperability – by \$8.3 million, from \$19.8 million in FY2006.

In proposing these cuts, the Administration not only ignores many of the lessons of Hurricane Katrina, but the judgment of non-partisan experts. For example, in June 2003, a non-partisan, independent Task Force sponsored by the Council on Foreign Relations and chaired by former Senator Warren Rudman issued a report entitled *Emergency Responders: Drastically Underfunded, Dangerously Unprepared*. The Task Force concluded that \$100 billion over a five-year time span was needed to meet the needs of the nation's first responders. Yet, the Administration has continued the trend of moving in the opposite direction, proposing cuts that make the gap between real needs and funding even more dramatic.

I urge that \$1.6 billion be provided to restore cuts in key homeland security grant programs (the State Homeland Security Grant Program, EMPG, and the MMRS program); law enforcement grants (LETPP, COPS and JAG) and firefighter assistance (Fire Assistance and SAFER grants). This level could bring these first responder programs back to their FY2006 levels.

Beyond restoring cuts in these essential programs, I advocate an additional \$1.24 billion be spent to improve first responder preparedness. The lion's share of this money – \$1.067 billion – would go to the State Homeland Security Grant Program (SHSGP), restoring it to the funding level it had in FY2004. Funding for the SHSGP program is particularly needed to address sustainable and interoperable communications, and I advocate directing \$750 million of these additional funds for that purpose. This past year, we saw that the lack of sustainable and interoperable communications contributed significantly to the failed response during Katrina. Immediately after the storm, local responders, and many of those who streamed into New Orleans from other states, were hampered by the lack of modern, interoperable communications equipment – a long standing problem that will not be fixed without increased investment from the federal government. A 2004 survey of 192 cities by the U.S. Conference of Mayors found that 89% of respondents reported that limited funding was their chief obstacle to communication interoperability. Eighty-eight percent of cities surveyed said they do not have interoperable communications with homeland security agencies, 57% are not interoperable with their state emergency management agency, and 49% are not interoperable with the state police.

I also recommend a 25% increase, or \$46 million, over last year's appropriated level for the EMPG program. Katrina has shown the importance of increasing the investment in the foundation of our emergency management system. EMPG is the mechanism for this investment. We continue to rely on our emergency managers to take on increased responsibilities. For example, shortly after Hurricane Katrina, President Bush ordered a massive assessment and review of state and local disaster plans. This effort was undertaken by hundreds of state and local Emergency Management Agencies – virtually all of whom were supported by EMPG funding. I support the need for a comprehensive review of state and local planning capacity, but these additional mandates must be matched with increased funds.

In addition to slashing grant programs, the President's Budget would cut funds for technical assistance by \$8.3 million and the Office of Interoperability and Compatibility (OIC) in DHS would receive a small increase of \$3.5 million to provide nationwide leadership for interoperability. In her recent report, *The Federal Response to Katrina: Lessons Learned*, White House Homeland Security Advisor Francis Fragos Townsend recommended the development of an overarching National Emergency Communications Strategy as one step necessary to meet the challenge of communications in a disaster. This recommendation is consistent with legislation I introduced with Senator Collins. The Administration's Budget fails to request funding to develop this important national

strategy while sharply cutting funds that would be needed to implement it after it is developed. The SAFECOM program, within OIC, has fewer than ten staff to promote solutions to interoperability. No wonder that its director has said that, at the current rate, it will be 20 years before our country achieves a minimum level of communications interoperability. I support a \$100 million increase to strengthen federal leadership, increase outreach, and provide technical assistance to state and local officials to address communications interoperability. State and local officials need technical assistance from DHS, and they need DHS to conduct outreach and help forge the state and regional coalitions necessary to succeed.

Finally, I urge you to provide an additional \$30 million for the MMRS to support planning and preparedness efforts for potential mass casualty events,

The Federal Emergency Management Agency (FEMA)

The Committee's investigation into the preparation and response to Hurricane Katrina has shown that FEMA is woefully unprepared to deal with a national catastrophe. As I noted earlier, HSGAC will soon issue significant recommendations as part of our final report. While I believe that FEMA as it exists now should be eliminated, the functions that FEMA performs will still need to be adequately funded.

Although the President's FY2007 budget request of \$2.965 billion includes an overall funding increase of approximately 10% for FEMA, I am gravely concerned that the request falls far short of what is necessary to prepare FEMA for dealing with future domestic incidents at a time when the agency's resources are heavily strained by its response and recovery efforts resulting from the 2004 and 2005 hurricane seasons.

HSGAC's investigation, the White House's investigation, and the investigation conducted by the House of Representative's Select Committee to Investigate the Preparation for and Response to Hurricane Katrina have identified numerous ways in which FEMA failed. Some of the most serious failures and factors contributing to those failures include:

- FEMA's logistics system was completely overwhelmed and failed;
- FEMA's employees were insufficiently trained;
- FEMA's Emergency Response Teams and Disaster Medical Assistance Teams were unprepared as they were not adequately trained, staffed, or equipped;
- FEMA has long suffered from personnel shortages and from inadequacies with the cadre of reservists it uses to surge up with during disasters which negatively impacted its ability to be prepared for and respond to Katrina;
- Because of budget shortages, FEMA had not done enough planning to be prepared for this event;
- FEMA's Urban Search and Rescue teams were inadequately equipped;
- FEMA had grossly inadequate systems to deliver services

- to disaster victims; and
- FEMA had insufficient communication assets which greatly impeded its ability to respond.

Simply put, FEMA does not currently have the capability or resources for large response operations. Scott Wells, Deputy Federal Coordinating Officer in Louisiana for Katrina reported to my staff that, “FEMA is not trained, FEMA is not equipped, FEMA is not organized to do very large response operations.” Phil Parr, another FEMA Federal Coordinating Officer, stated that 95-98% of what FEMA does is recovery and that it has no response capabilities. According to Wells, “if you want big capability, you got to make a big investment. And there is no investment in response operations for a catastrophic disaster. It’s not there. The capability is not there for catastrophic disaster.”

This Budget falls far short of addressing the urgent concerns about FEMA. While it is clear that the FY2007 FEMA budget request contains increases, it appears that the Budget requests only \$29 million for increases to strengthen operational capabilities, \$15.7 million for procurement and financial and acquisition management additional staffing, and \$5 million for National Response Plan support.

These proposed increases are completely inadequate to remedy the failures or inadequacies exposed by Katrina. Indeed, in its recent report, the White House itself has identified many necessary improvements, yet the President has failed to request an adequate budget to even begin to fund these improvements and the White House has made clear that the budget request will not be amended to take into account these vital improvements.

In order to begin making the essential improvements necessary to build adequate capabilities at FEMA, I recommend that the President’s request for the Readiness, Mitigation, Response and Recovery account be increased by \$201 million and the Administration and Regional Operations account also be increased by \$255 million.

State and Local Training

National Response Plan Support: The National Response Plan (NRP), issued in January 2005, is intended to serve as a single, comprehensive framework for the management of the federal response to domestic incidents, whether the result of terrorism or natural disasters. Just last week, however, Homeland Security Advisor Francis Fragos Townsend issued a report on *The Federal Response to Hurricane Katrina: Lessons Learned*, which found that, at the time Hurricane Katrina hit, key decision-makers were not familiar with and lacked understanding of the NRP, and that this “not surprisingly resulted in ineffective coordination of the federal, state, and local response.” In November 2005, DHS’s Inspector General raised a similar issue in his review of the TOPOFF 3 Exercises, in which he found that “the exercise highlighted – at all levels of government – a fundamental lack of understanding for the principles and protocols set forth in the NRP and NIMS [National Incident Management System].”

If we are to have an effective national response to major disasters in the future, it is essential that we have a well-developed plan and that leaders at all levels who may be called upon to respond fully understand that plan. Yet, until now, there has been no staff or funds dedicated to promoting widespread implementation and understanding of the NRP. I am pleased that the Administration has included in its Budget this year a new program for National Response Plan Support within FEMA's Readiness Division that would, among other things, improve NRP training materials, conduct NRP-based exercises, and revise the NRP as appropriate based on lessons learned. I am disappointed, however, that the proposed Budget would provide this program with only 7 FTEs and \$5.3 million. I would advocate that this critical program be at least doubled in size and that the FY2007 budget for this program be increased by an additional, but still modest, \$5.3 million over the President's request.

Professional Development and a Homeland Security Academy: I believe it is important that we provide the professionals who serve at DHS with the resources and education they need to help the Department fulfill its critical mission of keeping our nation as safe as possible. One of the lessons we are learning following Hurricane Katrina is that there was a severe failure of leadership.

On December 21, 2005 I introduced a bill (S. 2158) with Chairman Collins to create the National Homeland Security Academy to help train homeland security professionals at all levels of governments and to provide them with tools they can use to enhance their effectiveness in their positions. In her recent report to the President on lessons learned following Katrina, White House Homeland Security Advisor Frances Townsend also recommended establishing a professional development and training center for homeland security professionals. A National Homeland Security Academy, modeled in part after the War College or Naval Postgraduate School would help accomplish the goal of ensuring Department professionals understand the full scope and range of responsibilities entrusted to the Department. It would cultivate leaders, teach the full range of skills necessary for robust homeland security, and provide cross-disciplinary and joint education and training to government officials at the federal, state and local levels so that they can develop the bonds and relationships that will make their work more efficient and effective. I advocate \$25 million be added to DHS' Management and Operations account for FY2007, so the Secretary may establish a National Homeland Security Academy capable of cultivating the next generation of homeland security leaders.

Transportation Security and Critical Infrastructure Protection

For FY2007, the Administration has once again proposed a consolidated Targeted Infrastructure Protection (TIP) grant program, to help secure critical infrastructure, including transportation, energy, and commercial facilities, including but not limited to chemical and port facilities. This fund would absorb preexisting grant programs for

specific infrastructure systems such as ports, rail, transit, bus, and trucking, as well as the Buffer Zone Protection Program.

The proposed \$600 million budget for the TIP grants represents an overall increase of approximately \$210 million over what Congress appropriated for these programs combined for FY2006, but the \$600 million is wholly inadequate to the task of securing the vast array of vital port, transit, energy and commercial networks. For a number of years, I have highlighted my concerns about the Administration's failure to pay adequate attention to rail and transit security. The 9/11 Commission criticized the relative inattention to transportation security beyond passenger aviation. Particularly in light of this historic lack of attention toward the security of other modes of transportation, such as transit and rail, I believe it is vitally important that there be dedicated funding for our most vulnerable transportation infrastructure systems, to ensure that each receives an adequate investment to make the most urgent security improvements. I support the President's budget request for \$600 million for the TIP grant program for all other critical infrastructure, but I believe DHS should continue to operate dedicated port, rail and transit, intercity bus and buffer zone protection grant programs. I am calling for an additional \$150 million for robust chemical security programs, \$1 billion total for the rail and transit security grant programs, \$400 million for a distinct Port Security Grant Program, \$10 million for an intercity bus security grant program, and finally, \$50 million to continue a distinct Buffer Zone Protection Program, for a total of \$1.61 billion more than the President requested (\$2.21 billion total) for critical infrastructure.

Chemical Security: Last year, Senator Collins and I held four hearings to examine the security of our nation's chemical facilities. We know that terrorists are interested in targeting these facilities. The Congressional Research Service reports that during the 1990s both international and domestic terrorists attempted to use explosives to release chemicals from manufacturing and storage facilities close to population centers. The Justice Department in 2002 described the threat posed by terrorists to chemical facilities as "both real and credible," for the foreseeable future. We also know that too many of these facilities remain vulnerable to attack, and that an attack on these facilities could be devastating.

At these hearings, we heard from DHS, the Environmental Protection Agency (EPA), industry, environmental groups, first responders, and facility employees about what should be done to secure America's chemical facilities. Homeland security expert Steve Flynn likened the nation's 15-thousand chemical facilities to "15 thousand weapons of mass destruction littered around the United States." All agreed that Congress should act, and Senator Collins and I introduced such legislation last December – the "Chemical Security Anti-Terrorism Act of 2005." Despite the voluntary partnership DHS has adopted with chemical facilities to improve their security, the Department lacks any enforcement authority; consequently, as former White House Homeland Security Advisor Richard Falkenrath told our Committee, the federal government has done almost nothing to secure chemical facilities. The Administration's proposal of \$10 million for chemical security without a single FTE is woefully inadequate, particularly when

compared with the \$101.7 million in FY2005 and the \$131.3 million in FY2006, that the U.S. Coast Guard spent on 781 FTEs to enforce its authority over chemical facilities under the Maritime Transportation Security Act. Under the status quo, DHS' "Comprehensive Reviews" of chemical facilities are a first step, albeit without enforcement authority, but are taking place only in limited markets and should be expanded. DHS also needs analysts and inspectors who can adequately review and probe the security of our nation's facilities. Accordingly, I believe that an additional \$150 million will allow the Department to invest in its review of risk assessments and security plans, inspections of chemical facilities, the establishment of area security committees, and a grants program for the Department to use when the implementation of necessary security measures at high-risk facilities would otherwise be cost-prohibitive.

Rail/Transit Security: The July 2005 attacks on the London transit system repeated the loud warnings of the previous attacks on the Madrid, Moscow, Tokyo, and Israeli rail and transit systems: rail and transit are open, vulnerable, and appealing targets to terrorists. Immediately following the London attacks, Senator Collins and I investigated the state of transit security in the United States and found it in alarming need of investment. For example, the American Public Transportation Association states that transit systems need \$6 billion for security, and that passenger rail systems require \$1.2 billion for security. At a hearing last September, the former Chief of Security for the Ben Gurion Airport testified about what he called a "pressing need" for investment in "technological Research & Development (R&D) that will result in effective early detection of explosives and chemical/biological materials without disruption of throughput," as well as a need for investment in "counter-terrorist training that includes suspicious behavior recognition techniques."

At least 14 million Americans ride mass transit each weekday, more than 16 times the number of daily trips taken by Americans on domestic airlines. Securing rail and transit systems is challenging because they are "open" systems – as opposed to aviation's "closed" systems. But we should meet this challenge presented by the open nature of rail and transit systems, rather than use it as an excuse not to dedicate funding toward it. The Administration must apply its "can do, will do" attitude toward aviation security to rail and transit security.

Therefore, over each of the last three years, I have urged the Administration to provide at least \$500 million for transit security and \$500 million for rail security. As early as 2003, one year before the Madrid attacks and two years before the London attacks, I have highlighted the imbalance in this Administration's funding of aviation security versus the funding for rail and transit security. For too long, this Administration has focused almost exclusively on aviation security. No different, the FY2007 Budget proposes \$6.55 billion for aviation security, and yet proposes that only \$13.2 million be dedicated to rail or transit security specifically. Moreover, the Administration proposes that \$13.2 million be invested in explosive-detecting canine units, which have limited use and range.

Last year, Congress provided \$150 million for rail and transit grants but we must do more in this area. I am advocating \$500 million for transit security and \$500 million for passenger rail security in FY2007.

Port Security: Ports are a vital gateway for our economy and a critical component of our transportation infrastructure network. Ninety-five percent of all our trade flows through our ports, and a terrorist event in a single U.S. port could cause billions of dollars in economic damages and have long lasting consequences for our economy. The recent debate over the proposed Dubai Ports World acquisition of Peninsular and Oriental Steam Navigation Company has drawn enormous scrutiny to the issue of port security. More than four years after 9/11, there are still major vulnerabilities in our ports. It has been more than three years since the Coast Guard estimated more than \$7 billion would be needed just to provide basic physical security at all U.S. ports and to implement the Maritime Transportation Security Act of 2002. Though Congress has appropriated approximately \$750 million over the past five years specifically for this purpose, much more clearly remains to be done. Port facilities have submitted individual security plans, which the Coast Guard has reviewed, approved and continues to enforce, but actual security can vary widely from facility to facility, as the DHS has failed to develop minimum standards. I believe the Administration must quickly move to establish robust security standards for port facilities across the United States. The American Association of Port Authorities has called for \$400 million for FY2007 to help U.S. ports continue efforts to improve physical security. I advocate that the Port Security Grant Program remain a separate, dedicated grant program, with \$400 million for FY2007 to help local port facilities bolster security and meet national minimum standards.

Additionally, I believe the Office of Grants and Training within the Preparedness Directorate, which is currently responsible for administering the Port Security Grant Program, should receive an additional \$2 million for FY2007 to hire additional program oversight personnel and implement the DHS Inspector General's recommendations for the program. In a January 2006 report, the Inspector General noted there had been some improvements made in the administration of the Port Security Grant Program, but that DHS had not yet addressed all of the concerns the Inspector General initially identified more than a year earlier. Specifically, the Inspector General recommended that the Department conduct "pre-audits" of proposed grant award decisions, establish a minimum score threshold under the new selection and evaluation process that projects must meet, modify the Grants Management System (GMS) or the National Review Panel (NRP) internal database to require NRP members to enter a reason for adjusting a field review score, and seek more consistent scoring by field reviewers. An additional \$2 million for the Office of Grants and Training would provide DHS with the flexibility to hire and train additional staff to review and revise Port Security Grant Program standards and thresholds, thoroughly review applications and conduct pre- and post-award audits to ensure the goals of the program are being met.

General Infrastructure: In addition to distinct port, rail and transit security grant programs, as well as a new, distinct chemical security program, I advocate the continuation of the Intercity Bus Grant Program (\$10 million for FY2007) and the Buffer Zone Protection Program (\$50 million for FY2007) at the same levels as FY2006. However, a significant amount of critical infrastructure remains throughout the United States, including telecommunications, energy, financial services and public utility (like water delivery) systems. I support funding the Targeted Infrastructure Protection (TIP) Grant Program at the President's requested level, \$600 million for FY2007, to help supplement state, local and private sector efforts to mitigate critical vulnerabilities in these and other systems.

Port and Container Security

In addition to advocating for a separate Port Security Grant Program and additional funds for the U.S. Coast Guard, I believe several other port and container security programs must be strengthened. The Budget provides no new resources for Customs and Border Protection (CBP) to monitor the compliance of companies and ports participating in the agency's various container-security programs. Customs employs just 80 inspectors to monitor the compliance of the more than 10,000 companies which have applied to participate in the Customs-Trade Partnership Against Terrorism (C-TPAT). Moreover, while the Administration's Budget for FY2007 includes \$178 million for the acquisition and deployment of radiation detection portal monitors, it includes only \$35 million for cargo container imaging equipment, a vital component for CBP's security programs

Customs-Trade Partnership Against Terrorism: The President's proposed Budget for FY2007 keeps funding flat for the C-TPAT program, a program designed to allow expedited border processing for shippers who have voluntarily implemented certain security measures. There is no new money for this program to help alleviate the backlog of audits which need to be completed to ensure members are living up to their end of the deal. CBP has noted that approximately 10,000 companies have applied to become C-TPAT members. However, CBP has only been able to validate a small percentage of the security plans submitted by members. Even with the additional personnel CBP hired in FY2005 and FY2006 to help speed up the process, it would still take years for CBP to initially validate all of its members. Not only should CBP ensure all companies receive a timely, initial validation, the agency should periodically recheck members to ensure they continue to keep security safeguards in place. GAO has noted that CBP's slow rate for performing validations may create serious security vulnerabilities. I therefore request that CBP receive an additional \$19 million for the C-TPAT program in FY2007 (\$74 million total), to be used to hire and support additional supply chain specialists, or to develop an alternative system for licensing and bonding third party security specialists who could certify to CBP that they have performed validations for C-TPAT members.

Advanced Cargo Container Imaging Systems: The Administration's proposed Budget for FY2007 includes \$178 million for Radiation Portal Monitors which will be

deployed at ports across the United States. However, the Domestic Nuclear Detection Office budget includes slightly less than \$35 million for advanced cargo container imaging equipment, Cargo Advanced Automated Radiography Systems (CAARS). Port Security expert Steve Flynn has noted that in order to effectively inspect cargo containers using non-intrusive inspection equipment, one imaging machine is needed for every two radiation portal monitors. Portal monitors only detect unshielded WMDs or dirty bombs. Imaging systems, like VACIS (Vehicle and Cargo Inspection Systems) or CAARS, don't detect radiation, but they can take a picture of a container to find dense anomalies within the container. These technologies need to be used in conjunction with one another to truly secure our ports and prevent WMDs from entering the United States. I therefore recommended that an additional \$105 million be included for the cargo imaging program, which would be used to purchase and deploy another 150 advanced cargo container imaging systems, in conjunction with radiation portal monitors.

Coast Guard

The Coast Guard is a vital linchpin for our homeland security efforts. In the hours and days after Katrina slammed into the Gulf Coast, the U.S. Coast Guard braved difficult conditions and fatigue to rescue more than 33,000 people, or roughly eight times the number of people the Service typically rescues in one year. However, the President's budget request sends a mixed and dangerous signal to both the Coast Guard and the American public. A modest overall increase for the Coast Guard's budget hides significant cuts in funding for the service's research and development and for operations related to traditional missions. The Administration also fails, once again, to accelerate the Coast Guard fleet modernization effort. Therefore, I am advocating an additional \$1.137 billion for the Coast Guard for FY2007, which includes \$900 million to dramatically speed up the Coast Guard's fleet modernization, \$233 million to restore cuts in funding for the traditional missions of the Coast Guard, and \$4 million to restore cuts in research and development.

Maintaining Traditional Missions: The Administration's Budget proposes cutting \$233 million in funding for the Service's traditional, non-homeland security missions. In the wake of Hurricane Katrina, it is important to remember how critically important the Coast Guard is to the safety and security of this country. Though the Coast Guard was able to rescue more than 33,000 people following Katrina, the Administration proposes cutting almost \$75 million from the Coast Guard's budget for search and rescue. The President's request also proposes cutting \$63 million from marine safety, \$32 million from aids to navigation, \$5 million from ice operations, \$55 million from marine environmental protection, \$21 million from living marine resources, and \$8 million from drug interdiction. I urge you to restore these cuts in funding, and provide the Coast Guard with \$233 million additional dollars for its traditional, non-homeland security missions. I also note that the President's Budget changes the Coast Guard's drug interdiction mission from a homeland security mission to a non-homeland security mission without any explanation and despite the fact that there have been more than two

dozen Congressional hearings held in the past three years which examined the ties between drugs and terrorism.

Deepwater: The Administration continues to ignore the fact that acceleration of the Deepwater fleet modernization program is not only absolutely necessary but will provide long term cost savings for DHS. The Administration has only requested \$934 million for the Coast Guard's Deepwater Integrated System program. This will do little to help the Coast Guard meet its increased requirements and expanded mission since 9/11 because it will keep the program on a 25 year life-cycle. The Deepwater program was conceived long before 9/11, as an innovative way to modernize one of the world's oldest naval fleets. Some of the Coast Guard's aircraft are 30 years old and some of their cutters were commissioned during World War II. The President's budget request will only keep the status quo.

Two years ago, a RAND report concluded that accelerating the Deepwater program to 10 years would provide the Coast Guard with almost one million additional mission hours which could be used for homeland security and which would save the federal government approximately \$4 billion in the long term. The Coast Guard subsequently reported that it *could* complete the project on an accelerated schedule over ten years, given the resources to do so. Therefore, I support a funding increase for this program to \$1.834 billion in FY2007 (an increase of \$900 million over the President's request), which is the same amount I've recommended for the past two years. By doubling the amount called for in the President's Budget, the Coast Guard will be able to accelerate the Deepwater project to 10 years.

Research and Development: I am pleased to note that the Administration's Budget for FY2007 finally recognizes the importance of ensuring funding for the Coast Guard's Research & Development (R&D) Center remains under the Coast Guard's direct control. As I noted earlier, the Homeland Security Act established a number of protections for the Coast Guard's non-homeland security functions. Congress has concluded it is important that the Coast Guard maintain control over its R&D, particularly with respect to its traditional missions. However, in the Administration's FY2007 Budget, funding for traditional mission R&D for the Coast Guard has been slashed by \$4 million, to just \$1 million total. Given the Coast Guard R&D Center's historic and unique ability to focus on R&D related to the traditional missions of the Service, as well as the lessons learned from Hurricane Katrina, I believe the Research Center should continue to receive adequate funding for traditional mission R&D. As Admiral Robert Duncan testified before our Committee on November 9, 2005, during one of the Committee's Katrina hearings, the Coast Guard found itself in a unique position following the hurricane. Processes, procedures and equipment used in typical search and rescue cases weren't always adequate for the task in New Orleans. Servicemen and women were forced to improvise on the fly, and they performed admirably. But I believe, as Admiral Duncan noted, that there are good lessons to be learned from the experience. At a time when the Coast Guard R&D Center should be working to solve some of the problems experienced during Katrina, and developing new equipment and

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procedures to help the Service deal with the next disaster, the Administration proposes cutting the Center's research funding. I support restoring that proposed funding cut, and providing the Coast Guard with an additional \$4 million for traditional mission R&D.

Science and Technology

Domestic Nuclear Detection Office: Preventing nuclear, chemical and biological terrorist attacks is one of the most difficult and important challenges facing the nation's science and technology establishment. After the 9/11 terrorist attacks, President Bush and Congress resolved to end the fragmentation that for so long had compromised the federal government's ability to harness the nation's research and development establishment to the cause of preventing terrorist attacks by weapons of mass destruction. With the support of Administration, Congress passed Title III of the Homeland Security Act, creating a state-of-the-art Science and Technology (S&T) Directorate.

DHS has made no indication that the S&T Directorate has failed to foster aggressive R&D on chemical, biological and radiological detection systems. Nevertheless, the Administration's FY2007 budget request proposes to dismember S&T by transferring one of its most important and successful R&D programs -- radiological and nuclear countermeasures -- into a free-standing Domestic Nuclear Detection Office (DNDO) that will duplicate the existing programs within S&T. The Administration is requesting \$535,788 and 112 new positions for DNDO, a 69% increase over FY2006 funding level of \$317,392 -- an amount that, itself, was a combination of funds drawn from S&T, the CBP Radiation Portal Monitor Program and other accounts.

I applaud the Administration's decision to increase funding for research and development (R&D). Four years after the 9/11 attacks, this emphasis is welcome, if overdue. Nevertheless, I continue to believe that the DNDO proposal represents a costly and potentially dangerous mistake that will expose this important mission to the well-documented weaknesses of stove-piped R&D programs. In seeking to develop a free-standing R&D office for radiation detection equipment, DHS is ignoring the strong warnings in the 2005 Annual Report from the Homeland Security Science and Technology Advisory Committee about the critical need for DHS to focus on strengthening S&T's ability to "manage and oversee the DHS-National Laboratory relationships."

After members of the S&T Advisory Committee were briefed on the DNDO proposal last May, this bipartisan panel of scientists and security experts immediately raised questions about its impact on S&T autonomy and effectiveness. According to the official minutes, members of the Committee questioned "(1) S&T's ability to carry out its mission with the nuclear threat portfolio removed, (2) the possibility that DHS leadership will see such an organizational partitioning among other counter threat areas (such as biological, chemical, etc.) as an attractive structure and (3) the lack of any external Federal advisory input into the DNDO at its genesis."

Without addressing these concerns, DHS went forward with a proposal that would create a strong institutional rival to S&T that will compete for S&T funding, undermine S&T's Homeland Security Advanced Research Projects Agency (HSARPA), dismantle

S&T's Counter Measures Test Bed system and fragment S&T's relationship with the National Institute of Standards and Technology (NIST).

Moreover, DNDO signals a decision by the Administration to create a second, stove-piped organization to fund homeland security R&D at the National Laboratories. If allowed to proceed, this aspect of DNDO will roll back a critical post-9/11 reform.

In response to evidence of poor coordination and wasteful duplication in the federal government's pursuit of homeland security R&D at the National Laboratories, Congress and the Administration resolved to dramatically change the status quo. The Homeland Security Act of 2002 established the S&T Directorate as a new center of influence and accountability within the federal R&D bureaucracy. Title III of the Act provided S&T the funding and authority it needed to dramatically improve the energy and focus of homeland security research and development focused on combating weapons of mass destruction (WMD). In creating DNDO, the Administration is creating a parallel R&D organization that will duplicate functions of S&T agencies.

Redundant bureaucracies and free-standing procurement programs will not protect us from nuclear terrorist attacks. My fear is that DNDO will end up squandering the hundreds of millions that I and others in Congress want to invest in a coherent and well-managed R&D program that hardens our nation's defenses against weapons of mass destruction. I would therefore request that the Budget Committee reject the proposed transfer of R&D funds and resources from S&T to DNDO and instead provide the increased funding directly to the S&T Directorate.

Bioterrorism/Health Emergency Funding

Notwithstanding the grave threat posed by the outbreak of disease from natural sources, such as avian flu, or a terrorist attack, the Nation continues to be under-prepared for these threats. In December 2005, the Trust for America's Health, a non-profit health policy organization, released its third annual score card on emergency public health preparedness and found that over half the states in the U.S. were unable to meet even half of ten critical benchmarks ranging from their ability to accept and distribute emergency medical supplies from the Strategic National Stockpile to whether their hospitals had adequate emergency plans. Yet, despite these shortcomings, the Administration's FY2007 Budget provides no increase in funding for either the Centers for Disease Control and Prevention (CDC) bioterrorism preparedness grant program to state and local public health agencies or for the Health Resources and Services Administration (HRSA) hospital preparedness program within the Department of Health and Human Services (HHS) budget. And in some cases, the Administration's Budget made drastic reductions in related health emergency preparedness programs. For example, HHS funding for poison control centers, which serve both as a surveillance system to detect a chemical terrorist attack and as a reservoir of expertise for treating victims of such an attack, would be cut almost in half to \$13 million. Funding for bioterrorism training and curriculum development for health professionals would also be cut almost in half to \$12 million. In

addition, funding for CDC's biosurveillance program, which is intended to provide warning of a bioterrorism attack, was cut by 23%.

While no one can predict when an outbreak of a deadly disease will occur, we do know that an outbreak of such a disease could be catastrophic. The national planning scenarios prepared by the Homeland Security Council in July 2004 to guide our national preparedness efforts postulated 13,000 fatalities from a coordinated anthrax attack and as many as 87,000 fatalities from pandemic influenza. Other studies have suggested the numbers of deaths from such events could be much greater. The HHS pandemic flu plan released last year, for example, concluded that deaths in the U.S. could approach 2 million from a virulent strain of flu and would top 200,000 for a more moderate strain. Consequently, it is imperative that the Congress reconsider the Administration's funding levels in this area and increase the funding for these critical public health programs.

Once again, I am recommending that CDC funding for state and local bioterrorism preparedness is increased by \$500 million to make it \$1.3 billion and that the HRSA bioterrorism program be doubled to \$1 billion.

National Disaster Medical System: The Administration has also failed to request increased funding for the National Disaster Medical System emergency response teams. The FY2007 request for \$34 million is the same amount the Administration has requested since FY2004. These teams, including the Disaster Medical Assistance Teams, are the federal government's first responders when it comes to medical care, and were employed extensively during Hurricane Katrina. Yet, our staff investigators were told that not a single team had a complete equipment cache and many teams were not completely staffed or trained. Just given the experience of last year's hurricane season, it's clear that these teams need to be brought up to full strength, I therefore recommend doubling the President's FY2007 request for NDMS to \$68 million.

Chief Medical Office: The DHS Budget includes a proposed increase in the budget for the office of the Chief Medical Officer. I believe that the creation of the position of Chief Medical Officer as part of the Second Stage Review was a wise decision and I support the proposed expansion in the size and budget for this office in FY2007. Having medical expertise within the Department is essential to assist the Secretary in carrying out his role in the nation's preparation for and response to natural disasters and terrorist threats. In addition, the Department has a number of specific programs ranging from development of bioterrorism countermeasures, to cooperative grant programs, to the operation of the National Disaster Medical System that will benefit from the medical knowledge and perspective that this office will provide. Finally, it is imperative that the Department, as the overall federal emergency coordinator for the nation, has the medical expertise to oversee and guide other federal agencies that have been assigned major responsibilities for food safety, public health preparedness, and other health preparedness and response functions. Given these important tasks, and the enormous consequences of health threats to our country, be they natural, such as pandemic flu, or caused by a terrorist attack, I believe that the additional funding

proposed for this office is an important step in the effort to strengthen the capability of this office.

Border Security and Immigration

I support increased funding to improve border security and repair our broken immigration system. The Administration has proposed a \$1.5 billion increase to improve border security and repair our broken immigration system. Unfortunately, the Administration's budget request fails to outline a truly coherent strategy in this area. We need a budget proposal that reflects a comprehensive assessment of the threat of terrorist infiltrations into this country from all avenues; instead, the Administration has presented a plan that would plow substantial additional resources into patrolling the land borders (where terrorist infiltration appears to be less likely), while neglecting the clear and present danger of terrorists entering the country with visas. The Administration's effort to stop illegal immigration across the Southwestern border is important – and I support increased expenditures for Border Patrol, internal immigration enforcement, and extra detention beds. But these sizable investments will be ineffective if not paired with workable comprehensive immigration reform. Only a pragmatic approach, such as is called for in the McCain-Kennedy legislation, will protect our national security, reduce illegal immigration, and preserve the historic commitment to immigration that has always fueled our nation's growth.

Border Security: We must take dramatic steps to reduce human trafficking, drug trafficking, and illegal immigration across our land borders. I support the President's request for an additional \$281 million to hire 1,500 additional Border Patrol officers – in fact, these hiring increases are long overdue. But because of the vast distances along our land borders, hiring additional officers alone will never suffice. The Border Patrol officers need to be backed up with new equipment and new technologies. I have consistently called for increased spending on equipment and technology, but in recent years our border security initiatives have proceeded in fits and starts.

The Administration's latest proposal for an additional \$100 million for border technology establishes an unrealistic timetable and leaves too many unanswered questions. The Department of Homeland Security's recently announced "Secure Border Initiative" (SBI) represents a sudden reversal from its earlier "America's Shield Initiative." The "SBInet" program anticipates hiring a contractor to develop an integrated solution "which addresses all aspects of border security"; DHS will offer contractors no opinion as to how this formidable goal should be accomplished. Customs and Border Protection (CBP) will not issue a solicitation until late March or early April, yet it plans to award this huge contract to a single "prime integrator" by the end of FY2006, and the technologies are supposed to be deployed quickly beginning in FY2007. I question the vagueness of these plans and the wisdom of leaving vital border security decisions to a single-award contractor, operating on an indefinite-delivery indefinite-quantity contract.

Federal agencies, and DHS in particular, have a poor track record when they rush into expensive and poorly defined projects. We have been aware of substantial border security technology needs for many years. They have been repeatedly articulated by agencies and interagency task forces. The Department should consider proceeding with acquisitions of equipment and technologies it knows are needed now and which can be deployed more quickly to assist Border Patrol officers in accomplishing their vital mission. In the meantime, Department officials can proceed more deliberately in assessing future needs, making their own decisions on border security solutions, and working with contractors on deploying those solutions cost-effectively.

Terrorist Infiltration: Recently, opponents of immigration reform have suggested that illegal immigration across the Southwestern border is a primary means for terrorists to infiltrate the U.S. In fact, there is little evidence that this is the case. The 9/11 hijackers were admitted into the U.S. on visas awarded to them at U.S. consulates. Zacarias Moussaoui, Richard Reid, and other suspected terrorists boarded flights to the United States with passports issued by countries participating in the Visa Waiver Program. The Administration's Budget for DHS contains huge increases for security improvements at our Southwestern border, but does not contain proportionate increases in the Department's much smaller initiatives to assess the risks of, and ultimately prevent, terrorist infiltrations.

The first line of defense in our effort to prevent terrorist infiltration should be at our consulates, where millions of visa applications are reviewed and granted each year. Congress has entrusted DHS with a major role in ensuring that security considerations are adequately taken into account when visa applications are considered. In Section 428 of the Homeland Security Act of 2002, Congress required that DHS station officers overseas to train consular officers and review visa applications. Congress clearly expected these deployments to be widespread; the Secretary is required to justify to Congress each year every determination he makes *not* to assign officers to a particular diplomatic post. In Section 7201 of the Intelligence Reform and Terrorism Prevention Act of 2004, DHS is required to assist in the initial training and periodic retraining of consular officers in methods needed to "detect, intercept, and disrupt terrorist travel."

The Department's response to this vital mandate has been anemic. For FY2006 the Department plans only a minimal deployment of a handful of visa security officers in a few countries. The Administration's budget proposal for FY2007 is even worse. It proposes no increase in the Budget to implement the Visa Security Program and conduct training for DHS and state personnel. The ICE Office of Intelligence, which contains the Anti-Terrorism Unit and the Human Smuggling and Alien Intelligence Unit, would also see its budget shrink. The Administration should be devoting far greater resources to interagency efforts to comprehensively assess the threat of terrorist infiltration, to develop intelligence on terrorist travel, and to better train and equip all consular and DHS officers who are in a position to detect and prevent terrorist travel. I am calling for an additional \$60 million for the ICE Office of International Operations to station more visa security officers overseas and to provide thorough training to all consular officers. I also

recommend an additional \$30 million for the ICE Office of Intelligence and an additional \$20 million for the interagency Human Smuggling and Trafficking Center.

Criminal Alien Program: The Administration's Budget would substantially increase funding for Immigration and Customs Enforcement's (ICE) internal immigration enforcement, but none of that extra money would go to the agency's institutional removal program. The Criminal Alien Program targets convicted criminals who are a much greater risk to public safety than the economic migrants who would be targeted at workplaces under the Administration's proposed budget. What's more, incarcerated criminal aliens are literally a captive population, who are easier to identify for removal and at a lower cost to the Department. According to the Department's budget justification, there are 630,000 criminal aliens serving sentences at the federal, state and local level, of whom an estimated 551,000 have not been identified for removal. Of these, 275,000 are in the country illegally. The Department should make a greater effort to deport criminal aliens, with a priority placed on convicted felons who have committed acts of violence or otherwise represent a threat to public safety. I recommend an increase of \$40 million for the Criminal Alien Program.

Detention Beds and Alternatives to Detention: I support the Administration's proposed funding increase of \$208 million for 6,000 detention beds, but I note again that increased spending on border security and enforcement will have little effect if not paired with comprehensive immigration reform that can channel economic migration into legal avenues and cut off incentives for hiring illegal labor. At an average price of \$95 per bed per day, detaining aliens is just one component of a very expensive enforcement initiative, and no one disputes that this nation lacks the resources to apprehend, detain, and remove a sizable percentage of the nation's large undocumented population. Furthermore, non-criminal asylum seekers and other non-criminal aliens are often subjected to inhumane conditions when they are incarcerated at maximum security correctional facilities, often in the same cells as convicted criminals. Any increase in the numbers of detention beds should be matched by a corresponding increase in the Department's inspection program, and a commitment to improving conditions of detention.

With regard to the detention of families apprehended by the Department, I am deeply concerned by reports that DHS continues to separate family units in detention, including separating infants from their mothers. The Department must do its part to house families together in secure but non-penal environments such as the Burkes County facility in Pennsylvania. It is troubling that no such facility exists in the southern border where many of these families are being detained and where the Administration is proposing an increase in border enforcement. I urge that out of the proposed increase for detention beds, the necessary funds be allocated for the expansion of family-friendly detention facilities on the Southwestern border that are similar to the Burkes County facility.

Because of the high cost of detention beds, we need to aggressively pursue effective and less expensive alternatives to detention, a step Congress has been demanding for years. I support the Administration's request for increased funding for alternatives to detention. The Administration has found that, under the Intensive Supervised Appearance Program (ISAP), participants "were credited with a 94% appearance rate at immigration court proceedings." It is important to support the Administration's request for \$42 million in order to expand this effective program.

Legal Orientation Program: In February 2005, the United States Commission on International Religious Freedom (USCIRF) released a congressionally authorized study on the treatment of asylum seekers in expedited removal proceedings. The USCIRF study found that the Legal Orientation Program (LOP) funded by DHS and run by the Executive Office for Immigration Review (EOIR) in the Department of Justice, as well as a public-private initiative of the Arlington asylum office to facilitate asylum seekers with finding pro bono counsel, contributes substantially to the efficiency of the removal process and reduces detention costs. Congress appropriated \$2 million for LOP in FY2006, but this funding level is sufficient to provide legal orientation for only approximately 40% of the detained alien population. I therefore request that \$6.5 million be provided for LOP and \$1.5 million for the credible fear counseling program in order to fund the national expansion of these programs.

Aviation Security

Despite very significant improvements in aviation security since 9/11, important vulnerabilities remain. I request that an additional \$752 million be provided for various aviation security programs.

Improved Checkpoint Technologies: The Administration's FY2007 Budget includes just \$8.3 million to purchase, deploy and maintain emerging checkpoint technologies to make our checkpoints more effective and efficient. The Intelligence Reform and Terrorism Prevention Act of 2004 called for \$250 million for expanding deployment of checkpoint portal detection systems, yet only a tiny fraction of this amount has been provided thus far. These are critical advances for our air security, and I support a funding increase of \$92 million above the President's budget request (\$100 million total) for improved checkpoint technologies.

In-line Explosive Detection Equipment: I remain concerned that the Administration's Budget provides no new funding for the installation of in-line explosives detection equipment. It is estimated that more than \$5 billion total would be needed to install the explosives detection equipment within the checked baggage conveyor systems at approximately 60 major airports, yet only about one-fourth of that amount has been provided, and just 9 airports have received the equipment. GAO has testified that investing in the upfront costs associated with installing this equipment could provide significant savings to DHS in labor costs. The Intelligence Reform and Terrorism Prevention Act of 2004 authorized an additional \$150 million for FY2007 for

this program; however, I believe the accelerated deployment of this equipment will not only improve security, but also save money in the long term. Therefore, I request an additional \$400 million be provided for in-line explosives detection equipment.

Air Cargo Security: Following a 9/11 Commission recommendation that steps be taken to improve air cargo security, the Intelligence Reform and Terrorism Prevention Act of 2004 included several provisions to enhance and augment existing programs. The bill authorized an additional \$300 million for FY2007 for ongoing air cargo security programs. I am concerned, however, that the President's budget request only includes approximately \$50 million for air cargo security. I request that an additional \$250 million be included for existing air cargo security programs and research and development.

General Aviation: In June 2005, three young men climbed a fence around the Municipal Airport in Danbury, Connecticut, stole a Cessna, and flew the airplane to Westchester County, New York. While the incident occurred in Connecticut, it could just as easily have occurred at almost any of the more than 19,000 general aviation airports across the United States. General aviation security measures will likely always differ from the commercial aviation security measures put in place since 9/11, but we must do more to protect against this threat. The State of Connecticut recently completed a review of general aviation security at small airports across Connecticut. The report found that even four years after the 9/11 attacks, general aviation airports are not subject to mandatory security measures. The Transportation Security Administration (TSA) has issued guidelines for general aviation airports and airport administrators can use a TSA security assessment form to help them gauge which security measures are best suited for a particular airport. But the report found that many airports lack the employees and funds necessary to even do the assessment. This is clearly a critical first step, but I believe more must be done. I therefore advocate that the DHS budget for FY2007 include an additional \$10 million for grants to general aviation airports to help supplement the costs for performing these security assessments.

Civil Rights and Liberties

The Homeland Security Act of 2002 created the position of Officer for Civil Rights and Civil Liberties within the Department of Homeland Security. The President's Fiscal Year 2007 Budget proposes continuing funding of the Office at the same FY2006 level of \$13 million. The Homeland Security Civil Rights and Civil Liberties Protection Act was enacted into law as part of the Intelligence Reform and Terrorism Prevention Act of 2004. This Act significantly expands the responsibilities of this Office. In particular, while the Office was previously only charged with reviewing and assessing information concerning racial and ethnic profiling, the Act expands this mission to include religious profiling. In addition, the Office is now charged with investigating complaints, assisting the Department in the development of policies, and overseeing the Department's compliance with relevant constitutional, regulatory, and other policies. I support

continued funding of this Office and request that its budget reflect the new responsibilities mandated by Congress.

Office of Policy Staffing

The Administration's budget proposal includes a request for funding to create a dedicated office within the Office of Policy to assess the vulnerabilities and risks posed by foreign investments covered by the Committee on Foreign Investment in the United States (CFIUS) review process. HSGAC has been reviewing the CFIUS process both generally and specifically as it relates to the Dubai Ports World (DP World) transaction. Chairman Collins and I have expressed our concern to DHS that possible vulnerabilities, including those raised by agencies within the Department, may not have been adequately addressed before DHS voted to approve the DP World transaction. I support the creation of this dedicated office, and I believe it should be provided with sufficient funding and staffing levels in order to help DHS better coordinate and fulfill its role within the CFIUS process.

Inspector General

I am pleased that the Administration is requesting 5 additional FTE's and \$14 million in the FY2007 budget for the Office of the Inspector General (OIG). This additional funding is vitally important in helping the DHS OIG carry out its mission as an independent watchdog against waste, fraud, and abuse. However, I remain concerned that this funding is insufficient. A year ago, the OIG indicated to my staff that it lacked adequate investigative staff to respond to the number of allegations of waste, fraud, and abuse that the Office receives. Five additional FTE's does not appear to be a sufficient increase in resources to allow the OIG to provide audit coverage of all the Department's activities it considers appropriate. Furthermore, given the additional demand on the OIG to conduct oversight of Hurricane Katrina it appears that the other important investigations that the OIG has proposed may get shortchanged. Again this year, I request that the budget of the DHS OIG be increased to make it commensurate with the expanded scope of the Office's responsibilities.

Privacy and Civil Liberties Oversight Board

The Intelligence Reform and Terrorism Prevention Act of 2004 created a Privacy and Civil Liberties Oversight Board within the Executive Office of the President (EOP). In accordance with the 9/11 Commission's recommendations, this Act creates, for the first time, a Board that can look across the federal government and ensure that liberty concerns are appropriately considered in the policies and practices of the executive branch.

Last year, Congress appropriated \$1.5 million for the Board – twice what the Administration had proposed, but still inadequate for the Board to set up a new office, hire the requisite staff and carry out its broad statutory duties. This year, the

Administration does not propose that any funding specifically designated for the Board, but would leave itself total discretion to decide how much, if any, funding designated for the EOP should be allocated to cover the Board's expenses. Instead, I believe Congress should assign to the Board its own sufficient, dedicated budget, to ensure that the Board is able to fulfill its essential mission.

The purpose of the Board is to ensure that privacy and civil liberties concerns are appropriately considered in the implementation of all laws, regulations, and policies that are related to efforts to protect the nation against terrorism. The Board is empowered to carry out its mission in two equally important ways. First, the Board is to advise policy makers, including departments, at the front end, to ensure that when executive branch officials are proposing, making or implementing policy, they appropriately consider and protect privacy and civil liberties. Second, the Board is to conduct oversight, by investigating and reviewing government actions at the back end, reviewing the implementation of particular government policies to see whether the government is acting with appropriate respect for privacy and civil liberties and adhering to applicable rules.

The Board is composed of five members including a Chairman who may be full-time. Recently, both a new Chairman and Vice Chairman were confirmed by the Senate. In addition, the legislation creates an Executive Director position and anticipates additional staff. Yet, the President's proposed Budget does not include any dedicated funding to support the activities of the Board. In comparison, the President's proposed budgets for other offices within the Executive Office of the President includes \$4 million for the Council of Economic Advisors, \$23 million for the Office of National Drug Control Policy, \$5 million for the Office of Science and Technology Policy, and \$42 million for the Office of the United States Trade Representative (USTR). In addition, the Department of Homeland Security's Officer for Civil Rights and Civil Liberties, which is charged with addressing civil liberties issues facing one department, has a proposed budget of \$13 million. Now that all Board members are in place, I request that Congress give the Board a dedicated budget that reflects its broad responsibilities, to ensure that the Board receives the funds it needs to fulfill its important mission as mandated by Congress.

Government Employee Issues

Civilian Employee Pay

For FY2007, the budget proposal calls for a pay increase of 2.2% for both civilian and military personnel. In each of the past 5 annual budget proposals, this Administration has proposed raises for civilian employees substantially below the military pay increase, but Congress wisely rejected those proposals and enacted the same increase in pay for civilian and military personnel. The Administration now claims that it has not embraced parity between civilian and military pay raises for its own sake, but that the equality in proposed pay increases, for whatever reason, is welcome. We must

equally support our federal civilian and military personnel, who together work tirelessly to secure our homeland and way of life.

However, the amount of the 2.2% increment proposed by the Administration for FY2007 is inadequate. If enacted, this would constitute the smallest pay raise for federal employees in over 15 years, and would do nothing to close the gap with the private sector as measured by the Federal Employee Pay Comparability Act. Moreover, 2.2% is well below the rate of inflation, which is running at 3.7% (as measured by the 4th quarter 2005 CPI compared to a year earlier), so inflation-adjusted pay would actually decrease in 2007 for federal employees. Adequate pay is essential not only for fairness, but also for effective human-capital management. Even with statutory pay increases of 3.5% for 2005 and 3.1% for 2006, the Army and National Guard have been unable to meet their recruitment goals, and I fear these problems would only be exacerbated if the proposed 2.2% increase for 2007 were enacted. The deficient pay raise as proposed by the Administration could be very harmful at a time when the government faces critical needs to recruit and retain highly skilled and motivated civilian and military personnel to meet our national defense commitments, homeland security responsibilities, and other essential needs.

Statutory Waiver of Civil Service Protections

Like last year, the Administration's Budget for FY2006 argues that the federal government needs "tools" that consist of authority to move employees waive civil service protections and move. The Budget provides for continued implementation of authorities enacted several years ago for DHS and for the Department of Defense (DoD), and calls for implementation of major reforms government-wide. The Administration seeks enactment of its Working for America Act, proposed last year, which would extend to all agencies many of the new management powers granted at DHS and DoD.

Moreover, in this Budget the Administration has proposed a new legislative provision as an appropriations rider under which the annual pay increase, proposed this year to be 2.2%, would be not be applied reliably or uniformly but would, instead, be left to the virtually unfettered discretion of the President to decide how the extra funds would be doled out to civilian employees. Specifically, the proposed legislation states that the President "may provide" civilian pay raises "in amounts not to exceed an overall average increase" of 2.2%. There is no further statutory framework for the exercise of this authority, and the Budget explains that this authority "allows the President to set and target civilian pay raises in a manner that assists Federal agencies to better manage, develop and reward employees" (Budget, page 306.)

I am deeply troubled by the approach to personnel management promoted by the Administration. The rules that the Administration seeks to implement at DHS and DoD may undermine key employee protections that prevent workplace abuses and improve employee performance, and the critical security missions of those departments may suffer as a result. In particular, the rules impose excessive limits on collective bargaining which

are not necessary to maintain the critical missions of the Departments and make changes to the appeals process that interfere with employees' rights to due process. The rules also contain unduly vague and untested pay and performance provisions, which rely on the future design and implementation by the Departments of reliable and fair processes for assessing employee performance and for ascertaining market-based pay rates – both of which are very difficult and highly controversial undertakings.

Indeed, key components of the rules at both agencies have been enjoined by courts that determined the Administration had exceeded the bounds of its statutory authority. For example, in a strongly worded opinion issued just a few days ago, Judge Emmet G. Sullivan of the U.S. District Court for the District of Columbia ruled that large portions of DoD's regulations were unlawful because, among other things, they "eviscerated collective bargaining rights" and established an appeal process for employees that "is the antithesis of fairness." *AFGE v. Rumsfeld*, Civ. No. 05-2183, Mem. Opinion (Feb. 27, 2006).

I am therefore concerned about the Administration's intention to extend such personnel authorities government-wide. Congress granted DHS and DoD extraordinary flexibility to waive civil service protections because of their unique security missions, and these Departments are undertaking an experimental revamping of their civil service systems. Their efforts so far have been highly troubling and, in many respects, unsatisfactory, and it is far from clear what the ultimate outcome of this experiment will be. We should at least wait to see how it works before we consider extending such power to other agencies through such legislation as the Working for America Act or the appropriations rider proposed in this Budget.

Promotion of High Deductible Health Plans

The Budget proposes that \$3.4 billion be saved over 10 years by promoting increased use by federal employees of high deductible health plans (HDHPs) and associated health savings accounts (HSAs). Specifically, the Administration would seek legislation to facilitate Blue Cross/Blue Shield in offering a HDHP. Currently, Blue Cross/Blue Shield is limited by statute to offering two levels of benefits, which it is already doing, and the Budget proposes to authorize them to offer a HDHP as a third.

I generally support proposals that afford federal employees, and indeed any consumers of health care services, more choice and control over their health insurance options. However, I am not convinced that the Administration's proposal would yield the cost savings promised and would avoid serious unintended adverse consequences.

The Administration explicitly states that the projected cost savings are based on the assumption that "the Service Benefit Plan [Blue Cross/Blue Shield] offers a High Deductible Health Plan (HDHP) option in 2007 and that enrollees would move from a higher cost plan to this proposed HDHP option." U.S. OPM Fiscal Year 2007 Budget Briefing (Feb. 2006). These seem very large "if's," considering that Blue Cross/Blue

Shield has publicly stated that it has not decided whether it would offer such a plan, and one can only speculate whether employees would join such a plan if offered.

Moreover, the Administration's policy of promoting the use of HDHPs and HSAs as a means of lowering the soaring costs of healthcare is subject to considerable controversy. A GAO study of such plans already offered to federal employees found that enrollees tended to be relatively young, healthy, and well educated. "Federal Employees Health Benefits Program: Early Experience with a Consumer-Directed Health Plan," (GAO-06-143, November 2005). Thus, as a means of providing affordable health care to federal employees and retirees at the lower end of the income scale, or to those who face the highest healthcare costs, a plan to promote HDHPs does neither. Indeed, concerns have been raised that, by siphoning the younger and healthier enrollees out of conventional plans, the effect of promoting HDHPs may be to actually exacerbate the problem of health-care affordability for the sicker and less well educated individuals left behind.

High deductibles may also result in people getting a reduced amount of essential care – emergency care and the kind of primary and preventive care that helps people stay healthy and avoid more serious illnesses. For example, a recent study found that those with high-deductible health plans "were significantly more likely to avoid, skip, or delay health care" than those with more comprehensive insurance. P. Fronstin & S. Collins, "Early Experience With High-Deductible and Consumer-Driven Health Plans: Findings From the EBRI/Commonwealth Fund Consumerism in Health Care Survey" (EBRI Issue Brief No. 288, Dec. 2005). The challenges were greatest for individuals with health problems and those with incomes of less than \$50,000.

For these reasons, I strongly believe that the budgetary impacts and the policy implications of the Administration's proposal must be thoroughly evaluated before any legislation is enacted.

Competitive Sourcing

Despite increasing evidence that public-private competitions have not proven themselves to be an efficient way to achieve taxpayer savings, the Administration continues to push a politically motivated agenda of turning over government duties to poorly supervised contractors under the guise of "competitive sourcing." These "A-76" competitions are time consuming and expensive to administer, and the rules of competition do not allow federal employees to compete fairly for their jobs. For example, administrative costs alone for one A-76 process at the Department of Commerce, eventually scrapped, cost the U.S. taxpayers \$41,000 per employee. An A-76 process at Walter Reed Army Medical Center has entered its sixth year, despite the fact that the work affected, regardless of who wins, is likely to be consolidated at another facility as the result of recent base closing decisions. Time after time, the competitive sourcing initiative has resulted in bloated and wasteful spending – an ironic result for a sourcing strategy labeled as "competitive."

The Administration has provided poor guidance to agencies on the Administration's policies on competitive sourcing. While OMB technically has eliminated the unfair requirement that federal employees who win competitions are subject to another competition within five years (a requirement that is not applied to contractors), agencies continue to re-compete work won by federal employees within five years or less. Also, the Administration continues to pressure agencies to meet highly unrealistic goals that result in the very forms of quotas that the Administration has disavowed on numerous occasions. For example, the National Institutes of Health was under pressure last year to contract out additional functional areas in order to meet a fixed numeric requirement of 340 positions. See "NIH Memo Hints at Goals, Set With HHS and OMB, in Contracting Out Jobs," *The Washington Post* (July 28, 2005). These types of artificial numerical targets have resulted in questionable attempts to outsource jobs critical to protecting the health and safety of the American people, including the jobs of mine safety toxicologists at the Department of Labor and dam and lock operators in the Corps of Engineers.

Government oversight of contractors continues to be wholly inadequate; yet contracting officers are stretched even thinner as a result of the Administration's push for more competitions. The savings proposed by contractors who win competitions may never be realized, as contracts often come in over-budget or descend into disputes over performance. The appeals procedure, moreover, is fundamentally unfair because federal employees or their union representatives cannot appeal the results of competitions to GAO or the courts, although contractors have those appeal rights.

Contractors provide valuable services for the federal government in many areas, and public-private competitions, when conducted fairly, can be one of several important tools in helping agencies reduce costs and become more efficient. The Administration simply has not made the case, though, that work now being performed by federal employees is performed inefficiently or ineffectively. Unfortunately, the Administration's efforts appear to be driven not by budget savings or improvement of management, but rather by an ideological pursuit of privatizing government jobs at any cost. I urge the Administration to turn its focus to improving agency performance through internal reengineerings, strengthened financial oversight, and other alternatives that do not carry the wasteful costs of the A-76 process.

Federal Information Technology – Electronic Government

The OMB Administrator for E-Government and Information Technology is making progress in realizing more efficient IT solutions through integrated services. A central goal of the E-Government Act of 2002, which I sponsored, was to use information technology to cut across arbitrary agency barriers. The Lines of Business initiative correctly seeks to identify duplication at federal agencies and develop shared solutions. If implemented effectively, the approach will achieve savings and simplify federal IT systems. The Administration should provide the E-Government Administrator with additional staff so that this and other E-Government initiatives can be more carefully

monitored. Oversight of major IT investments also continues to be a major challenge. The E-Government Administrator has imposed better controls, but in too many cases IT projects not well understood or overseen by program managers have racked up cost overruns or have failed to meet expectations.

In other respects, the Administration's implementation of the E-Government Act has been mixed. Poor communication with Congressional appropriators led to a temporary cut-off of E-Government initiatives funded by agency transfers. Hopefully, a renewed effort to fully brief Congress on e-government programs will resolve this problem. The Administration's implementation of a provision requiring greater public access to government information has been disappointing; the recommendations of an inter-agency task force were entirely ignored, and the resulting OMB guidance does not appear to be break new ground or comply with the statutory mandate. The Act requires agencies to provide access to the regulatory process over the Internet; the website being developed by OMB and EPA has problems with its user interface that need to be addressed, although officials are to be commended for their attempts to reach out to potential users. In other respects, however, the Administration's commitment to e-government has borne fruit. Initiatives that focus on improving public access to government information and services should be a key priority, even if they are opposed by private industry.

Census Bureau's Survey of Income and Program Participation (SIPP)

I am very concerned that the Budget request calls for the elimination of the Survey of Income and Program Participation (SIPP), an important source of Census Bureau data about poverty, income, and program participation. The Census Bureau has indicated that it wants to improve the survey that is used to collect data in these vital areas, and the Budget for FY2007 provides funds for the development of the new survey, but does not provide funds for conducting the SIPP itself.

The SIPP provides information about low-income families across the nation. The SIPP provides essential information on the effectiveness of programs such as Temporary Assistance for Needy Families (TANF), Medicaid, Social Security, and unemployment insurance. Many experts have long believed that the SIPP is the nation's best source of data about poverty and income. For example, the National Academy of Sciences stated in 1995, "SIPP should become the nation's primary source of income statistics ... [Other national surveys] can never be designed to provide the same extent of detail or achieve the same quality of reporting as in SIPP." The Panel on Poverty and Family Assistance of the National Research Council, National Academy of Sciences, "Measuring Poverty: A New Approach," page 11 (1995). The SIPP also tracks health insurance coverage, and provides more in-depth information than any other government survey on work-family issues, such as maternity leave.

Since the SIPP is a longitudinal survey that tracks the same families over time, the SIPP's data are richer and more detailed than other surveys. While I understand the

Census Bureau's desire to develop a new survey to overcome some of SIPP's deficiencies (most notably, the length of the survey, which has deterred some participants from responding completely), it is not acceptable that the important analysis conducted by the SIPP be halted while the program is fixed. Even with some of its issues, the SIPP compares well in terms of accuracy to other surveys. If we lose the SIPP for even one year, the continuity of data that makes the SIPP unique will be lost. I therefore believe it is essential that SIPP be funded at its FY2006 appropriated level of \$33.9 million.

Government Management

Performance-Based Budgeting / Performance Assessment Rating Tool (PART)

For the fourth year in a row, the President's Budget relies on the use of the Performance Assessment Rating Tool (PART) to help inform its funding decisions for agency programs. PART is a mechanism the Administration uses each year to evaluate the effectiveness of programs in the federal government, and to help link performance to budget decisions.

I strongly support efforts to manage for results, as can be accomplished through implementation of the Government Performance and Results Act (GPRA). I am concerned, though, that PART, as the Government Accountability Office (GAO) has warned, allows OMB to substitute its judgment about appropriate goals and measures for those developed by the agency in conjunction with interested stakeholders pursuant to GPRA. Moreover, OMB may assert pressure on agencies through the PART review to achieve short-term results, which may actually conflict with agencies' efforts to set and achieve long-term strategic goals under GPRA. See GAO-04-174.

Despite the elaborate systems of charts and tables set forth in the President's proposed budget, the documentation makes clear that PART ratings do not result in automatic decisions about funding. Nor should they. Last June, OMB Deputy Director Clay Johnson conceded before a subcommittee hearing of the Committee on Homeland Security and Governmental Affairs that it is possible for a program to get a poor rating simply because the agency does what it is required to do by statute rather than what OMB would like the program to do. PART is thus a somewhat oversimplistic tool that provides a veneer of apparent objectivity to the Administration's policy decisions as to which programs to fund or eliminate.

Of the 141 programs recommended for elimination in the President's FY2007 Budget, 78 percent have not been through the PART review, begging the question why, if PART is central to the Administration's assessment of a program, elimination would be requested before a PART review. Moreover, the usefulness of PART results is called into question by the fact that some agencies we know not to be performing well received passing grades from PART. For example, in the PART analysis released with the FY2007 Budget, the disaster response and recovery programs at the Federal Emergency Management Agency (FEMA) were actually ranked as "Adequate." If the PART review

process thoroughly and accurately measures agency performance, surely the review of FEMA would have uncovered the extensive management problems exposed by the response to Hurricane Katrina.

Another critical flaw of PART is that it fails to seek input from stakeholders on the performance of programs. The inability of the American public to comment on programs is odd in the context of a rating system whose alleged purpose is to assess the effectiveness of programs in delivering services to the public. The lack of stakeholder input and healthy debate on performance criteria leaves certain biases built into the PART system – biases that, for example, appear to favor programs with short-term goals that the Administration can cite in trying to show results, at the expense of programs with long-term goals, such as scientific research programs. Additionally, GAO has recently reported that Congressional staff would be more likely to use PART results to inform their deliberations if OMB consulted them early in the PART process regarding the selection and timing of programs to assess, the methodology and evidence used or to be used, and how the PART information can best be communicated and presented to meet their needs. (GAO-06-28)

The following are several of many unfortunate examples in the proposed Budget of valuable programs that the President seeks to eliminate, reduce, or underfund, either on the basis of the flawed PART analysis or without appropriate consideration of the demonstrated value of the programs.

Department of Health & Human Services – Low Income Home Energy Assistance Program (LIHEAP): The PART review categorizes LIHEAP as “Results Not Demonstrated.” Although performance criteria are being developed, OMB acknowledges that developing meaningful performance criteria is a challenge because LIHEAP is a block grant program that provides the states with great flexibility.

The importance and effectiveness of LIHEAP is incontrovertible. LIHEAP assists low-income, vulnerable households with children and disabled and elderly individuals who are at risk for health problems due to insufficient home heating or cooling. The home energy burden for low income households is over four times that of non-low income households. LIHEAP serves the same low-income population that also relies on assistance with heating costs through the Weatherization Assistance Program, for which a 32% cut is proposed. Ongoing debates over LIHEAP funding highlight the unmet winter heating needs of the most impoverished. A survey of LIHEAP recipients found that 44% had been forced to skip energy payments, or pay less than the entire home energy bill over the last year; 30% reported that they had received notice or threat to disconnect their electricity or home heating fuel, and 8% reported that their electricity or home heating had actually been disconnected.

OMB is encouraging the states to rely on funding sources other than the federal budget for energy assistance. This response demonstrates a general philosophical inclination to shift expenses away from the federal government instead of promoting

mechanisms to increase program effectiveness. This strategy of shifting expenses to the states is thus based on ideology, not on an evaluation using PART methodology. If anything, the Administration should be calling for LIHEAP to be funded at \$5.1 billion, the full amount authorized by the Energy Policy Act.

Department of Housing and Urban Development (HUD) – Hope VI Program: The HUD HOPE VI program is once again proposed for elimination in the federal budget and OMB rated the program as “Ineffective.” The Administration has been successful in cutting the funding level for the program from \$149 million in FY2004 to only \$99 million in FY2006, so the program is effectively decimated already; this year, the Administration proposes the *coup de grace*. It not only proposes no new funding for FY2007, but would rescind the funding for FY2006! Part of the reason, the Administration claims, for eliminating the program is that it has accomplished its mission of “demolishing 100,000 units of public housing.” On the contrary, the need to address public housing improvement in Connecticut and around the nation continues apace. Recent estimates are that there is a backlog of about \$20 billion in public housing improvement needs around the country. Not only is this program effective, it is badly needed and should be continued.

Department of Housing and Urban Development (HUD) – Community Development Block Grant (CDBG) Program: The Administration has this year continued its effort to reconfigure the CDBG program, and the PART analysis rather incredibly rated the program “Ineffective.” Last year, the Administration proposed to remove the program from HUD, shift it to the Department of Commerce, merge it into a block grant with several other programs, and substantially cut the funding for all of them. Fortunately, Congress did not adopt the proposal. Unfortunately, the Administration was successful in attaining a substantial cut in the program of almost \$500 million, to \$4.1 billion. This year, the Administration has given up on its idea to transfer the program to Commerce, but it again seeks a substantial budget cut of more than 25%; it asked for a funding level of only \$3.0 billion for CDBG. It also would “fold” several key categorical programs into this smaller CDBG program, including Brownfields Redevelopment, Section 108 Loan Guarantees, and Rural Housing & Economic Development.

The PART analysis concluded that the CDBG program has no clear purpose; does not address a specific problem, interest or need; and is not designed to be redundant or duplicative of other efforts. These are astounding and unjustifiable conclusions. CDBG has been one of the most successful and flexible programs of assistance to local governments the federal government has ever produced. It is continually cited by mayors and local officials in Connecticut and across the country as the model for how a federal program should work: it provides them resources with which they can make local decisions about how to improve communities. That was the original purpose of the program and should not be abandoned in favor of excessive federal oversight and control.

Department of Justice – Community Oriented Policing Services (COPS) Program: The COPS program is a very effective program administered by the

Department of Justice that provides grants to local law enforcement agencies to promote community policing and acquire technologies that help local law enforcement agencies become more efficient. The PART analysis somehow led OMB to conclude that the program was “not performing and could not demonstrate results.” However, a GAO report released on June 5, 2005 found that there was evidence of a correlation between the level of funding for this program and a decrease in crime rates. Moreover, I have seen the benefits of COPS program grants throughout Connecticut where first responders have been able to add personnel and upgrade outdated technology. One of the great advantages of the COPS program is that it gives local first responders flexibility to use the money to meet their specific needs. This benefit as well as its impact on fighting crime apparently eluded the PART analysis, which has led the OMB to make an inaccurate assessment of this critical program.

Centers for Disease Control and Prevention (CDC) – State and Local Preparedness Grants: The CDC state and local preparedness grants are authorized to provide funds to states to support preparedness planning, including deployment of the Strategic National Stockpile, surveillance and epidemiology of diseases, laboratory capacity for biological and chemical agents, establishing information technology capacities, communicating health threats with the public and others, and education and workforce training. Across all 50 states, funding has decreased from \$919 million in 2005 to \$824 million in 2006. This year, the Administration is proposing a slight cut again to \$822 million. CDC state and local preparedness grants are one of the few mechanisms available to states to plan for any hazard – whether it be a biological or chemical terrorist attack, hurricane, or pandemic flu. The Trust for America’s Health (TFAH) released an issue report on public health preparedness across the nation. Their panel of experts recommended that the CDC grants program be funded at a minimum level of \$950 million for public health and bioterrorism preparedness to states.

Based on PART, OMB has concluded that the “results are not demonstrated” for the CDC state and local preparedness grants. It is unclear, based on the OMB rating, which specific components of the CDC program are contributing to a “Results Not Demonstrated” rating; in fact, our nation’s sub-par investment in these programs may also be responsible for a sub-par rating. Moreover, independent information directly contradicts OMB’s rating. The TFAH report, along with my staff’s conversations with multiple states that have received the CDC planning grants, convince me that the funds have had a positive impact on states’ ability to plan for a bioterrorist attack or public health disaster.

I urge that the funding not be cut for the CDC state and local preparedness grant program. It is one of the few mechanisms states and localities have to plan for potential disasters and hazards. On the contrary, funding should be increased, with demonstration grants included to determine long-term outcomes and impacts of the program across states.

Department of Health and Human Services - Community Services Block Grant (CSBG): The CSBG is a federal block grant that delivers and coordinates programs and services to low-income Americans aimed at fighting poverty. It funds more than 1,100 agencies that are currently operating in 96% of counties in the country. In 2005, \$637 million was provided to the CSBG and \$630 million in 2006. However, for fiscal year 2007, no funds have been requested for the program, which received a PART rating of “results are not demonstrated.” Again, it is unclear what specific components of or projects funded by CSBG have led to the rating.

Despite OMB’s rating, the Department of Health and Human Services has reported that CSBG funds have resulted in over 2 million service opportunities, including the provision of public and private transportation, access to medical care and child care, establishment of community centers, funding of youth development programs, increased business opportunities for low-income Americans, and access to quality food shopping in low-income neighborhoods with limited access to quality foods. More than 100,000 low-income families have received improved housing based on CSBG funds and more than 50,000 Americans have had higher income earnings as a result of the grants. CSBG has also resulted in more than 100,000 Americans completing high school, higher education, or job retraining. Lastly, CSBG has resulted in greater private and public investments in fighting poverty, with estimates indicating that \$1,486 was leveraged for every \$1 in CSBG funds. That amounts to a \$9.6 billion investment in American communities.

The statistics above indicate that CSBG grants have been successful and that the program should not be terminated. These grants have resulted in hundreds of thousands of low-income Americans gaining access to jobs, education, housing and medical care, among numerous other achievements. They provide integral support for states and local communities in fighting our rising rates of poverty, and it does not appear that the PART rating system has adequately captured the positive impacts of CSBG on American communities. I urge that Congress maintain funding for the CSBG grants and not terminate a program and destroy an infrastructure that has benefited millions of low-income Americans, who are already disproportionately negatively affected by the Administration’s budget proposal.

Department of Education – Enhancing Education Through Technology (EETT): The President’s FY2007 Budget proposes eliminating funding for the EETT program. The PART analysis concluded “Results Not Demonstrated” for this very critical program, which seeks to ensure that by the time students complete eighth grade, they are technologically literate. The program also awards grants to states and local school districts for teacher training and curriculum development, as well as other related activities. Grants are provided to state educational agencies on the basis of their proportional share of funding under Part A of Title I. States may retain up to 5 percent of their allocations for state-level activities, and must distribute one-half of the remainder by formula to eligible local educational agencies and the other half competitively to eligible local entities.

The OMB rating claims this program has not been able to develop acceptable performance goals or collected data to determine whether it is performing. However, I am not aware of any data to support this claim. Just recently the Department of Education (DOE) developed annual, long-term efficiency measures to assess the program's impact on student achievement and classroom practices. DOE expects to have its first data for these indicators available in the fall of 2006. Furthermore, the Secretary of Education is required to conduct a long-term, independent study, using scientifically based research, to ascertain the conditions and practices under which technology is effective in increasing student academic achievement. A final report with results from the study is to be submitted to Congress no later than April 6, 2006. The Secretary is also required to publish a long-range technology plan that, among other things, discusses how she/he plans to promote technology usage to increase academic achievement, use of technology to assist with systemic state reform and increase access to technology for teaching and learning. Given that none of these reports or studies is complete, the conclusions of the PART analysis are at best premature and at worst simply wrong.

National Archives and Records Administration

National Historical Publications and Records Commission (NHPRC) Grants

For the second year in a row, the Budget proposes eliminating the National Archives and Records Administration (NARA) grants program administered by the National Historical Publications and Records Commission (NHPRC). I urge that this valuable program be fully funded. The NHPRC has an important and long-standing role, supporting a wide range of activities to preserve, publish, and encourage the use of documentary sources relating to the history of the United States. The NHPRC was established by Congress in 1934 and is comprised of a 15-member body which includes the Archivist as chair, representatives of the President, the Senate, the House, the Supreme Court, and the Departments of State and Defense as well as representatives of leading professional associations of archivists and historians. The Commission's mandate is to provide assistance to state, local, and tribal governments, public and private institutions, and individuals committed to the preservation and use of America's documentary resources. The NHPRC today is the only grant-making organization in the nation whose only focus is the preservation of, and increased access to, American historical documentation.

The grant program is structured to maximize the impact of federal dollars, by requiring the grant recipient to provide matching non-federal dollars. The program also provides assistance to potential grantees and operates a system of state board and peer review of applications, which helps to ensure high-quality proposals and a low likelihood of failure. With the passage of the National Archives and Records Administration Efficiency Act of 2004 (P.L. 108-383), Congress authorized \$10 million annually for the program. Given the recent reauthorization, I disagree with the Administration's proposal once again to eliminate this program.

The President's FY2006 Budget submission not only eliminates all grant funding for the NHPRC for fiscal year 2006 (\$5.5 million), it also cuts \$2 million from the NARA operating expenses budget for NHPRC's staff and programs. I believe this important program should be preserved, pursuant to the authorization in Public Law 108-383, and I urge that NARA's budget include an additional \$2 million for operating expenses for staff and programs, and \$10 million (the fully authorized amount) for grants to state, local, and tribal governments and private institutions, through the NHPRC.

Operating Expenses

The President's budget request for NARA's Operating Expenses Account in FY2007 is \$289 million. This represents an increase of approximately \$7.4 million over the FY2006 revised enacted sum of approximately \$282 million. This is a modest increase for the agency, presumably allowing it to keep up with the rate of inflation. However, in FY2007 NARA plans to assume a new obligation: bringing the Nixon Library into the Presidential Library system. The Nixon Library is not currently part of the Presidential Library system. For the past two years, however, Nixon family members have been working with the National Archives to bring the library into the Presidential Library system. It is scheduled to join the Presidential Library system in FY2007.

Beginning with the records of President George H.W. Bush, the law has required the foundations that established, built and turned over Presidential Libraries to the National Archives also turn over an endowment to NARA which would be used to support, in part, the annual operating expenses for the Library, but Libraries for Presidents prior to George H.W. Bush are not required to establish and turn over an endowment to help offset operating expenses. NARA has determined that the Nixon Library is not required to have an endowment, and therefore NARA will have to fully support the operating expenses for the Nixon Presidential Library in FY2007. The agency estimates that it will cost approximately \$3.7 million to operate and maintain the Nixon Library in FY2007. This new obligation for the NARA accounts for half of the proposed increase in the agency's Operating Expense Account, providing just slightly more than a 1.25% increase for operations and maintenance, or less than the rate of inflation. Higher energy and security costs in recent years have already stretched NARA's budget thin.

For these reasons, I urge you to provide NARA with an additional \$4 million for FY2007 for its operating expenses. With this amount added, NARA's funding would include both a modest increase over its budget last year, to cover inflation, and coverage of the costs of assuming responsibility for the Nixon Library, so the agency won't be forced to cut important education and outreach programs just to keep lights on.

Abuse of Reconciliation Procedures to Authorize Arctic Refuge Drilling

The First Session of this Congress ultimately saw the failure of efforts to use the Budget Resolution as a vehicle for authorizing drilling in the Arctic National Wildlife

Refuge. Rather than repeat such an obvious insertion of extraneous matters in the budget process, I urge the Budget Committee to leave the question of Arctic Refuge drilling to the normal legislative process.

Unfortunately, the President's Budget includes revenues generated by leases to drill in the Refuge. The Budget Committee should – and must – decline to adopt this element of the President's Budget. Although such leases would generate revenue, Arctic drilling represents an exercise in substantive policy-making, as years of Senate debate have made clear. Not only would drilling result in a substantial change in the character of an otherwise nationally sanctioned wilderness area, but proponents of Arctic Refuge drilling have argued insistently that Arctic drilling would accomplish at least two policy objectives – (1) to increase domestic production of petroleum and thereby offset U.S. imports from the Middle East and other hostile regions, and (2) to stimulate the economy by allegedly producing hundreds of thousands of jobs. Revealingly, in the 107th Congress, proponents introduced legislation to authorize Arctic Refuge drilling as an amendment to a *legislative* vehicle, the Energy Policy Act of 2002, stating that the purpose of the amendment was “to create jobs for Americans, to reduce dependence on foreign sources of crude oil and energy, to strengthen the economic determination of the Inupiat Eskimos, and to promote national security.” (S. Amdt. 3132 (107th Cong.))

This history demonstrates that even to its proponents, provisions authorizing Arctic Refuge drilling serve policy goals to which revenues would be “merely incidental” as that term is understood both in common parlance and in the context of the Byrd Rule banning the inclusion of extraneous material in the Budget Resolution. In fact, in 1985, during the Senate's discussion of the Byrd Rule, Senator Domenici expressed his displeasure with just this type of use of the Budget Reconciliation process. He stated, “I do not like to see committees put amendments on reconciliation that they have not been able to pass for years, or in the process of doing reconciliation just add untold numbers of amendments in order to be immune from unlimited debate.” (131 Cong. Rec. 28972, Oct. 24, 1985.) Including Arctic Refuge drilling in the Budget Resolution would be an eminent example of the objectionable action that Senator Domenici was describing in 1985. No piece of environmental legislation has a longer or more intense history of controversy than that of the authorization of drilling in the Arctic Refuge, authorization that the Energy and Natural Resources Committee literally “has not been able to pass for years.”

Hon. Judd Gregg
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March 2, 2006
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Finally, I am concerned that an Arctic drilling provision produced by the Energy and Natural Resources Committee would be extraneous because it implicates the jurisdiction of the Environment and Public Works (EPW) Committee. As the late Senator John Chafee wrote in 1991 in a letter co-signed by several other senators, "The Environment and Public Works Committee has sole jurisdiction over matters relating to the U.S. Fish and Wildlife Service, its programs and the management of fish and wildlife resources generally. The single largest responsibility of the U.S. Fish and Wildlife Service is the management of the National Wildlife Refuge System." (*Congressional Record*, Oct. 31, 1991 at S15612.) Any proposal to drill for oil in the Arctic Refuge would clearly affect its management, thereby implicating the EPW Committee's jurisdiction and making the provision extraneous under the Byrd Rule.

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I appreciate this opportunity to comment on issues of interest within the purview of the Committee on Homeland Security and Governmental Affairs.

Sincerely,

Joseph I. Lieberman
Ranking Minority Member

cc: The Honorable Susan Collins