

Statement of Secretary Tom Ridge
before the United States Senate
Committee on the Budget

February 25, 2004

Introduction:

Chairman Nickles, Senator Conrad and Members of the Committee:

I am honored and pleased to appear before the Committee to present President Bush's FY 2005 budget for the Department of Homeland Security. Before beginning to outline our FY 2005 budget request, I want to thank you for the strong support you showed for the Department in the FY 2004 budget and for the fact that that appropriation was passed in time for it to be signed by the President on October 1, 2003 – the first day of the fiscal year.

The \$40.2 billion request represents a ten percent increase in resources available to the Department over the comparable FY 2004 budget and reflects the Administration's strong and continued commitment to the security of our homeland. The fiscal year 2005 budget is a \$3.6 billion increase over fiscal year 2004, and it includes increased funding for new and expanded programs in border and port security, transportation security, immigration enforcement and services, biodefense, incident preparedness and response, and the implementation of a new human resources system that will reward outstanding performance. The budget also continues our momentum toward integrating intelligence, operations and systems in a way that increases our nation's security.

The Department of Homeland Security has made great organizational strides during the first year of operations. Nearly 180,000 employees and a budget of \$31.2 billion were brought under DHS less than a year ago. The Department established a headquarters operation and successfully began operations on March 1, 2003 – bringing together the legacy agencies and programs that now make up DHS. Customs, border and immigration activities have been reformulated into new agencies that will increase the effectiveness of our dedicated employees. DHS continues to create new ways to share information and intelligence within the Department and between levels of governments, and horizontally across agencies and jurisdictions. Already, over 350 different management processes have been consolidated to 130, and DHS has begun consolidating 2,500 support contracts into roughly 600.

While DHS invested considerable time to make the many organizational improvements that will improve our effectiveness, much was also accomplished programmatically. The fiscal year 2003 Performance and Accountability Report provides a comprehensive discussion of our accomplishments of the past year. We believe that in the twelve months since the creation of the Department, we have made substantial progress. Through the hard work of our dedicated and talented employees, America is more secure and better prepared than we were one year ago.

We have achieved many results since our creation, including:

- improving the collection, analysis and sharing of critical intelligence with key federal, state and local entities;
- allocating or awarding over \$8 billion to state and local first responders to help them prevent and prepare to respond to acts of terrorism and other potential disasters;
- strengthening border security through the “One face at the border” initiative, which will cross-train officers to perform three formerly separate inspections—immigration, customs and agriculture. This will allow us to target our resources toward higher risk travelers;
- instituting innovative new systems like US-VISIT to identify and track foreign visitors and students and to screen for possible terrorist or criminal involvement;
- safeguarding air travel from the terrorist threat by hardening cockpit doors, instituting 100 percent checked baggage screening; and training more than 50,000 federal passenger and baggage screeners;
- increasing safeguards on maritime transportation and port infrastructure;
- expanding research and development in the defense of our homeland, through the creation of programs such as the Homeland Security Advanced Research Projects Agency (HSARPA) which has already engaged hundreds of private companies and universities in developing new cutting-edge technologies;
- launching an ambitious, collaborative effort involving input from employees at all levels, unions, academia, and outside experts to design a modern human resources system that is mission-centered, fair, effective and flexible;
- initiating a five-year budget and planning process and commencing the development of an integrated business and financial management system (Project eMerge²) to consolidate the 50 different budget execution systems, 43 different general ledgers, and 30 different procurement systems inherited by DHS; and
- successfully transferring more than \$50 billion in assets, \$36 billion in liabilities and more than 180,000 employees to the Department.

FY 2005 Budget Request

The Fiscal Year 2005 budget for the Department of Homeland Security builds upon the significant investments to date to our safeguard against terrorism, while also sustaining the many important departmental activities not directly related to our fight against terrorism. The President's budget clearly demonstrates the continuing priority placed on the Department of Homeland Security in providing total resources for FY 2005 of \$40.2 billion. This is an increase of 10% above the comparable FY 2004 resource level, \$9 billion (29 percent) over the 2003 level and \$20.4 billion (103 percent) over the 2001 level.

Strengthening Border and Port Security

Securing our border and transportation systems continues to be an enormous challenge. Ports-of-entry into the United States stretch across 7,500 miles of land border between the United States and Mexico and Canada, 95,000 miles of shoreline and navigable rivers, and an exclusive economic zone of 3.4 million square miles. Each year more than 500 million people, 130 million motor vehicles, 2.5 million railcars, and 5.7 million cargo containers must be processed at the border. Conditions and venues vary considerably, from air and sea ports-of-entry in metropolitan New York City with dozens of employees to a two-person land entry point in North Dakota.

During FY 2005, we will continue to strengthen our border and port security. Our budget seeks over \$400 million in new funding to maintain and enhance border and port security activities, including the expansion of pre-screening cargo containers in high-risk areas and the detection of individuals attempting to illegally enter the United States. Our budget also includes an 8 percent increase for the Coast Guard to upgrade port security efforts, implement the Maritime Transportation Security Act, and enhance other activities.

Specifically, our budget includes an increase of \$25 million for U.S. Customs and Border Protection's Container Security Initiative (CSI) which focuses on pre-screening cargo before it reaches our shores. We are also seeking an increase of \$15.2 million for Customs Trade Partnership Against Terrorism (C-TPAT). C-TPAT focuses on partnerships all along the entire supply chain, from the factory floor, to foreign vendors, to land borders and seaports. To date, nearly 3,000 importers, 600 carriers, and 1,000 brokers and freight forwarders are participating in C-TPAT, surpassing the Department's original goal of participation of the top 1,000 importers. In order to further protect the homeland against radiological threats, the budget seeks \$50 million for next generation radiation detection monitors.

As well as continuing development for secure trade programs, the President's budget also seeks an increase of \$20.6 million to support improvements for the National Targeting Center and multiple targeting systems that focus on people and/or goods. These systems use information from diverse sources to provide automated risk assessments for arriving international air passengers, shipments of goods to our country, and land border passenger traffic.

The United States Visitor and Immigrant Status Indicator Technology (US-VISIT) program's goals are to enhance the security of our citizens and our visitors; facilitate legitimate travel and trade across our borders; ensure the integrity of our immigration system; and respect the privacy of our welcomed visitors. US-VISIT represents a major milestone in our efforts to reform our borders. DHS deployed the first increment of US-VISIT on time, on budget, and has met the mandates established by Congress as well as including biometrics ahead of schedule. The budget seeks a total of \$340 million in FY 2005, an increase of \$12 million over the FY 2004 level. Through FY 2005, over \$1 billion will be used to support this initiative.

Our budget also seeks an increase of \$64.2 million to enhance land-based detection and monitoring of movement between the ports, and \$10 million to plan, procure, deploy and operate unmanned aerial vehicles. In addition, the budget request for U.S. Immigration and Customs Enforcement (ICE) includes an increase of \$28 million to increase the flight hours of P-3 aircraft. The P-3 has already proven itself to be a key asset in the battle against terrorism as demonstrated in the days immediately following the September 11, 2001 attacks when P-3s flew airspace security missions over Atlanta and Miami.

The Coast Guard funding increase includes over \$100 million to implement the Maritime Transportation Security Act, to support the Coast Guard's ability to develop, review and approve vessel and port security plans, ensure that foreign vessels meet security standards, improve underwater detection capabilities, and increase intelligence capacity. The budget also maintains the Coast Guard's ongoing Integrated Deepwater System initiative, funding the program at \$678 million, an increase of \$10 million over the FY 2004 funding level.

Enhancing Biodefense

The President's FY 2005 budget reflects \$2.5 billion for Project BioShield that will be available in FY 2005 to encourage the development and pre-purchase of necessary medical countermeasures against weapons of mass destruction. Project BioShield allows the Federal Government to pre-purchase critically needed vaccines and medications for biodefense as soon as experts agree that they are safe and effective enough to be added to the Strategic National Stockpile. The Administration is moving forward in purchasing the most important countermeasures and high on the list are next-generation vaccines for both smallpox and anthrax.

The Department's efforts to improve biosurveillance will involve the Information Analysis and Infrastructure Protection (IAIP) and Science and Technology (S&T) directorates. In S&T, the budget requests \$65 million increase to enhance current environmental monitoring activities, bringing the total FY 2005 investment in this area to \$118 million. One key component of this initiative will be an expansion and deployment of the next generation of technologies related to the BioWatch Program, a biosurveillance warning system. In IAIP, \$11 million increase is included to integrate, in real-time, biosurveillance data collected from sensors throughout the country and fuse this data with information from health and agricultural surveillance and other terrorist-threat information from the law enforcement and intelligence communities.

The National Disaster Medical System (NDMS) is responsible for managing and coordinating the Federal medical response to major emergencies and federally declared disasters. For 2005, FEMA's budget includes \$20 million for planning and exercises associated with medical surge capabilities. In addition, the budget transfers funding (\$400 million) for the Strategic National Stockpile to the Department of Health and Human Services to better align the program with that agency's medical expertise.

Improving Aviation Security

We have made great strides to improve the safety of the aviation system from acts of terrorism. For example, we have made significant investments in baggage screening technology – over \$2 billion to purchase and install Explosive Detection System machines (EDS) and Explosive Trace Detection machines (ETD) to the nation's airports from FY 2003 to FY 2005; hardened cockpit doors; deployed 45,000 federal passenger and baggage screeners at the Nation's airports; and trained pilots to be Federal Flight Deck Officers. The President's FY 2005 budget seeks to enhance our efforts in this regard and would provide an increase of \$892 million, a 20 percent increase over the comparable FY 2004 level, for the Transportation Security Administration (TSA). Additional funding for TSA supports aviation security, including efforts to maintain and improve screener performance through the deployment of technology.

The Department implemented a substantially improved air cargo security and screening program last year, and the President's budget sustains funding to continue program deployment and screening technology research. In addition, the FY 2005 budget seeks a total of \$61 million to accelerate development of more effective technologies to counter the threat of portable anti-aircraft missiles.

Enhancing Immigration Security and Enforcement

Comprehensive immigration security and enforcement extends beyond efforts at and between the ports-of-entry into the United States. It extends overseas, to keep unwelcome persons from reaching our ports, and to removing persons now illegally residing in the United States. The Administration is committed to stronger workplace enforcement in support of the President's temporary worker proposal announced January 7, 2004.

The requested increases include \$186 million for U.S. Immigration and Customs Enforcement (ICE) - whose appropriated budget overall increases by about 10 percent - to fund improvements in immigration enforcement both domestically and overseas, including more than doubling of current worksite enforcement efforts and approximately \$100 million increase for the detention and removal of illegal aliens. Detention and Removal of illegal aliens present in the United States is critical to the enforcement of our immigration laws and the requested funding will expand ongoing fugitive apprehension efforts, the removal from the United States of jailed illegal aliens, and additional detention and removal capacity.

Our proposal for ICE also includes an increase \$78 million for immigration enforcement. As part of the President's proposed new temporary worker program to match willing foreign

workers with willing U.S. employers, enforcement of immigration laws against companies that break the law and hire illegal workers will increase. The FY 2005 President's Budget includes an additional \$23 million for enhanced worksite enforcement. This more than doubles existing funds devoted to worksite enforcement and allows ICE to hire more Special Agents devoted to this effort. With these resources, ICE will be able to facilitate the implementation of the President's temporary worker program initiative by establishing a traditional worksite enforcement program that offers credible deterrence to the hiring of unauthorized workers. Without such a deterrent, employers will have no incentive to maintain a legal workforce.

Our budget also seeks \$14 million to support our international enforcement efforts related to immigration, including enabling ICE to provide visa security by working cooperatively with U.S. consular offices to review visa applications.

We are a welcoming nation, and the hard work and strength of our immigrants have made our Nation prosperous. Within the Department, the U.S. Citizenship and Immigration Service (CIS) has improved the administration of immigration benefits to the more than seven million annual applicants. For FY 2005, the President's budget seeks an additional \$60 million, for a total of \$140 million, to achieve a six-month processing for all immigration applications by 2006, while maintaining security.

Increasing Preparedness and Response Capability

Though the primary mission is to protect the Nation from terrorism, the Department's responsibilities are diverse. The ships that interdict threats to our homeland are also used to help mariners when they are in distress and protect our marine resources from polluters and illegal fishing. While we must be prepared to respond to terrorist attacks, we are more often called upon to respond to natural disasters

To support the Department's efforts to respond, the President's Budget includes an increase of \$10 million, for a total of \$35 million in FY 2005, for the Homeland Security Operations Center (HSOC). Pursuant to the Initial National Response Plan, the HSOC integrates and provides overall steady state threat monitoring and situational awareness and domestic incident management on a 24/7 basis. The HSOC maintains and provides situational awareness on homeland security matters for the Secretary of Homeland Security, the White House Homeland Security Council and the federal community. In addition, the HSOC provides the Department's critical interface to all federal, state, local & private sector entities to deter, detect, respond and recover from threats and incidents.

The National Incident Management System (NIMS) is designed to ensure that all levels of government work more efficiently and effectively together to prepare for, respond to, and recover from domestic emergencies and disasters, regardless of cause. For FY 2005, the Department requests \$7 million to ensure that the major NIMS concepts involving incident command, coordination, communication, information management, resource management, etc., are incorporated into and reflected in FEMA's national disaster operational capability. This

funding will provide for plan development, training, exercises and resource typing at the Federal, State, and local levels

Supporting State and Local First Responders

The Department has initiated consolidation of the two principal offices responsible for administering the grants awarding process for emergency responders and State/local coordination, the Office of State and Local Government Coordination and the Office of Domestic Preparedness. This consolidation provides an opportunity to tie all DHS terrorism preparedness programs together into a cohesive overall national preparedness program designed to support implementation of State Homeland Security Strategies.

The FY 2005 budget continues to support the Nation's first responders and seeks a total of \$3.6 billion to support first-responder terrorism preparedness grants with better targeting to high-threat areas facing the greatest risk and vulnerability. For FY 2005, funding for the Urban Area Security Initiative (UASI) doubles from \$727 million to \$1.45 billion. Since March 1, 2003, DHS awarded or allotted over \$8 billion to support state and local preparedness. Between FY 2001 and the FY 2005 budget request, over \$14 billion in assistance will be made available for programs now under DHS. Our request for FY 2005 is slightly higher than funding sought for these programs in FY 2004.

Investing in Human Capital and Building Departmental Infrastructure

Our employees are our single greatest asset and we are committed to investing in the development and motivation of our workforce. To support our efforts in creating a model personnel system, the President's FY 2005 budget seeks \$133.5 million for the implementation of a new DHS human resources system that is mission-centered, fair, and flexible by rewarding top performers. The FY 2005 budget specifically provides additional resources that will be used for training supervisory personnel to administer a performance-based pay system and to create the information technology framework for the new system. Our new system will ensure that DHS can manage and deploy its resources to best address homeland security threats and support information technology tools for workforce management.

We also seek additional funds to invest in the Department's core infrastructure. Our budget request seeks a total of \$56 million, an increase of \$17 million to support a new resource management system. This funding will support the design, development, and implementation for a single Department-wide financial management system. It will provide decision-makers with critical business information, e.g., budget, accounting, procurement, grants, assets, travel, in near "real-time" and eliminate stovepipes within existing systems and processes.

An increase of \$45.1 million is also sought to continue expanding the DHS presence at the Nebraska Avenue Complex (NAC). These resources will enable DHS to perform tenant improvements to the facility and relocate U.S. Navy operations, pursuant to congressional authorization, from the NAC to leased facilities.

Conclusion:

We have a dedicated and skilled team in DHS who understand that what they are doing is important. We have the support of our partners in government and the public and private sectors. I thank the Congress for its support, which has been critical to bringing us to this point.

Our homeland is safer than it was a year ago, but we live in dangerous times and cannot count on times to change. That is why the Department of Homeland Security was created, and why we are moving forward. I am grateful to be here today to talk about the work we are doing to make America a safer home for us, for our children and generations to come.

Thank you for inviting me to appear before me today, and I look forward to answering your questions.