



Remarks by Secretary Michael Chertoff at a Press Conference Announcing the DHS Fiscal Year 2008 Budget Request

Release Date: February 5, 2007

For Immediate Release
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Secretary Chertoff: Well, good afternoon, everybody. Earlier today, as you know, the President announced his fiscal year 2008 budget, which of course, includes the budget for the Department of Homeland Security. And so today what I'd like to do is provide an overview of the President's budget and discuss the key areas of funding for the department in 2008. I'll then take a few questions. We're going to have people from the various components here to answer the very specific questions, so out of courtesy to your fellow reporters, if you're really deeply in the weeds on something, my suggestion is you hold that for the component -- a representative, as opposed to asking me to talk about it. I'll try to address the more general questions.

As in the past years, the President, in his budget, reflects his unwavering commitment to protecting our nation and protecting the American people. This year the President requests from Congress a total of \$46.4 billion in funding for fiscal year 2008. That represents an 8 percent increase over the fiscal year 2007 level. It also represents nearly a 50 percent increase in funding for DHS since fiscal year 2003, which was, of course, our first year of operation. This budget will ensure that the department has the tools and resources we need to protect the country, and to do it in a way that focuses on the greatest risks, is fiscally responsible, and balances our freedoms and our prosperity.

The President's budget builds on our past successes and accomplishments, reflects our most urgent priorities, and supports our goals for the future. The President's budget also reflects some new initiatives -- high-tech initiatives like deployment of SBlnet and the 10-print US-VISIT entry system -- and more boots on the ground initiatives, including hiring 3,000 additional Border Patrol agents and money for TSA document screeners.

What are our priority areas for fiscal year 2008? Well, the first place we have to start is keeping dangerous people and dangerous things from entering the country and harming Americans. That's where security starts, it starts at the border. And if we keep bad people and bad things out of the country, we've substantially reduced our risk and taken a large percentage of the threat off the table.

So let me start by talking about what we are doing to protect the country against dangerous people, which means, of course, securing our borders. Of course, not everybody who enters the country to visit here or do business here or to work here is a dangerous person or someone who is going to harm us. In fact, most individuals who come to this country do it for economic reasons. But in a post-9/11 world, we have to make sure that bad people and dangerous people do not get in.

Over the last year, we've achieved some major progress toward the goal. We've ended catch and release at the border. We've added hundreds of new Border Patrol agents and significant new infrastructure at the border. We awarded our SBlnet contract to build a virtual fence across the border, and we also worked with the National Guard so that they could be deployed at the border through Operation Jump Start.

At the interior, there have been dramatic increases in work site enforcement, which attacks the economic engine that draws most illegal migration into the United States. And we are beginning to see results. For the first time, because of these extraordinary measures, we're seeing repeated significant declines in apprehensions all along our southwest border.

So, with fiscal year 2008, we're going to substantially expand these efforts. First, we will devote \$1 billion for the SBlnet program to support the deployment of integrated infrastructure and technology solutions across our land borders. And you're going to see part of that is fencing along the border. Construction is now under way to build traditional fencing along parts of the border where it makes sense to build that kind of fencing,

including high traffic areas. And what you're seeing on the screen behind me now is the beginning of the construction of fencing along the Barry Goldwater Range in Arizona. This is the kind of fencing which is going to represent a significant increase in our tactical infrastructure on the southwest border.

Under *SBlnet*, we're also going to continue installing vehicle barriers -- lights, cameras and other kinds of infrastructure, and we'll increase sensors and surveillance equipment to build that virtual fence and give us full coverage across the border. We're anticipating several hundred miles of this kind of buildout in fiscal year 2008.

But of course, technology and fencing are only part of the equation. We also need to have more boots on the ground. Since 2001, we've grown the Border Patrol from about 9,000 agents to about 14,800 by the end of this fiscal year. In fiscal year 2008, we'll provide \$778 million for 3,000 additional Border Patrol agents and other required support. That puts us on track, by the end of the President's term, or the end of the calendar 2008, to get the 18,319 agents, which the President talked about last year, when he spoke to the nation.

Now, is this having an effect? Well, we look at the apprehensions at the border in order to measure whether we are actually having a deterrent effect, because we recognize that the best way to achieve control at the border is to make people stop before they actually get to the border, and make them think about whether they want to take the chance of crossing the border.

If you look at the chart that's displayed behind me, what you will see is, in the third quarter of 2006, which was the first full quarter after the President announced Operation Jump Start, we saw a reversal of a trend that had existed in the prior quarters. In each of the two prior quarters there was a significant increase in apprehensions along the southwest border. But in the third quarter there was a decrease in apprehensions, and that was even more dramatically reflected in the fourth quarter of last year and the first quarter of this fiscal year 2007. And since we're looking quarter to quarter, we're taking account of any season fluctuation in the flow. This, coupled with some additional information we have, based on what we see south of the border, demonstrates that we have achieved some real deterrent effects through the use of additional technology, additional fencing, and boots on the ground on the southwest border.

Now, of course, part of what we do at the border is not only catch people, but we have to detain them and send them back again. And an important part of that is our movement from the old, discredited program of catch and release to the new program of catch, detain and return. A key element of that is having the bed space so that when we catch someone at the border, if we cannot immediately return them to Mexico, we have to be able to house them until such time as we can remove them to their home countries.

Over the past year, we've substantially increased our bed space, therefore, from 20,800 beds in fiscal year 2006 to 27,500 beds in fiscal year 2007. And in fiscal year 2008, we're going to add almost 1,000 additional beds, to get to a total level of 28,450 beds. This will be a total increase over those two years of 46 percent.

What that has done is it has given us the resources we need to stop catch and release. In August of '06, ahead of schedule, we got from what was a majority release rate for non-Mexicans apprehended at the border to a zero release rate for people who were caught at the border, subject only to humanitarian and legal limitations. And since August of '06, we have been at a zero catch and release rate going forward. That has had some dramatic impact, in terms of deterrence, as well.

In the third quarter of 2006, as we started to move from catch and release to catch and return, we saw a 48 percent drop in apprehensions of non-Mexicans. In the fourth quarter of 2006, we saw a decrease of 68 percent. And this past quarter, the first quarter of '07, there has been a decrease of 58 percent.

Again, what this tells us is, particularly as we compare the decreases in non-Mexicans with the overall decrease in apprehensions, that our deterrence has had a particular impact on those people coming from countries other than Mexico who now understand that when they are caught at the border, they are not going to be released into the community, but they're going to be held until they are sent back to where they came from.

As we move away from the border and look to the interior, we see another important ingredient in what we are doing strategically to deal with the issue of illegal migration. When we launched the Secure Border Initiative, I said we were going to have to make worksite enforcement a priority and start to bring high-impact criminal cases against those employers who willfully and systematically violate the immigration laws. And we have done exactly that. Last year, we set a new record, in terms of worksite enforcement cases -- 716 criminal arrests, and more than 3,600 administrative apprehensions. This is a seven-fold increase, a 700 percent

increase over what the INS was doing in its final year of operation in fiscal year 2002.

And of course, we've had some very notable high-impact cases in certain industries. You saw the Swift round of arrests that took place late last year, and earlier in the year against the -- we had arrests for IFCO, the pallet manufacturer, again in multiple places in the country.

So a combination of worksite enforcement and more vigorous enforcement at the border is our comprehensive strategic approach to reversing the momentum of illegal immigration, which has bedeviled this country for two to three decades.

Now, immigration enforcement is, at the end of the day, a federal responsibility. But we do work in partnership with state and local law enforcement. So to support this partnership we have been providing training in several states, under our so-called 287g authority. In fiscal year 2008, we will expand the partnership by devoting \$78 million to support state and local law enforcement in their training to help us detect, detain, and remove illegal migrants. This is more than a 50 percent increase over fiscal year 2007, and a response to a significant outpouring of requests for this kind of assistance.

Of course, securing the border is not merely a question of what occurs between the ports of entry. We have to make sure our ports of entry are secure, as well. And therefore, we're going to continue to strengthen our security at the ports of entry. We now have in place a very effective system at the ports of entry that include US-VISIT's biometric capabilities, new travel and identity document requirements under the Western Hemisphere Travel Initiative, and advanced information and automated targeting of international air travelers.

To strengthen these efforts, we're going to add \$146 million in fiscal year 2008 for the Unique Identity Initiative, to collect 10 fingerprints from foreign visitors, and to achieve further database interoperability between US-VISIT's fingerprint program and the FBI's fingerprint program.

Let me be clear about the importance of this. Taking all 10 fingerprints from foreign visitors allows us to search entering visitors against latent fingerprints of known and unknown terrorists collected from all over the world. This is taking the kind of CSI forensic techniques you see on television and adapting them to our borders, so we can have that kind of technological advantage against the enemy that wants to come in and do us harm.

If we have their fingerprints in our system we can stop them cold at our ports of entry. And by further integrating our US-VISIT database with the FBI, we'll be able to conduct more expansive watch list checks for terrorists, criminals and immigration violators.

Let me turn now from people to things, because a second major priority for our department is keeping bad cargo and dangerous things from entering the country. Over the past year we've expanded screening of overseas cargo at foreign ports, boosted radiation screening of containers here at home, and invested in next-generation, forward-looking technology. We've also broadened our partnerships with private sector shippers and operators.

As I've said repeatedly, one of our biggest concerns is the threat of a nuclear or radiological dirty weapon entering our country through a seaport or land port of entry. Now, back in 2003, our nation screened zero percent -- zero percent -- of incoming cargo for those threats. And we have completely turned that around. Today, we scan 90 percent of arriving containers for radiation at our ports of entry, which itself reflects a 30 percent increase over the previous year. Our goal is to screen almost 100 percent of arriving cargo at our seaports by the end of this year, and nearly 100 percent of all of our ports of entry, sea and land, by the end of fiscal year 2008. We will accomplish this by investing \$178 million in 2008 for the procurement and deployment of additional radiation portal monitors, including the next generation of Advanced Spectroscopic Portal systems at our land and sea ports of entry.

Now, of course, the only -- weapons and explosives are not the only dangerous things we worry about entering the country. We also worry about illegal drugs. And a vital part of our DHS mission remains countering the importation of illegal narcotics into the United States. Last year, reflecting commitment as well as increased resources, the Coast Guard seized more than 93,000 pounds of drugs at sea. That is a new record. To further this important work, we will be investing \$1.3 billion in fiscal year 2008 for the Coast Guard's continued drug interdiction mission.

Now, I've talked about the borders, but our third major priority focus is the interior of the country, protecting the infrastructure and systems that keep our nation and our economy running smoothly from an attack inside the United States. We recognize that the federal government does not own most of the nation's critical

infrastructure -- the dams, the bridges, the transportation systems, the electrical and the nuclear facilities. As a consequence, we have to work in partnership with the private sector and with state and local government to evaluate vulnerabilities in these systems, increase protection, and build resiliency in the event of an attack or disruption.

Over the past year, we've protected critical infrastructure through new chemical site regulation authority and proposed regulations to protect high-risk rail shipments in transit. We've conducted site visits and vulnerability assessments at critical infrastructure sites and facilities across the country. And we released the National Infrastructure Protection Plan.

In 2008, we're going to build on this progress in a number of areas. First, we're going to continue our investment to protect the nation's transportation systems, including the aviation system which remains a very significant target for terrorism. This past August, working with British authorities, we thwarted a very serious plot aimed at blowing up international airliners traveling from London to the United States. This was the most sophisticated plot by the terrorists since September 11th, and had it been successful, it would have resulted in a tremendous loss of life.

Within hours, TSA was able to completely revamp its security measures, working in concert with our European partners, to address the liquid explosive threat, and TSA was able to do so without shutting down the airports or creating chaos. In fact, within two days, wait times at our security checkpoints were basically back to normal. And this Thanksgiving they were even lower than the previous year at some airports. This is very much a sign of the maturity of TSA as an organization, and its ability to adjust to a rapidly changing threat environment.

In fiscal year 2008 we're going to continue to refine and strengthen TSA's core screening capabilities by investing \$4 billion -- that's billion -- for transportation security officers, document checkers, the career progression program and explosive detection systems. This includes a very important new initiative -- training our transportation security officers to take over the process of checking travel documents and boarding passes for passengers, training them to conduct behavioral observation to spot suspicious passengers for additional screening so that we will now build a level of defense at the point of which you enter the screening process, using the kinds of techniques which have been pioneered in Europe and in Israel to detect people who are behaving in a suspicious manner, and thereby building an additional layer of protection for our air travelers.

But of course, we have to worry not only about dangerous people getting on planes, we have to worry about cargo getting on planes. Next year we're going to build upon significant steps we've taken to protect air cargo on passenger aircrafts. Last year we issued a new air cargo regulation that now mandates 100 percent inspection of passenger parcels that are presented at airport counters. And we also put into place stricter inspection requirements for air cargo shippers and indirect carriers.

In the next fiscal year, we propose to do even more. We want to invest \$56 million to fund 300 air cargo inspectors, K9 teams and technology, which will allow us to track carriers, shippers, and support, risk-based air cargo screening across the entire air cargo supply chain.

Moving from the air to the ground, we'll continue to enhance security for chemical sites and chemicals in transit. As I said, over the past year we've issued or proposed new regulations to create a risk-based regulatory program to protect the chemical sites all across our country, and to protect chemicals traveling by rail in and around our major urban areas.

This reflects a comprehensive approach. We want to protect not only the chemicals when they come to rest in a chemical plant, but we want to make sure that they are not the subject of an attack when they are in transit from one protected site to another. Therefore, in fiscal year 2008, we will invest an additional \$15 million to establish a chemical site security office that will work, based on our regulations, to develop a risk-based program assisting chemical facilities with vulnerability assessments and allowing us to implement our regulations.

To provide an additional layer of protection against radiological or nuclear threats to our nation's major cities, we are building on the Securing the Cities Initiative, which I announced last year, which is designed to develop radiological detection systems around key entry points to major U.S. systems. This initiative will be funded in fiscal year 2008 with \$30 million, which will enable us to begin the process of actually deploying a system in place around New York City.

Finally, we're going to continue to strengthen our nation's port security. To date, since this department was

stood up, we have invested nearly \$10 billion to secure our nation's ports through our port security grants, investments in radiation detection equipment, and the activities of the Coast Guard. In fiscal year 2008, we'll invest a further \$1.9 billion to support the Coast Guard's ports, waterways, and coastal security efforts, to reduce terrorism risk in the maritime domain.

We will also invest \$26.5 million for the Transportation Worker Identification Credential, to enhance worker identification and security at our nation's ports and critical transportation facilities.

All of these investments build on a very significant set of infrastructure protection grants to state and local partners, covering ports, railway systems, and highway systems. In addition to the \$10 billion we've spent for port security to date, during the same period of time we have awarded more than \$1.5 billion in grants specifically to protect critical infrastructure such as mass transit, inter-city bus, and rail security. And in this coming fiscal year 2008, we will continue to support high-level infrastructure protection grants at about the same level of funding as last year.

Now, these grants not only protect critical infrastructure, but they help increase preparedness and resiliency if, in fact, we should face an attack or disruption. Preparedness is one of our core functions at DHS, and it is an area which we will continue to fund significantly in fiscal year 2008.

Now, we've made tremendous progress over the past year to boost preparedness and integrate the lessons of Hurricane Katrina and Rita, and to realign and retool our federal response capabilities. We have strengthened FEMA's tracking and communications, leadership and customer service. We have worked with state and local partners to assess emergency plans and communications interoperability, and we have promoted individual business preparedness.

To date, we have provided over the last several years nearly \$20 billion in grants for state and local preparedness efforts. In addition, I think it bears reminding that since Katrina, this administration has authorized more than \$110 billion to support recovery efforts in our nation's Gulf Coast as a consequence of Katrina, Rita, and Wilma. The President remains strongly committed to furthering the recovery of this very important part of our country and of our country's history, and the home to millions of our fellow citizens. In fact, to date Congress has appropriated nearly \$70 billion in funds for Louisiana and Mississippi alone, with over 70 percent of those funds designated specifically for efforts in Louisiana itself.

At DHS, we will also continue to make substantial investments through our grant programs to boost preparedness and response across the country. In fiscal year 2008, a total of \$3.2 billion will be available for state and local preparedness expenditures, as well as assistance to firefighters. Of this amount, \$2.2 billion is requested for DHS to fund grant, training, and exercise programs under FEMA. In addition, in coordination with our state preparedness grant program, we will be co-administering the \$1 billion Public Safety Interoperable Communications grant program, in partnership with the Department of Commerce. And for those who need help with the math, if you add the \$2.2 billion and the \$1 billion that comes up to \$3.2 billion in money that will be available for first responders for critical elements of preparedness and response.

The funds that are provided through these programs will support resources available to other federal assistance programs that center on first responder, terrorism preparedness activities, and will deliver ample support to all state and local first responder organizations to equip and train to be prepared to protect the public in the case or in the event of a terrorist attack.

And of course, FEMA itself is very much the subject of attention in our budget. To increase emergency preparedness under FEMA, we will request \$100 million increase for FEMA's Vision Initiatives, including staffing increases, new technologies, and targeted investment in equipment and supplies.

As part of our effort to professionalize FEMA, we will be requesting \$48 million to convert FEMA's cadre of on-call response employee temporary positions, which have four-year terms, with permanent, full-time employees. This is the kind of professionalization of FEMA that is an element of a long-term rebuilding effort that will benefit the country for years to come. And these investments align with the reorganization of FEMA that Congress mandated under the Post-Katrina Emergency Management Reform Act, and it will continue to support FEMA's maturation and integration.

Finally, we will continue to support the Coast Guard's search and rescue efforts with a \$1.7 billion budget request.

Finally, we continue the very important work of building and integrating the department's key management,

information technology, and personnel functions, to build a unified and streamlined department. Our fiscal year 2008 budget will build on that progress -- \$120 million increase to strengthen and unify DHS operations and management by joining DHS headquarters facilities on a single campus beginning in 2010; \$139 million in fees to transform, improve and modernize United States Citizens and Immigrations Services business processes, and to upgrade outdated information technology systems, so we can truly build a 21st century immigration system; a \$9.6 million increase for the Office of the Chief Procurement Officer, to take the very important step of improving our acquisition operations, including staffing increases.

Bottom line, it's a strong budget, a budget that will allow us to continue our mission to protect the American people while balancing trade, travel, and our way of life. And it is a fiscally responsible budget that strikes the right balance in terms of our security and our prosperity. This budget will allow us to continue to protect our borders and implement comprehensive immigration reform. It will continue to increase our protection against all types of attack on our transportation systems. It will help protect our nation against all threats and hazards, natural or manmade. It will focus on high-risk threats, like chemical, radiological, biological and nuclear threats. And it will ensure a stronger federal response when we have an emergency.

We look forward to working with a new Congress to fund these programs over the next year. I welcome Congress' input and feedback as we continue to build and improve this department to meet our very important responsibility to the American people.



Fact Sheet: U.S. Department of Homeland Security Announces Eight Percent Increase in Fiscal Year 2008 Budget Request

Release Date: February 5, 2007

President Bush's fiscal year 2008 budget request for the Department of Homeland Security (DHS) represents \$46.4 billion in funding, which is an increase of 8 percent over the FY 2007 level – excluding funds provided in emergency supplemental funding. The request targets five areas that are essential to preserving freedom and privacy, meeting future challenges, and fulfilling our mission of securing America.

Continue to Protect our Nation from Dangerous People

Protecting our nation from dangerous people continues by strengthening border security; developing fraud resistant identification and biometric tools; creating an interoperable architecture for the Transportation Worker Identification Credential (TWIC) program, the Western Hemisphere Travel Initiative (WHTI), and Real ID requirements; and achieving full database interoperability between DHS, the FBI, and the Department of State.

- Total funding of \$1 billion will support the **SBI**net program deployment and create an integrated infrastructure and technology solution for effective control of the border that includes fencing and virtual barriers to prevent illegal entry into the United States.
- Total funding of \$778 million will provide for 3,000 additional **Border Patrol agents** as well as facilities to house the agents, support personnel, and equipment necessary to gain operational control of our borders. This will keep us on track to achieve the President's goal of doubling the Border Patrol by the time he leaves office.
- Total funding of \$252 million is requested for implementation of the **Western Hemisphere Travel Initiative** (WHTI) at land ports of entry. The requested resources will advance the WHTI goal of ensuring that all people arriving at U.S. ports of entry have a valid and appropriate means of identification and can be processed in an efficient manner.
- An increase of \$146.2 million for the Unique Identity initiative will establish the foundational capabilities to improve identity establishment and verification with the transition to **10-Print and Automated Biometric Identification System (IDENT) and Integrated Automated Fingerprint Identification System (IAFIS) interoperability**. The funding will provide the capability to biometrically screen foreign visitors requesting entry to the United States through the collection of 10-print capture, rather than the current two, at enrollment. US-VISIT, along with the departments of State and Justice, will be able to continue efforts to develop interoperability between DHS' IDENT and Justice's IAFIS systems.
- An increase of \$224.2 million in funding will support the **Transportation Security Administration's screening operations**. This includes the Transportation Security Officers (TSO), Document Checkers, Career Progression Program, and procurement and installation of checkpoint support and explosives detection systems. TSA has evolved its TSO workforce to be highly responsive and effective in addressing the variety of potential threats, such as those presented in August 2006 by liquids, aerosols and gels. In FY 2007 and FY 2008, TSA plans to add an important layer of defense for aviation security by assuming responsibility for document checking.
- An increase of \$38 million in funding will support development and initial operating capability for the **Secure Flight system**. This includes funding for hardware procurement, operations ramp-up and training, and network interface engineering between the Secure Flight and U.S. Customs and Border Protection (CBP) Advanced Passenger Information System (APIS) network. Secure Flight will strengthen watch list screening and vet all domestic air travelers.

- An increase of \$28.7 million for the **ICE Criminal Alien Program (CAP)** will ensure the safety of the American public through the addition of twenty two CAP teams. These teams will continue the mission of identifying and removing incarcerated criminal aliens so they are not released back into the general population.
- An increase of \$16.5 million in funding will support the **Transportation Worker Identification Credential (TWIC)** which will establish an integrated, credential-based, identity verification program through the use of biometric technology. In order to gain unescorted access to the secure areas within the nation's transportation system, transportation workers who need access to these areas will go through identity verification, a satisfactory background check and be issued a biometrically verifiable identity card to be used with local access systems. The TWIC final rule has very recently been issued, and initial enrollment for this program is scheduled to begin in March 2007.
- An increase of \$788.1 million for the Coast Guard's **Integrated Deepwater System**. This funding will: complete the acquisition of four National Security Cutters; fund engineering and design costs for the Replacement Patrol Boat; and purchase four additional Maritime Patrol Aircraft. These long-awaited upgrades to its fleet will strengthen the Coast Guard's ability to safeguard our seaports from terrorists seeking to enter the country or transport dangerous weapons or materials.
- Total funding of \$30 million for the **Employment Eligibility Verification (EEV)** program will sustain the expansion of the program to provide increased interior enforcement of our immigration laws and more robust worksite enforcement, allowing employers to remove the guesswork involved with hiring new employees.

Continue to Protect our Nation from Dangerous Goods

We are aggressively working to improve maritime cargo security, including enhancing domestic and overseas container scanning. In addition, the Department is dedicating funding to improve technology and reduce costs to the BioWatch program, a key element in its comprehensive strategy for countering terrorism. The following initiatives are fundamental to the Department achieving our goal of protecting the nation from dangerous goods:

- Total funding of \$178 million will provide for the procurement and deployment of radiation portal monitors, including next-generation **Advanced Spectroscopic Portal (ASP)** systems. The requested resources will assist the Department in achieving its goal of screening 98 percent of all containers entering the United States by the end of FY 2008.
- An increase of \$15 million is requested for the **Secure Freight Initiative** that is designed to maximize radiological and nuclear screening of U.S. bound containers from foreign ports. Secure Freight includes a next generation risk assessment screening program and an overseas detection network, while merging existing and new information regarding containers transiting through the supply chain to assist customs and screening officials in making security and trade decisions.
- An increase of \$47.4 million is requested for the **Acceleration of Next-Generation Research and Development program** which will increase funding across multiple research, development, and operations program areas.

Protect Critical Infrastructure

Central to the Department's mission is supporting effective critical infrastructure security investments at the federal, State, and local levels. The President's Budget requests funding for initiatives that continue to support strengthening national chemical plant security; protecting high risk rail shipments; and cultivating mutually beneficial partnerships with industry owners and operators. These key funding requests are critical elements to guarding the nation's infrastructure:

- An increase of \$30 million will provide for the **Securing the Cities Implementation initiative**. DHS will begin the implementation of strategies developed through the analytical work done in FY 2006 and FY 2007 in support of the initiative in the New York region. Activities included in the development of regional strategies include analyses of critical road networks, mass transit, maritime, and rail

vulnerabilities. The Domestic Nuclear Detection Office (DNDO) will engage state and local partners in additional urban areas beginning in FY 2008 to tailor strategies and lessons learned from the New York region to meet requirements specific to these regions.

- An increase of \$21.9 million will support the newly formed **Science and Technology (S&T) Office of Innovation** to provide increases to program development and leap-ahead technologies that address some of the highest priority needs of the Department. The technologies being developed will be used to create a resilient electric grid to protect critical infrastructure sites, detect tunnels along the border, defeat improvised explosive devices, and utilize high-altitude platforms or ground-based systems for detection and engagement of MANPADS in order to offer alternative solutions to installing systems on aircraft.
- An increase of \$15 million for a total of \$25 million will improve **Chemical Site Security** and regulate security of chemical plants. The funding will be used to manage training of inspector staff, assist desk personnel and other administrative staff. Funds will also be spent on assisting chemical facilities with vulnerability assessments.
- An increase of \$3.5 million will expand TSA's **National Explosive Detection Canine Team program** by approximately 45 teams to support the nation's largest passenger transportation systems in both mass transit and ferry systems.
- An increase of \$35.6 million for the **Presidential Campaign** will enable the U.S. Secret Service to provide the appropriate level of resources to adequately protect the candidates and nominees during the 2008 Presidential Campaign while sustaining other protective programs.

Build a Nimble and Effective Emergency Response System and Culture of Preparedness

Remaining in a state of readiness is crucial to the Department's ability to deter and respond to acts of terror or other disasters. The following funding requests will strengthen the department's ability to build an effective emergency response system and culture of preparedness.

- An increase of \$100 million will provide for **FEMA's Vision Initiatives** that will enable the agency to intensify and speed the development of core competencies central to achieving disaster readiness, response and recovery. A combination of staffing increases, new technologies, and targeted investment in equipment and supplies, will increase FEMA's mission capacity in the areas of Incident Management, Operational Planning, Continuity Programs, Public Disaster Communications, Hazard Mitigation, Disaster Logistics, and Service to Disaster Victims. In addition, the requested increase will support FEMA's plan to transform its approach to business operations and project management, enabling the development and integration of information systems, policies, internal controls, and processes necessary to effectively build, manage, and support the agency's core competencies to ensure mission success.
- A total of \$3.2 billion will be available for **State and local preparedness** expenditures as well as assistance to firefighters in FY 2008. Of this amount, \$2.2 billion is requested for DHS to fund grant, training and exercise programs. In addition, in coordination with our State Preparedness Grant Program, we will be co-administering the \$1.0 billion Public Safety Interoperable Communications (PSIC) grant program, in partnership with the Department of Commerce. Funds requested through these programs will (1) provide critical assistance to State and local homeland security efforts, (2) support resources available through other federal assistance programs that center on first responder terrorism preparedness activities, and (3) deliver ample support to all State and local first responder organizations to obtain the equipment, training, and other resources required to protect the public in the event of a terrorist attack or other major incident.
- A realignment of \$132.7 million in base resources will establish a **Deployable Operations Group** and strengthen the Coast Guard's overall response capability. The alignment of Coast Guard's deployable, specialized forces under a single command will improve and strengthen Coast Guard's ability to perform day-to-day operations and respond to maritime disasters and threats to the Nation.

- A total of \$48 million is requested to further professionalize FEMA's disaster workforce by converting **Cadre of On-Call Response Employee (CORE)** positions with 4-year terms into permanent full-time employees. This transition will stabilize the disaster workforce, allowing for the development and retention of employees with needed program expertise and increased staffing flexibility to ensure critical functions are maintained during disaster response surge operations.
- An increase of \$12 million for the **Nationwide Automatic Identification System** will continue funding for this vital project that significantly enhances the Coast Guard's ability to identify, track and exchange information with vessels in the maritime domain, especially those vessels that may threaten our nation.

Strengthen and Unify DHS Operations and Management

DHS is continuing to strengthen departmental operations to improve mission success. A variety of critical investments will help us accomplish this goal.

- An increase of \$139 million in premium processing fees will transform and improve **USCIS Business processes** and outdated information technology systems. This investment will support automation of USCIS operations and improve processing times, increase security and fraud detection, improve customer service and the replacement of paper-based processes and antiquated technology. Additionally, \$124 million in anticipated application fee revenue will be committed to upgrade and maintain the USCIS information technology environment.
- A total of \$17 million in new funding within ICE and CBP will help improve the **internal oversight of personnel**. This oversight is especially critical as the workforces of these organizations continue to expand.
- An increase of \$120 million for the **DHS Consolidated Headquarters** Project will further consolidate executive program leadership of the Department in a secure setting. This will foster a one-DHS culture and enhance the flow of information while optimizing our prevention and response capabilities across the spectrum of operations.
- An increase of \$9.6 million for the **Office of the Chief Procurement Officer** will establish the staffing requirements necessary to properly award and administer department-wide acquisition programs to ensure effective delivery of services and proper procurement and contracting procedures in compliance with all federal laws and regulations governing procurements.
- A total of \$99.1 million will continue to support the **Inspector General activities** to serve as an independent and objective inspection, audit, and investigative body to promote economy, efficiency, and effectiveness in DHS programs and operations.

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DEPARTMENT OF HOMELAND SECURITY

Since 2001, the Administration:

- Funded over 5,700 new Border Patrol agents, and acquired nearly 7,800 new detention beds;
- Provided nearly \$37.5 billion to State, local, and tribal governments to enhance first responder preparedness of which \$22 billion was allocated through Department grant programs. This includes a total of \$25.5 billion in support related to terrorism and catastrophic preparedness events, with \$16.3 billion allocated through the Department;
- Created the Domestic Nuclear Detection Office to detect, identify, and track down the origins of nuclear and radiological materials;
- Hired a workforce and deployed sufficient technology to electronically screen 100 percent of airline passengers and checked baggage;
- Strengthened marine transportation systems and the cargo supply chain through the Container Security Initiative, Customs Trade Partnership Against Terrorism, and the Maritime Transportation Security Act; and
- Awarded more than \$700 million in port security grants to enhance the physical security of the Nation's seaports.

The President's 2008 Budget:

- Increases non-defense homeland security spending by 9.5 percent Government-wide compared to 2007, excluding 2007 emergency funding and borrowing authority for interoperability grants;
- Provides \$13 billion to strengthen border security and immigration enforcement, including \$1 billion to construct fences and secure the Southwest border, building upon the \$1.5 billion appropriated for 2006 and 2007—an unprecedented investment on the Nation's borders;
- Funds 3,000 new Border Patrol agents, which will lead to the doubling of

the force by the end of 2008, provides for 950 new detention beds, and continues funding for an automated, user-friendly eligibility verification system;

- Provides \$2 billion in grants for first responder preparedness—on top of \$1 billion in interoperable communications grants previously authorized—and over \$5 billion in funds that State, local, and tribal governments are currently spending;
- Enhances the ability to detect, identify, and track down the origins of nuclear and radiological materials;
- Strengthens FEMA by improving partnerships with States and professionalizing the national emergency management system; and
- Improves the ability to identify visitors and to assist with law enforcement and terrorism investigations by collecting 10 fingerprints (instead of the two that are currently collected and screened) at the Nation's ports of entry.

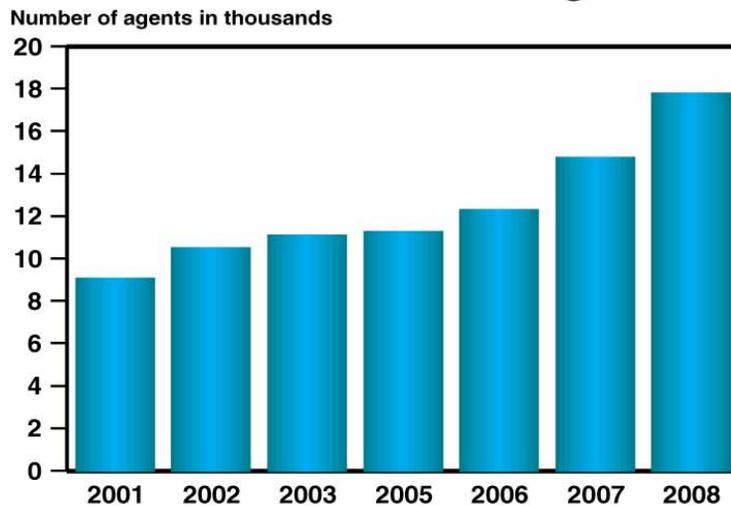
FOCUSING ON THE NATION'S PRIORITIES

Prioritizing Comprehensive Immigration Reform

The Administration is dedicated to comprehensive reform of America's immigration laws by increasing border security, while maintaining the Nation's tradition of welcoming immigrants who enter the country legally. For immigration reform to succeed, it must be based on five pillars: 1) strengthening security at the borders; 2) substantially increasing enforcement in the interior to remove those who are here illegally, and to prevent employers from deliberately or inadvertently hiring illegal immigrants; 3) implementing a Temporary Worker Program to provide a legal channel for employers to hire foreign workers to do jobs Americans are unwilling to do; 4) addressing the millions of illegal immigrants already in the country; and 5) helping new immigrants assimilate into American society. The Administration's plan will deter and apprehend migrants attempting to enter the country illegally and decrease crime rates along the border. The plan also will serve the needs of the economy by allowing employers to hire legal foreign workers on a temporary basis when no American is willing to take the job, bring illegal immigrants out of the shadows without providing amnesty, and restore public confidence in the Federal Government's ability to enforce immigration laws.

*Deploying 3,000 New
Border Patrol Agents.*
Since 2001, the Administration and the Congress have increased funding for border security by 145 percent and immigration enforcement by 118 percent. The Administration has also worked with the States to deploy thousands of National Guardsmen to assist the Border Patrol at

Border Patrol Staffing



office. At the start of the President's Administration, there were 9,096 Border Patrol agents. This Budget will bring the total number of agents to 17,819, and the 2009 Budget will achieve the President's goal. To gain control of the Nation's borders, the Budget also continues funding for fencing, technology, and other infrastructure along the border. In September 2006, the Department of Homeland Security (DHS) awarded a contract to manage the fencing, technological, and other infrastructure components of its Secure Border Initiative (SBI) effort, SBI.net. The 2008 Budget requests \$1 billion to speed deployment. The project is focused on using proven, low risk technology to significantly improve the availability of information and tools to Border Patrol agents so they can better detect, identify, classify and confront illegal border activity by those who pose a threat to the United States.

Ending Catch and Release. The Administration has effectively ended the practice of "catch and release" along the northern and southern border. Non-Mexican aliens apprehended at the border are now detained and then returned to their home countries as quickly as possible and all non-criminal Mexican illegal aliens apprehended are returned to Mexico immediately. The 2008 Budget includes \$2.2 billion in detention and removal resources to continue this success and supports a total of 28,450 detention beds across the country to house illegal aliens apprehended by DHS.

Partnering with State and Local Law Enforcement. To improve coordination and provide assistance to State and local law enforcement officials, the Budget expands a successful Federal, State and local partnership—the 287(g) program, which provides State and local law enforcement officials with guidance and training in immigration law, subject to the direction of the Secretary of Homeland Security. The 2008 Budget includes an increase of \$26 million for the 287(g) program and the Law Enforcement Support Center, including the training of an additional 250 State and local law enforcement officers, detention beds for apprehended illegal aliens, and personnel to assist State and local law enforcement when they encounter aliens. It also includes an increase of \$29 million to identify criminal aliens in Federal, State, and local prison facilities and remove those aliens from the United States.

Building a Robust Enforcement Program. To help employers follow immigration law and identify legal workers, the 2008 Budget provides \$30 million to support the Basic Pilot Program. Through this voluntary web-based program, employers are able to quickly and easily verify the employment eligibility of prospective employees and avoid hiring

the Southwest border. Through this initiative, the Guard have replaced hundreds of Border Patrol agents serving in supporting roles and returned them to frontline duties. The 2008 Budget provides more than \$3.5 billion for the Border Patrol (an increase of 27 percent over the 2007 enacted level) including funding for 3,000 new agents. The President has committed to doubling the size of the Border Patrol to over 18,000 agents before he leaves

unauthorized workers. In addition, the Budget includes an increase of \$5 million to improve worksite enforcement through cooperative agreements with private employers.

The 2008 Budget also includes increases for investigating smuggling and border criminal activity (\$13 million) and for identifying, apprehending, prosecuting, and removing aliens involved in gang activities (\$5 million).

Adopting Better Screening Techniques. US-VISIT is central to the Federal Government's screening of international visitors. US-VISIT expedites the clearance of legal and safe travelers, while focusing on blocking those intending to do us harm. US-VISIT currently collects two digital fingerprints and a digital photograph. The ability to screen visitors against criminal and terrorist information, as well as confirming the identity of travelers has improved border security. However, in the future, to assist with terrorism and criminal investigations and to improve accuracy in the identification of those entering the country, first-time visitors will be enrolled in the program by submitting 10 fingerprints. DHS will implement this multi-year screening project, in conjunction with the Departments of State and Justice. The 2008 Budget includes \$462 million for US-VISIT, including \$228 million to deploy 10 fingerprint collection at all of the Nation's land, air, and sea ports of entry and for interoperability with the FBI's fingerprint system, the Integrated Automated Fingerprint Identification System.

In addition, the Transportation Security Administration will conduct security assessments on more than 2.1 million individuals in the Nation's transportation system, including commercial HAZMAT drivers, airline flight and ground crews, airline passengers, and port workers. These assessments will be based on terrorism and criminal information from U.S. intelligence community and FBI databases.

Improving Immigration Application Processing. The Budget supports an increase in U.S. Citizenship and Immigration Services (USCIS) immigration application and petition fees. These fees will be used to maintain and improve the six-month or better processing time for immigration applications, recover the full costs of operations, and improve fraud detection and prevention programs. Additionally, USCIS will automate their business processes—eliminating the paper-based system—thereby greatly improving customer service, information sharing, and significantly strengthening the security and integrity of the immigration system.

Protecting the Homeland from Nuclear Threat and Improving Chemical Security

The Domestic Nuclear Detection Office (DNDO) coordinates the Nation's nuclear detection efforts. Together with the Departments of State, Energy, Defense, and Justice, DNDO is implementing a comprehensive inter-agency system to detect, report, and respond to any attempt to import, assemble, or transport a nuclear device and fissile or radiological materials within the United States. The 2008 Budget includes \$562 million for the DNDO, a 17-percent increase from the 2007 level. To respond to the threat from nuclear and radiological materials, DNDO's budget has grown more than 400 percent since its establishment in 2005.

In 2008, DNDO will continue to conduct transformational research and development aimed at enhancing the ability to detect, identify, and track down the origins of nuclear and radiological materials. This research looks beyond current capabilities and seeks to find novel scientific tools and methodologies that may prove useful to counter the threat of nuclear and radiological devices. The Budget also includes \$178 million for the deployment

of both fixed and mobile radiation portal monitors at strategic points of entry throughout the country. An additional \$30 million will be used to improve the detection of radiological and nuclear materials in and around major cities. By the end of December 2007, DNDO will have deployed radiation portal monitors to the Nation's 22 busiest seaports to scan incoming sea containers, which will result in 98 percent of all seaport containers being screened upon entry into the United States. Together with the overseas non-proliferation efforts led by the Department of State, and the overseas detection capabilities managed by the Department of Energy, DNDO seeks to create a seamless approach toward preventing terrorists anywhere in the world from acquiring, transporting, or introducing these materials into the United States.

Through the Secure Freight Initiative, Customs and Border Protection will also enhance overseas nuclear and radiological screening of U.S.-bound containers by continuing to deploy enhanced passive radiation monitoring and other imaging equipment in cooperation with the Department of Energy's MegaPorts program. The Budget also reduces the Nation's vulnerability to a terrorist attack by providing \$25 million to regulate security at high-risk chemical facilities. This funding provides the Department with the capability to develop and refine vulnerability assessment tools, review site security plans submitted by high-risk chemical facilities, and inspect facilities for compliance with chemical facility security regulations.

Implementing New Vision at the Federal Emergency Management Agency

The President's Budget provides \$100 million to implement a new vision for the Federal Emergency Management Agency (FEMA). With these new funds, FEMA will strengthen its core capabilities, competencies, and capacities; expand regional preparedness and response activities; strengthen its partnership with States; and professionalize the national emergency management system. The vision will allow FEMA to establish better program analysis and project management capabilities by reshaping its workforce and become more results and performance-oriented. DHS will also continue to ensure the integration of Federal plans and planning efforts.

With the additional funds, FEMA will hire dedicated operational planners who will partner with States and localities to develop operational disaster response plans and incident-specific catastrophic plans. FEMA will improve its ability to deliver disaster assistance to individuals and communities by increasing registration speed and capacity and expanding Mobile Registration Intake Centers to make it easier for people to register for Individual Assistance. Additionally, FEMA will reduce misuse and abuse of disaster assistance through better internal management controls and accountability, more vigilant oversight of contracts, and improved systems to process and deliver benefits.

Ongoing Katrina Recovery Efforts. In August 2005, Hurricane Katrina forced the evacuation of more than 1.5 million people, damaged or destroyed nearly 200,000 homes, and resulted in the loss of over 1,200 lives. Many Federal agencies were involved in the response and recovery efforts, and the long-term recovery effort is continuing to this day.

In Mississippi, the debris removal process is essentially complete and remaining debris in the Mississippi Sound should be cleared by May 2007. Additionally, out of the \$5.5 billion in Federal Community Development Block Grant (CDBG) funds available, Mississippi has distributed over 8,500 checks to homeowners without flood insurance to compensate for flood-related damages, as of January 2007.

In Louisiana, approximately 76 percent of the debris has been cleared as of January 2007, including 30 percent of the approximately 34,000 homes scheduled to be demolished. Debris removal should be completed by December 2007. Louisiana officials anticipate that distribution of \$10.4 billion in CDBG funds to homeowners without flood insurance will ramp up in Spring 2007. Federal, State, and local officials are working together to improve Louisiana's housing program.

Department of Homeland Security

(In millions of dollars)

	2006 Actual	Estimate	
		2007	2008
Spending			
Gross Discretionary Budget Authority:			
Departmental Management and Operations	856	915	998
Office of the Inspector General	82	99	99
Citizenship and Immigration Services	114	182	30
Legislative proposal	—	—	-4
United States Secret Service	1,219	1,277	1,399
Customs and Border Protection	5,865	6,442	8,791
Immigration and Customs Enforcement	3,633	4,444	4,781
Transportation Security Administration	5,891	6,010	6,399
United States Coast Guard	6,710	7,052	7,272
Federal Emergency Management Agency (FEMA)	6,146	6,013	5,187
<i>State and Local Programs (non-add)</i>	3,378	3,393	2,196
Science and Technology	1,467	848	799
Domestic Nuclear Detection Office (DNDO) ¹	—	481	562
National Protection and Programs Directorate	947	941	1,164
Federal Law Enforcement Training Center	279	253	263
Other	4	—	—
Total, Gross	33,213	34,957	37,740
Less fee-funded activities	-2,545	-2,976	-3,452
Total, Discretionary budget authority (net)	30,668	31,981	34,288
<i>Memorandum:</i>			
<i>Budget authority from enacted supplementals</i>	-15,792	1,919	—
<i>Additional funding requirements</i>	—	3,520 ²	225 ²
Total, Discretionary outlays	52,695	46,956	42,904
Mandatory Outlays:			

FEMA	16,519	3,014	343
Citizenship and Immigration Services	1,584	1,776	2,386
United States Secret Service	201	200	210
United States Coast Guard	1,212	1,295	1,431
All Other	-3,104	-2,811	-4,062
Total, Mandatory outlays	16,412	3,474	308
Total, Outlays	69,107	50,430	43,212
Credit activity			
Direct Loan Disbursements:			
Disaster Assistance	629	516	79

¹ DNDO received \$125 million in 2006 in the Science and Technology appropriation.

² \$120 million in 2007 and \$225 million in 2008 is proposed to be transferred from the Department of Defense to the United States Coast Guard.