Written testimony of DHS Secretary Janet Napolitano for a Senate Committee on Appropriations, Subcommittee on Homeland Security hearing on The President's Fiscal Year 2013 budget request for The Department of Homeland Security

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Introduction

Chairman Landrieu, Vice Chairman Lautenberg, Ranking Member Coats, and Members of the Subcommittee:

Let me begin by saying thank you to this Subcommittee for the strong support you have provided me and the Department over the past three years. I look forward to continuing to work with you in the coming year to protect the homeland and the American people.

I am pleased to appear before the Subommittee today to present President Obama's Fiscal Year (FY) 2013 Budget Request for the Department of Homeland Security (DHS).

Ten years after the September 11th attacks, America is stronger and more secure today, thanks to the strong support of the President and Congress; the work of the men and women of the Department of Homeland Security (DHS) and local, State, and Federal partners across the homeland security enterprise.

While we have made significant progress, threats from terrorism—including, but not limited to al-Qaeda and al-Qaeda related groups—persist and continually evolve, and the demands on DHS continue to grow. Today's threats are not limited to any one individual, group or ideology and are not defined nor contained by international borders. Terrorist tactics can be as simple as a homemade bomb and as sophisticated as a biological threat or a coordinated cyber attack. We have had success in thwarting numerous terrorist plots including the attempted bombings of the New York City subway and Times Square, foiled attacks against air cargo, and other attempts across the country. Nonetheless, the recent threat surrounding the 10th anniversary of the September 11th attacks and the continued threat of homegrown terrorism demonstrate how we must constantly remain vigilant and prepared.

To continue to address these evolving threats, DHS employs risk-based, intelligence-driven operations to prevent terrorist attacks. Through a multi-layered detection system focusing on enhanced targeting and information sharing, DHS works to interdict threats and dangerous people at the earliest point possible. DHS also works closely with its Federal, State, and local law enforcement partners on a wide range of critical homeland security issues in order to provide those on the frontlines with the tools they need to address threats in their communities.

Strengthening homeland security also includes a significant international dimension. To most effectively carry out DHS's core missions – including preventing terrorism, securing our borders, and protecting cyberspace – we must partner with countries around the world. This work ranges from strengthening cargo, aviation, and supply chain security to joint investigations, information sharing, and science and technology cooperation. Through international collaboration, we not only enhance our ability to prevent terrorism and transnational crime, we also leverage the resources of our international partners to more efficiently and cost-effectively secure global trade and travel. Today, DHS works in more than 75 different countries—the third largest foreign footprint of any civilian U.S. Government agency—in order to address and respond to evolving threats before they reach our shores.

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Domestically, over the past several years, DHS has deployed unprecedented levels of personnel, technology, and resources to the Southwest Border. At the same time, the Department has made critical security improvements along the Northern Border while strengthening efforts to increase the security of the Nation's maritime borders. DHS is also focused on smart and effective enforcement of U.S. immigration laws while streamlining and facilitating the legal immigration process.

To strengthen the Nation's cybersecurity posture, DHS leads the Federal Government's efforts to secure civilian government computer systems and works with industry and State, local, tribal, and territorial governments to secure critical infrastructure and information systems.

Additionally, DHS continues to coordinate disaster response efforts nationwide. In 2011, the Department responded to a record number of disasters, including Hurricane Irene, which impacted 14 States; wildfires in the Southwest; severe flooding in the Mississippi and Missouri river systems; and devastating tornadoes that hit the Midwest and the South. The Department's response to these and other disasters shows how far it has come in just a few years. Rather than wait until a request for disaster assistance has been received and approved, the Federal Emergency Management Agency (FEMA) and agencies across the Federal Government work actively with communities to prepare before disasters occur and to maintain a constant readiness posture.

Maximizing Efficiency and Effectiveness

The Fiscal Year (FY) 2013 Budget for DHS is $58.6 billion in total budget authority, $48.7 billion in gross discretionary funding, and $39.5 billion in net discretionary funding. Net discretionary budget authority is 0.5 percent below the FY 2012 enacted level. An additional $5.5 billion for the Disaster Relief Fund (DRF) is provided under the disaster relief cap adjustment, pursuant to the *Budget Control Act of 2011* (BCA).

The Department has implemented a variety of initiatives to cut costs, share resources across Components, and consolidate and streamline operations wherever possible. To preserve core frontline priorities in FY 2013, we have redirected over $850 million in base resources from administrative and mission support areas, including contracts, personnel (through attrition), information technology, travel, personnel moves, overtime, directed purchasing, professional services, and vehicle management. Through the Department-wide Efficiency Review (ER), which began in 2009, as well as other cost-saving initiatives, DHS has identified over $3 billion in cost avoidances and reductions, and redeployed those funds to mission-critical initiatives across the Department.

At the same time, the Department challenged its workforce to fundamentally rethink how it does business – from the largest to smallest investments. In 2011, DHS conducted its first-ever formal base budget review for FY 2013, looking at all aspects of the Department's budget to find savings within our current resources and to better align those with operational needs. Through its annual "Think Efficiency Campaign," DHS solicited employee input on creative cost-saving measures and will implement six new employee-generated initiatives in early 2012.

Given the fiscal challenges to the Department's State and local partners, DHS is also approaching these partnerships in new and innovative ways. The Administration has proposed a new homeland security grants program in FY 2013 designed to develop, sustain, and leverage core capabilities across the country in support of national preparedness, prevention, and response. The FY 2013 National Preparedness Grant Program (NPGP) will help create a robust national preparedness capacity based on cross-jurisdictional and readily deployable State and local assets. Using a competitive, risk-based model, the NPGP will use a comprehensive process for identifying and prioritizing deployable capabilities, limit periods of performance to put funding to work quickly, and require grantees to regularly report progress in the acquisition and development of these capabilities.

In FY 2011, DHS achieved a milestone that is a pivotal step towards increasing transparency and accountability for the Department's resources. For the first time since FY 2003, DHS earned a qualified audit opinion on its Balance Sheet – highlighting the significant progress we have made in improving our financial management in the 8 years since DHS was founded. Through these and other efforts across the Department, we will continue to ensure taxpayer dollars are managed with integrity, diligence, and accuracy and that the systems and processes used for all aspects of financial management demonstrate the highest level of accountability and transparency.

The FY 2013 President's Budget supports these significant efforts to increase transparency, accountability, and efficiency. Following are some key initiatives and proposals included in the Budget that continue to streamline Departmental operations:

- *US-VISIT:* In order to better align the functions of US-VISIT with the operational Components, the Budget proposes the transfer of US-VISIT functions from the National Protection and Programs Directorate (NPPD) to U.S. Customs and

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Border Protection (CBP) and U.S. Immigration and Customs Enforcement (ICE). Currently, CBP operates numerous screening and targeting systems, and integrating US-VISIT within CBP will strengthen the Department's overall vetting capability while also realizing efficiencies.

- *Strategic Sourcing:* Through the ER and Component initiatives, DHS has used strategic sourcing initiatives to leverage the purchasing power of the entire Department for items such as software licenses, wireless communication devices, furniture, and office supplies. In FY 2013, DHS expects to save more than $264 million through the use of these contracts.

- *Acquisition Management and Reform:* A major management priority in FY 2013 is the continued improvement of the DHS acquisition process. The Under Secretary for Management is leading an effort to improve the overall acquisition process by reforming the early requirements development process and enhancing our ability to manage the implementation and execution of acquisition programs.

- *Strengthening the Efficiency of IT Programs:* The Department is committed to improving performance of IT programs, implementing a "Cloud First" policy, reducing the number of Federal data centers, and consolidating IT infrastructure. On the basis of these initiatives, the overall FY 2013 Budget (including all DHS Components) for IT infrastructure is reduced by 10 percent below FY 2012 enacted levels.

- *Common Vetting:* In order to increase the efficiency and effectiveness of its screening efforts and leverage capabilities across the Department, the Budget includes funding to continue to enhance the Department's biographic and biometric screening capabilities. As part of this effort, DHS has initiated implementation of an enhanced biographic exit program, which will better aggregate the information within existing data systems, enhance review of potential overstays, increase automated matching, incorporate biometric elements, and provide the foundation for a future biometric exit solution.

- *Common Airframes:* DHS is also examining how to leverage joint requirements for aviation assets between CBP and the U.S. Coast Guard. A senior leadership working group has performed a baseline analysis of the various roles and missions of DHS's aviation assets and is working to increase the effectiveness of Departmental aviation assets through continued coordination and collaboration. Complementing this effort, DHS recently began an ER initiative which will increase cross-Component collaboration for aviation-related equipment and maintenance by establishing excess equipment sharing, maintenance services, and contract teaming agreements, as well as other opportunities for aviation-related efficiencies.

- *Information Sharing and Safeguarding:* DHS is embarking on a Department-wide effort to increase efficiencies and reduce redundancies through the implementation of key information-sharing and safeguarding capabilities such as Identity, Credentialing, and Access Management. Significant future cost savings will be realized with the continued consolidation of Sensitive But Unclassified portals, streamlining of classified networks and the alignment of Common Operating Picture investments. Working through a Department-wide information-sharing governance structure, DHS is addressing requirements resulting from post-Wikileaks reforms, and ensuring that information on both classified and unclassified networks is properly protected to preserve privacy and civil liberties.

- *Aviation Passenger Security Fee:* The FY 2013 Budget includes the Administration's proposal to restructure the Aviation Passenger Security Fee (Security Fee) to achieve total collections of $2.239 billion. The proposal would generate an additional $317 million in new collections in 2013, of which $117 million would be used to further offset the cost of Federal aviation security operations and $200 million would contribute to Federal deficit reduction. Following the Security Fee restructuring, passengers would pay a fee of $5.00 per one-way trip beginning in the fourth quarter of FY 2013, rather than a separate fee for each enplanement under the current construct. The restructuring would provide TSA with the flexibility to meet increasing aviation security costs and better aligns the costs associated with passenger security to the direct beneficiaries. The Security Fee has not changed or been adjusted for inflation since the TSA was established in 2002, even while the overall cost of aviation security has grown by more than 400 percent. The Administration's proposal makes progress towards fulfilling the intent of the *Aviation and Transportation Security Act* to cover the costs of aviation security through fees and not by the general taxpayers.

Budget Priorities

The FY 2013 President's Budget prioritizes the mission areas outlined in the Department's 2010 Quadrennial Homeland Security Review and the 2010 Bottom-Up Review, the first complete effort undertaken by the Department to align its resources with a comprehensive strategy to meet the Nation's homeland security needs.

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The Budget builds on the progress the Department has made in each of its mission areas while also providing essential support to national and economic security.

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

Mission 2: Securing and Managing Our Borders – DHS secures the Nation's air, land, and sea borders to prevent illegal activity while facilitating lawful travel and trade. The Department's border security and management efforts focus on three interrelated goals: effectively securing U.S. air, land, and sea borders; safeguarding and streamlining lawful trade and travel; and disrupting and dismantling transnational criminal and terrorist organizations.

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

Mission 4: Safeguarding and Securing Cyberspace – DHS is the Federal Government lead agency for securing civilian government computer systems and works with industry and State, local, tribal, and territorial governments to secure critical infrastructure and information systems. DHS analyzes and mitigates cyber threats and vulnerabilities; distributes threat warnings; and coordinates the response to cyber incidents to ensure that our computers, networks, and cyber systems remain safe.

Mission 5: Ensuring Resilience to Disasters – DHS provides the coordinated, comprehensive Federal response in the event of a terrorist attack, natural disaster, or other large-scale emergency while working with Federal, State, local, and private-sector partners to ensure a swift and effective recovery effort. The Department's efforts to build a ready and resilient Nation include fostering a community-oriented approach, bolstering information sharing, improving the capability to plan, and providing grants and training to our homeland security and law enforcement partners.

In addition to these missions, DHS leads and supports many activities that provide essential support to national and economic security, including, but not limited to, maximizing collection of customs revenue, maintaining the safety of the marine transportation system, preventing the exploitation of children, providing law enforcement training, and coordinating the Federal Government's response to global intellectual property theft. DHS contributes in many ways to these elements of broader U.S. national and economic security while fulfilling its homeland security missions.

The following are highlights of the FY 2013 Budget:

Preventing Terrorism and Enhancing Security

Guarding against terrorism was the founding mission of DHS and remains our top priority. The FY 2013 Budget safeguards the Nation's transportation systems through a layered detection system focusing on risk-based screening, enhanced targeting, and information-sharing efforts to interdict threats and dangerous people at the earliest point possible. The Budget supports the Administration's Global Supply Chain Security Strategy across air, land, and sea modes of transportation by strengthening efforts to prescreen and evaluate high-risk containers before they are shipped to the United States and annualizing positions that provide the capacity to address security vulnerabilities overseas. Funding is included for Securing the Cities to protect our highest-risk cities from radiological or nuclear attack and continues efforts to support national bio preparedness and response efforts. The Budget also continues strong support for State and local partners through a new consolidated grant program, training, fusion centers, and intelligence analysis and information sharing on a wide range of critical homeland security issues.

- *Strengthening Risk-Based Aviation Security:* The FY 2013 Budget supports DHS's effort to employ risk-based, intelligence-driven operations to prevent terrorist attacks and to reduce the vulnerability of the Nation's aviation system to terrorism. These security measures create a multi-layered system to strengthen aviation security from the time a passenger purchases a ticket to arrival at his or her destination. The FY 2013 Budget:
    - Supports trusted traveler programs, such as TSA Pre✓ and the CBP Global Entry program, which are pre-

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screening initiatives for travelers who volunteer information about themselves prior to flying in order to potentially expedite screening at domestic checkpoints and through customs.

- Continues support for passenger screening canine teams included in the FY 2012 enacted budget, an important layer of security to complement passenger checkpoint screening at airports, assist in air cargo screening, and enhance security in the mass transit environment.

- Funds the continued operation of technology to screen passengers and baggage through 1,250 Advanced Imaging Technology units, which safely screen passengers for metallic and non-metallic threats, and 155 new state-of-the-art Explosives Detection Systems to efficiently screen baggage for explosives which will reduce the number of re-scans and physical bag searches.

- Expands Secure Flight to cover the Large Aircraft and Private Charter Standard Security Program, screening an estimated 11 million additional passengers annually. Through Secure Flight, TSA pre-screens 100 percent of all travelers flying within or to the United States against terrorist watchlists before passengers receive their boarding passes.

- *Enhancing International Collaboration:* In our increasingly globalized world, DHS continues to work beyond its borders to protect both national and economic security. The FY 2013 Budget supports DHS's strategic partnerships with international allies and enhanced targeting and information-sharing efforts to interdict threats and dangerous people and cargo at the earliest point possible.

  - Through the Immigration Advisory Program and enhanced in-bound targeting operations, CBP identifies high-risk travelers who are likely to be inadmissible into the United States and makes recommendations to commercial carriers to deny boarding. The FY 2013 Budget also supports initiatives to interdict and apprehend criminals and persons of national security interest, and disrupt those who attempt to enter the U.S. with fraudulent documents.

  - Through the Visa Security Program and with Department of State concurrence, ICE deploys trained special agents overseas to high-risk visa activity posts to identify potential terrorist and criminal threats before they reach the United States. The FY 2013 Budget supports efforts to leverage IT solutions and the capabilities of our law enforcement and intelligence community partners to increase ICE's efficiency in screening visa applications in order to identify patterns and potential national security threats.

  - Through pre-clearance agreements, CBP screens passengers internationally prior to takeoff through the same process a traveler would undergo upon arrival at a U.S. port of entry, allowing DHS to extend our borders outwards while facilitating a more efficient passenger experience. The FY 2013 Budget continues to support CBP's preclearance inspection efforts, which are designed to determine compliance with admissibility of agriculture, customs, and immigration requirements to the United States.

- *Supporting Surface Transportation Security:* The transit sector, because of its open access architecture, has a fundamentally different operational environment than aviation. Accordingly, DHS helps secure surface transportation infrastructure through risk-based security assessments, critical infrastructure hardening, and close partnerships with State and local law enforcement partners. The FY 2013 Budget supports DHS's efforts to bolster these efforts.

  - The new FY 2013 National Preparedness Grants Program, described in more detail below, is focused on building national capabilities focused on preventing and responding to threats across the country, including the surface transportation sector, through Urban Search & Rescue teams, canine explosive detection teams and HAZMAT response as well as target hardening of critical transit infrastructure.

  - Conduct compliance inspections throughout the freight rail and mass transit domains; critical facility security reviews for pipeline facilities; comprehensive mass transit assessments that focus on high-risk transit agencies; and corporate security reviews conducted in multiple modes of transportation on a continuous basis to elevate standards and identify security gaps.

  - Fund 37 Visible Intermodal Prevention and Response (VIPR) teams, including 12 multi-modal Teams. VIPR teams are composed of personnel with expertise in inspection, behavior detection, security screening, and law enforcement for random, unpredictable deployments throughout the transportation sector to prevent potential terrorist and criminal acts.

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- *Strengthening Global Supply Chain Security:* The FY 2013 Budget supports the Administration's Global Supply Chain Security Strategy announced in early 2012, which presents a unified vision across air, land, and sea modes of transportation.
    - Supports increased targeting capabilities by updating rules in real time and providing CBP with 24/7 targeting capability.
    - Strengthens the Container Security Initiative, enabling CBP to prescreen and evaluate high-risk containers before they are shipped to the United States.
    - Continues support for positions to improve the coordination of cargo security efforts, accelerate security efforts in response to the vulnerabilities, ensure compliance with screening requirements, and strengthen aviation security operations overseas.
- *Support to State and **Local** Law Enforcement (SLLE):* The FY 2013 Budget continues support for State and local law enforcement efforts to understand, recognize, prevent, and respond to pre-operational activity and other crimes that are precursors or indicators of terrorist activity through training, technical assistance, exercise support, security clearances, connectivity to Federal systems, technology, and grant funding. Specifically, the Budget focuses on:
    - Maturation and enhancement of State and major urban area fusion centers, including training for intelligence analysts and implementation of Fusion Liaison Officer Programs;
    - Implementation of the Nationwide Suspicious Activity Reporting (SAR) Initiative, including training for front-line personnel on identifying and reporting suspicious activities;
    - Continued implementation of the "If You See Something, Say Something™" campaign to raise public awareness of indicators of terrorism and violent crime; and
    - State, local, tribal, and territorial efforts to counter violent extremism, in accordance with the Strategic Implementation Plan to the National Strategy on Empowering Local Partners to Prevent Violent Extremism in the United States.

The Budget also supports efforts to share intelligence and information on a wide range of critical homeland security issues. The Budget continues to build State and local analytic capabilities through the National Network of Fusion Centers, with a focus on strengthening cross-Department and cross-Government interaction with fusion centers. Through the Fusion Center Performance Program, DHS will assess capability development and performance improvements of the National Network of Fusion Centers through annual assessment and targeted exercises. Resources also enable the Office of Intelligence and Analysis, in partnership with the Office of Civil Rights and Civil Liberties and the Privacy Office to provide privacy, civil rights, and civil liberties training for fusion centers and their respective liaison officer programs. The Secretary's focus on SLLE includes elevating the Office of State and Local Law Enforcement to a stand-alone office and a direct report.

- *Biological, Radiological, and Nuclear Threat Detection:* Countering biological, nuclear, and radiological threats requires a coordinated, whole-of-government approach. DHS, through its Domestic Nuclear Detection Office and Office of Health Affairs, works in partnership with agencies across Federal, State, and local governments to prevent and deter attacks using nuclear and radiological weapons through nuclear detection and forensics programs and provides medical and scientific expertise to support bio preparedness and response efforts. The FY 2013 Budget supports the following efforts:
    - *Securing the Cities:* $22 million is requested for Securing the Cities to continue developing the domestic portion of the Global Nuclear Detection Architecture, the multi-layered system of detection technologies, programs, and guidelines designed to enhance the Nation's ability to detect and prevent a radiological or nuclear attack in our highest-risk cities.
    - *Radiological/Nuclear Detection:* Supports the procurement and deployment of Radiation Portal Monitors and Human Portable Radiation Detection Systems, providing vital detection equipment to CBP and the U.S. Coast Guard to scan for radiological and nuclear threats. Included within the FY 2013 Budget is an increase of $20 million to procure mobile rad/nuc detection technology for frontline operators.
    - *Technical Nuclear Forensics:* Funds for the DNDO National Technical Nuclear Forensics Center support pre-

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detonation nuclear forensics, the integration of nuclear forensics capabilities across the interagency and national priorities for deterrence, attribution, and prosecution.

- *BioWatch:* Funds continued deployment of the Gen 1/2 BioWatch detection network, a federally managed, locally operated, nationwide bio-surveillance system designed to detect the intentional release of aerosolized biological agents. Continues development of the next generation technology to expedite response times.

- *National Bio and Agro Defense Facility (NBAF):* The FY 2013 Budget provides $10 million to complement ongoing research at the Plum Island Animal Disease Center by accelerating research programs focused on African Swine Fever and Classical Swine Fever at Kansas State University. This effort will also identify and prioritize future research needs for the existing Biosecurity Research Institute and the proposed National Bio and Agro-Defense Facility. Funding will support identifying high-priority agents from potential terrorist threats and emerging global foreign animal diseases; developing and executing the steps necessary for the facility to receive select agent certification and the waivers necessary to study the high-priority agents; and developing public outreach plans to ensure that all stakeholders surrounding the facility understand the value of the proposed work and the safeguards in place. To complement its ongoing research, beginning in 2012, DHS's Science and Technology Directorate (S&T) will convene an expert and stakeholder taskforce, in conjunction with the interagency taskforce, to conduct a comprehensive assessment of whether and for what purpose a Biosafety Level 4 facility should be stood up, taking into account the current threats from terrorism, foreign animals, and the global migration of zoonotic diseases to the United States. The assessment will review the cost, safety, and any alternatives to the current plan that would reduce costs and ensure safety within the overall funding constraints established by the *BCA*.

- *Presidential Candidate Nominee Protection and Inauguration Protection:* The FY 2013 Budget funds critical Secret Service operations and countermeasures to protect the First Family and visiting dignitaries, including the conclusion of the 2012 presidential campaign (October–November 2012) and presidential inaugural events. The Budget also continues support for the replacement of protective equipment, vehicles, training of personnel, and other infrastructure to allow the Secret Service to improve the execution of its protective and investigatory missions.

Securing and Managing Our Borders

Protecting our Nation's borders – land, air, and sea – from the illegal entry of people, weapons, drugs, and contraband is vital to homeland security, as well as economic prosperity. Over the past several years, DHS has deployed unprecedented levels of personnel, technology, and resources to the Southwest Border. At the same time, DHS has made critical security improvements along the Northern Border while strengthening efforts to increase the security of the Nation's maritime borders.

The FY 2013 Budget continues the Administration's unprecedented focus on border security, travel, and trade by supporting 21,370 Border Patrol agents and 21,186 CBP Officers at our ports of entry as well the continued deployment of proven, effective surveillance technology along the highest-trafficked areas of the Southwest Border. To secure the Nation's maritime borders, the Budget invests in recapitalization of Coast Guard assets and provides operational funding for new assets coming on line.

- *Law Enforcement Officers:* The Budget annualizes border security personnel funded through the FY 2010 Emergency Border Security Supplemental Act (P.L. 111-230) and the Journeyman pay increase, totaling 21,370 CBP Border Patrol agents and 21,186 CBP Officers at ports of entry who work around the clock with Federal, State, and local law enforcement to target illicit networks trafficking in people, drugs, illegal weapons, and money and to expedite legal travel and trade.

- *Border Intelligence Fusion Section (BIFS):* The Budget supports efforts to integrate resources and fuse information from DHS, the Department of Justice (DOJ), the Department of Defense, and the Intelligence Community at the El Paso Intelligence Center, providing a common operating picture of the Southwest Border and Northern Mexico.

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

- *Infrastructure:* CBP is updating and maintaining its facilities infrastructure to support its dual mission of securing the

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border and facilitating trade and travel. Currently, CBP's facilities plan calls for the following land border ports of entry (LPOEs) to be completed in FY 2013: Nogales West/Mariposa, Arizona; Guadalupe, Texas; Van Buren, Maine; and Phase I of San Ysidro, California. Additionally, design and construction is planned to commence on Phase II of San Ysidro, California, and CBP will begin implementing the Tier III Outbound Infrastructure program across 10 Southwest Border LPOEs in order to implement a range of outbound infrastructure improvements. This work bolsters CBP's southbound inspection capabilities while facilitating processing efficiency and ensuring port security and officer safety.

- *Northern Border Security:* To implement the U.S.-Canada Beyond the Border Plan, which articulates a shared vision to work together to address threats at the earliest point possible while facilitating the legitimate movement of people, goods, and services, the Budget provides $10 million to support Northern Border technologies, such as the continuation of procurement/testing and evaluation efforts for Low Flying Aircraft Detection, the deployment of Maritime Detection Project, and Aircraft Video Downlink.

- *CBP Air and Marine Procurement:* To support CBP Air and Marine's core competencies of air and marine law enforcement, interdiction, and air and border domain security, funding is requested for the continuation of the P-3 Service Life Extension Program, a UH-60 A-L Black Hawk helicopter recapitalization, a new KA-350 CER Multi-Role Enforcement aircraft, and various marine vessels.

- *U.S. Coast Guard Recapitalization:* The FY 2013 Budget fully funds the sixth National Security Cutter (NSC), allowing the Coast Guard to replace its aged, obsolete High Endurance Cutter fleet as quickly as possible. The Budget supports the procurement of 2 Fast Response Cutters, funding for a Maritime Patrol Aircraft, 4 cutter boats, and makes a significant investment in the renovation and restoration of shore facilities. The Budget also provides funds to crew, operate, and maintain 2 Maritime Patrol Aircraft, 30 45-ft Response Boats-Medium, and 2 Fast Response Cutters acquired with prior-year appropriations.

Enforcing and Administering our Immigration Laws

DHS is focused on smart and effective enforcement of U.S. immigration laws while streamlining and facilitating the legal immigration process. Supporting the establishment of clear enforcement priorities, recent policy directives, and additional training for the field, the Budget continues the Department's efforts to prioritize the identification and removal of criminal aliens and repeat immigration law violators, recent border entrants, and immigration fugitives. Nationwide implementation of Secure Communities and other enforcement initiatives, coupled with continued collaboration with DOJ to focus resources on the detained docket and priority cases on the non-detained docket, is expected to continue to increase the number of criminal aliens and other priority individuals who are identified and removed. The Budget provides the resources needed to address this changing population, while continuing to support Alternatives to Detention, detention reform, and immigrant integration efforts. The Budget also focuses on monitoring and compliance, promoting adherence to worksite-related laws through criminal prosecutions of egregious employers, Form I-9 inspections, and expansion of E-Verify.

- *Secure Communities:* The FY 2013 Budget includes funding to complete nationwide deployment in FY 2013 of the Secure Communities program, which uses biometric information and services to identify and remove criminal and other priority aliens found in state prisons and local jails. Secure Communities is an important tool in ICE's efforts to focus its immigration enforcement resources on the highest-priority individuals who pose a threat to public safety or national security. While we continue to focus our resources on our key priorities, DHS is committed to ensuring the Secure Communities program respects civil rights and civil liberties. To that end, ICE is working closely with law enforcement agencies and stakeholders across the country to ensure the program operates in the most effective manner possible. We have issued guidance regarding the exercise of prosecutorial discretion in appropriate cases, including cases involving witnesses and victims of crime, and implemented enhanced training for State and local law enforcement regarding civil rights issues related to the program, among other recent improvements.

- *Immigration Detention:* Under this Administration, ICE has focused its immigration enforcement efforts on identifying and removing criminal aliens and those who fall into other priority categories including repeat immigration law violators, recent border entrants, and immigration fugitives. As ICE continues to focus on criminal and other priority cases, the agency anticipates reducing the time removable aliens spend in detention custody. Consistent with its stated enforcement priorities and recent policy guidance, ICE will continue to focus detention and removal resources on those individuals who have criminal convictions or fall under other priority categories. For low risk individuals, ICE will work to enhance the effectiveness of Alternatives to Detention (ATD), which provides a lower per day cost than

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detention. To ensure the most cost-effective use of Federal resources, the Budget includes flexibility to transfer funding between immigration detention and the ATD program, commensurate with the level of risk a detainee presents.

- *287(g) Program:* In light of the nationwide activation of the Secure Communities program, the Budget reduces the 287(g) program by $17 million. The Secure Communities screening process is more consistent, efficient and cost effective in identifying and removing criminal and other priority aliens. To implement this reduction in 2013, ICE will begin by discontinuing the least productive 287 (g) task force agreements in those jurisdictions where Secure Communities is already in place and will also suspend consideration of any requests for new 287(g) task forces.

- *Detention Reform:* ICE will continue building on current and ongoing detention reform efforts in 2013. ICE will implement its new Risk Classification Assessment nationwide to improve transparency and uniformity in detention custody and classification decisions and to promote identification of vulnerable populations. In addition, ICE will continue implementation of the new Transfer Directive, which is designed to minimize long-distance transfers of detainees within ICE's detention system, especially for those detainees with family members in the area, local attorneys, or pending immigration proceedings. ICE will also continue implementation of revised national detention standards designed to maximize access to counsel, visitation, and quality medical and mental health care in additional facilities.

- *Worksite Enforcement:* Requested funds will continue the Department's focus on worksite enforcement, promoting compliance with worksite-related laws through criminal prosecutions of egregious employer violators, Form I-9 inspections, civil fines, and debarment, as well as education and compliance tools.

- *E-Verify:* $112 million is provided to sustain funding for the E-Verify Program operations and enhancements to help U.S. employers maintain a legal workforce. The FY 2013 Budget includes funding to support the expansion of the E-Verify Self Check program, a voluntary, free, fast, and secure online service that allows individuals in the United States to check their employment eligibility status before formally seeking employment. Consistent with funding the continued operation of E-Verify for the benefit of U.S. employers, the Budget also extends E-Verify authorization for an additional year.

- *Immigrant Integration:* The FY 2013 Budget includes $11 million to continue support for U.S. Citizenship and Immigration Services (USCIS) immigrant integration efforts through funding of citizenship and integration program activities including competitive grants to local immigrant-serving organizations to strengthen citizenship preparation programs for permanent residents.

- *Systematic Alien Verification for Entitlements (SAVE):* The FY 2013 Budget includes $20 million in appropriated funding to continue support for USCIS SAVE operations and enhancements to assist local, State, and Federal agencies in determining individuals' eligibility for public benefits on the basis of their immigration status. The funding will supplement the collections derived from the SAVE query charges.

- *USCIS Business Transformation:* The FY 2013 Budget continues the multi-year effort to transform USCIS from a paper-based filing system to a customer-focused electronic filing system. This effort is funded through the Immigration Examinations Fee Account.

Safeguarding and Securing Cyberspace

DHS leads the Federal Government's efforts to secure civilian Government computer systems and works with industry and State, local, tribal, and territorial governments to secure critical infrastructure and information systems. The FY 2013 Budget makes significant investments in cybersecurity to expedite the deployment of EINSTEIN 3 to prevent and detect intrusions on Government computer systems; increases Federal network security of large and small agencies; and continues to develop a robust cybersecurity workforce to protect against and respond to national cybersecurity threats and hazards. The Budget also focuses on combating cyber crimes, targeting large-scale producers and distributors of child pornography and preventing attacks against U.S. critical infrastructure through Financial Crimes Task Forces.

- *Federal Network Security:* $236 million is included for Federal Network Security, which manages activities designed to enable Federal agencies to secure their IT networks. This funding supports Federal Executive Branch civilian departments and agencies in implementing capabilities to improve their cybersecurity posture in accordance with the Federal Information Security Management Act, while enabling improved continuous monitoring of network activity and other capabilities to address evolving cyber threats.

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- *National Cybersecurity Protection System (NCPS):* $345 million is included for Network Security Deployment, which manages the NCPS operationally known as EINSTEIN. NCPS is an integrated intrusion detection, analytics, information-sharing, and intrusion prevention system that supports DHS responsibilities within the Comprehensive National Cybersecurity Initiative mission. In FY 2013, the program will continue to focus on intrusion prevention while taking steps to improve its situational awareness of evolving cyber threats to Federal networks and systems through a Managed Security Services (MSS) solution. Under the MSS solution, each Internet service provider will use its own intrusion prevention services that conform to DHS-approved security, assurance, and communication requirements.

- *US-Computer Emergency Readiness Team (US-CERT Operations):* $93 million is included for US-CERT Operations. As the operational arm of the National Cyber Security Division, US-CERT leads and coordinates efforts to improve the Nation's cybersecurity posture, promote cyber information sharing, and manage cyber risks to the Nation. US-CERT encompasses the activities that provide immediate customer support and incident response, including 24-hour support in the National Cybersecurity and Communications Integration Center. As more Federal network traffic is covered by NCPS, additional US-CERT analysts are required to ensure cyber threats are detected and the Federal response is effective.

- *Multi-State Information Sharing and Analysis Center:* Funding is included to expand the Multi-State Information Sharing and Analysis Center to 25 States to provide the capacity to cover all States by FY 2015.

- *Cybersecurity Workforce:* The FY 2013 Budget includes $12.9 million to provide high-quality, cost-effective virtual cybersecurity education and training to develop and grow a robust cybersecurity workforce that is able to protect against and respond to national cybersecurity threats and hazards.

- *Cybersecurity Research and Development:* The FY 2013 Budget includes $64.5 million for S&T's research and development focused on strengthening the Nation's cybersecurity capabilities.

- *Cyber Investigations:* The FY 2013 Budget continues to support cyber investigations conducted through the Secret Service and ICE. In FY 2013, ICE will continue to investigate and provide computer forensics support for investigations into domestic and international criminal activities, including benefits fraud, arms and strategic technology, money laundering, counterfeit pharmaceuticals, child pornography, and human trafficking, occurring on or through the Internet. The Secret Service's Financial Crimes Task Forces will continue to focus on the prevention of cyber attacks against U.S. financial payment systems and critical infrastructure

Ensuring Resilience to Disasters

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

To ensure that FEMA is able to support these efforts, the DRF, which provides a significant portion of the total Federal response to victims in presidentially declared disasters or emergencies, is funded largely through an authority provided under the *BCA*. To support the objectives of the National Preparedness Goal and to leverage limited grant funding in the current fiscal environment, the Administration proposes a new homeland security grants program in FY 2013 to create a robust national response capacity based on cross-jurisdictional and readily deployable State and local assets. The FY 2013 Budget also funds FEMA's continued development of catastrophic plans, which include regional plans for response to biological events and earthquakes.

State and Local Grants: The FY 2013 Budget includes $2.9 billion for State and local grants, over $500 million more than appropriated by Congress in FY 2012. This funding will sustain resources for fire and emergency management grants while consolidating all other grants into the new, streamlined National Preparedness Grant Program (NPGP). The FY 2013 NPGP will:

- Focus on the development and sustainment of core national Emergency Management and Homeland Security capabilities.

- Utilize gap analyses to determine asset and resource deficiencies and inform the development of new capabilities through a competitive process.

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- Build a robust national response capacity based on cross-jurisdictional and readily deployable State and local assets.

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

- *Assistance to Firefighters Grants:* The FY 2013 Budget provides $670 million for Assistance to Firefighter Grants. Included in the amount is $335 million for Staffing for Adequate Fire and Emergency Response (SAFER) Grants to retain and hire firefighters and first responders – totaling more than 1,700 firefighter positions nationwide – and $335 million for equipment, training, vehicles, and related materials. Whereas in prior years, a management and administration allowance has been carved out of the topline, the FY 2013 Budget proposes to fund it elsewhere, effectively increasing the funding available for actual awards by more than $28 million. The Administration proposed $1 billion as supplemental SAFER appropriations in FY 2012 as part of the American Jobs Act. This proposal included the authority for the Secretary to waive certain restrictions on the award and expenditure of SAFER grants to assist State and local firefighting agencies in the current economic environment and prevent unnecessary job losses. If economic conditions warrant, the Administration will once again work with Congress in FY 2013 to seek authority to waive these restrictions.

- *Emergency Management Performance Grants (EMPG):* The FY 2013 Budget includes $350 million to support emergency managers and emergency management offices in every State across the country. Just as with the Assistance to Firefighter Grants, a management and administration allowance has historically been carved out of the topline. The FY 2013 Budget proposes to fund management and administration elsewhere, effectively increasing the funding available for actual awards by approximately $10.5 million. EMPG supports State and local governments in developing and sustaining the core capabilities identified in the National Preparedness Goal and achieving measurable results in key functional areas of emergency management.

- *Disaster Relief Fund (DRF):* A total of $6.1 billion is provided for the DRF. Of this amount, $608 million is included in the Department's base budget with the remainder provided through the disaster relief cap adjustment, pursuant to the BCA. The DRF provides a significant portion of the total Federal response to victims in presidentially declared disasters or emergencies.

- *National Flood Insurance Program (NFIP):* The NFIP is funded entirely by policy fees and provides funding to reduce the risk of flood damage to existing buildings and infrastructure by providing flood-related grants to States, communities, and tribal nations. The FY 2013 Budget includes $120 million for three interrelated mitigation grant programs to increase America's resiliency to floods.

- *Training/Exercises:* The FY 2013 Budget includes $183.5 million for training and exercise activities to support Federal, State, and local officials and first responders. In FY 2013, the Department expects to train more than 100,000 first responders and will begin the first full two-year exercise cycle under the revised National Exercise Program (NEP). The NEP will leverage more than a dozen exercises across the country and will build progressively to a capstone exercise in calendar year 2014.

- *Emergency Management Oversight:* The FY 2013 request includes $24 million in base resources for the Office of the Inspector General to continue its Emergency Management Oversight operations.

Providing Essential Support to National and Economic Security

DHS provides essential support to many areas of national and economic security. In addition to supporting Coast Guard's current operations in the Polar Regions, the Budget initiates acquisition of a new polar icebreaker to address Coast Guard emerging missions in the Arctic. The Budget also continues to support ICE's and CBP's enforcement and investigative efforts to protect U.S. intellectual property rights and collect customs revenue.

- *Polar Icebreaking Program:* The Budget provides $8 million to initiate acquisition of a new Polar Icebreaker to ensure the Nation is able to maintain a surface presence in the Arctic Region well into the future and $54 million to fund operation and maintenance of Coast Guard's existing Polar Icebreakers, CGC HEALY and CGC POLAR STAR (POLAR STAR to be re-activated in 2013).

- *Arctic Mission Support:* New funding is requested for recapitalization and expansion of helicopter hangar facilities in

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Cold Bay and recapitalization of aviation re-fueling facilities at Sitkinak, both in Alaska. These investments will sustain DHS's ability to establish effective presence in the Bering Sea and Aleutian Chain, the "Gateway to the Arctic".

- *Collect Customs Revenue:* Funds are requested to support CBP's role as a revenue collector for the U.S. Treasury – customs revenue remains the second largest source of revenue for the Federal Government. These resources support effective internal controls that protect the duties and taxes (over $37 billion in 2011) collected by CBP.
- *Protect Trade & Intellectual Property Rights Enforcement:* The FY 2013 Budget includes funds to support ICE's and CBP's enforcement programs to prevent trade in counterfeit and pirated goods, enforce exclusion orders on patent-infringing goods and goods in violation of Intellectual Property Rights (IPR), and investigate the smuggling and distribution of counterfeit goods and products that pose risks to public safety and security. The Budget also provides $10 million to CBP for IPR supply/distribution chain management which will transform IPR risk assessment, increase efficiency, and support U.S. economic competitiveness. This CBP–private-sector partnership program aims to improve IPR targeting by enabling CBP to identify and release shipments of authentic goods without inspection. Additional funds will expand CBP's Industry Integration Centers to address issues within critical trade sectors by increasing uniformity of practices across ports of entry, facilitating the timely resolution of trade compliance issues nationwide, improving enforcement efforts, and further strengthening critical agency knowledge on key industry practices.

Conclusion

The FY 2013 budget proposal reflects this Administration's strong commitment to protecting the homeland and the American people through the effective and efficient use of DHS resources. As outlined in my testimony today, we will continue to preserve frontline priorities across the Department by cutting costs, sharing resources across Components, and streamlining operations wherever possible.

Thank you for inviting me to appear before you today. I look forward to answering your questions and to working with you on the Department's FY 2013 Budget Request and other homeland security issues.

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