

February 22, 2008

Contact: Leslie Phillips
(202) 224-2627

**LIEBERMAN CALLS ON SENATE BUDGET COMMITTEE TO FUND
FY2009 HOMELAND SECURITY NEEDS ADEQUATELY**

WASHINGTON – Homeland Security and Governmental Affairs Committee Chairman Joe Lieberman, ID-Conn., Friday, in his annual letter to Congressional budget writers, called on the chairman and ranking member of the Senate Budget Committee to fund an array of homeland security needs in Fiscal Year 2009 so that the Department of Homeland Security and its state and local partners can adequately protect the nation.

In a letter to Budget Chairman Kent Conrad, D-S.D., and Ranking Member Judd Gregg, R-N.H., Lieberman said the Senate’s homeland security budget proposal must contain additional funding for grants to states and localities, to strengthen the Federal Emergency Management Agency so that it can respond effectively to a catastrophe, and other needs.

“The President’s FY 2009 budget request for the Department of Homeland Security (DHS) includes some useful increases for targeted programs,” Lieberman wrote. “Nevertheless, the proposed budget once again shortchanges too many urgent homeland security needs. I am particularly troubled by the aggressive cuts to core federal grant programs that states, municipalities, and tribes rely on to keep their citizens safe...”

“To adequately meet the challenges of securing our homeland, we will need to invest more.”

Following is the letter:

February 22, 2008

The Honorable Kent Conrad
Chairman
Committee on the Budget
624 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Judd Gregg
Ranking Member
Committee on the Budget
624 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Conrad and Ranking Member Gregg:

Thank you for affording me the opportunity to provide my views and estimates regarding the President's Fiscal Year 2009 budget as it affects matters within the purview of the Homeland Security and Governmental Affairs Committee (HSGAC). As you prepare the budget resolution for Fiscal Year 2009 (FY 2009), I hope the following recommendations and comments will assist you in preparing a budget plan for the federal government.

The President's FY 2009 budget request for the Department of Homeland Security (DHS) includes some useful increases for targeted programs. Nevertheless, the proposed budget once again shortchanges too many urgent homeland security needs. I am particularly troubled by the aggressive cuts to core federal grant programs that states, tribes and localities rely on to keep their citizens safe.

The budget request for DHS is \$50.5 billion, and the requested gross discretionary funding is \$40.75 billion (\$37.6 billion in appropriated funds, and \$3.1 billion in fees). The Administration has called this nearly a 7% increase for DHS, but this statistic is misleading since it ignores a significant amount of FY 2008 funding that was designated as "emergency" funding but which in fact goes for ongoing programs and expenses that will continue next year. If that funding is included, the proposed budget in fact represents a 4.5% decrease in overall DHS funding. In the end, the proposed DHS budget is at best a steady state budget with few major new initiatives and generally modest cuts or increases to specific programs – with the exception of homeland security grants, which are cut dramatically. Furthermore, as in past years, the Administration assumes that significant funding for the Transportation Security Administration will come from an increase in the passenger fee; Congress has repeatedly rejected this fee proposal, meaning that TSA will likely face a significant funding shortfall unless other revenue is provided.

To adequately meet the challenges of securing our homeland, we will need to invest more. I particularly regret that the Administration did not seek full funding for many of the efforts authorized by the recent Implementing Recommendations of the 9/11 Commission Act of 2007 ("9/11 Commission Recommendations Act," P.L. 110-53) and the Post-Katrina Emergency Management Reform Act ("Post-Katrina Act," P.L. 109-295). Both pieces of legislation were the result of extensive deliberation and seek to make sorely needed investments to improve our security and preparedness.

This letter highlights some of those shortfalls in the President's budget and calls for additional funds. It also indicates areas where I am in agreement with the Administration's priorities, and I would like to mention one in particular: funding for a DHS headquarters. We cannot expect DHS to succeed at its many challenging missions without the fundamental management tools that are taken for granted by much smaller organizations. A unified headquarters, which would bring together many of the Department's components into a single facility and allow employees to work more efficiently and interactively, is such a fundamental tool. We should expedite efforts to get this project off the ground.

Homeland Security and First Responder Grants

The Administration has once again proposed sharp decreases in homeland security grants to state and local governments and first responders in FY 2009. If the President's budget were enacted, it would mean a 48% drop in overall grant funding – seriously limiting the ability of state and local officials to prevent, prepare for, and respond to acts of terrorism and natural disasters and to protect their communities the way they should be protected. Unfortunately, we've seen these types of cuts before – in fact, this is the fifth straight year that the Administration has proposed significant reductions in these programs.

SHSGP and UASI: Most dramatically, the FY 2009 budget request cuts the State Homeland Security Grant Program (SHSGP) from \$950 million to \$200 million – a whopping 79% reduction from FY 2008. SHSGP grants are states' basic preparedness grants and the failure to fund them would significantly undermine national preparedness efforts. Funding for the Urban Area Security Initiative (UASI), which targets grants to the nation's highest-risk cities, would, under the President's budget, largely hold steady at \$825 million (up from \$820 appropriated in FY 2008). Both the SHSGP and UASI programs were permanently authorized in the 9/11 Commission Recommendations Act, as part of comprehensive provisions that for the first time set forth statutory requirements for the grants' allocation and use. These authorization provisions were the result of extensive debate and negotiation among many interested parties, so it is particularly unfortunate that the Administration chose to ignore these recommendations. The Act authorized appropriations of \$950 million for each grant program in FY 2009, and I urge that these programs be funded at the full authorized levels.

Interoperability: I am also extremely disappointed that the President's budget request included no funding for the Interoperable Emergency Communications Grant Program (IECGP) that was also authorized in the 9/11 Commission Recommendations Act. State homeland security directors recently identified the development of interoperable communications as their top priority, and it is a complex problem that will be resolved only through strong federal leadership, coordination at all levels of government, and a substantial commitment of dedicated funding. I recommend that the IECGP be funded at the level authorized by Congress for FY 2009, \$400 million.

Firefighters: The President's request further takes aim at programs that provide assistance to our nation's firefighters. Assistance to Firefighter Grants would receive only \$300 million and SAFER grants would be eliminated; combined this represents a reduction in support for firefighters of \$450 million, or 60%, from the FY 2008 level of \$750 million. I urge that funding for both these programs be restored and that they be funded at least at the level they were in FY 2008 – \$560 million and \$190 million for Assistance to Firefighter and SAFER grants respectively.

Emergency Management: The Administration's budget also proposes unwarranted reductions in funding for Emergency Management Performance Grants (EMPG), requesting \$200 million for this program, a 33% reduction from FY08. This important program has traditionally focused on essential planning efforts and helps build the capabilities for states and localities to be prepared for all hazards – whether a natural disaster or an act of terrorism. The 9/11 Commission Recommendations Act authorized appropriations for EMPG of \$535 million in FY 2009, and I recommend that the program be funded at that level.

Transportation Security Grants: The President's budget requests \$405 million for port, rail and transit, bus and truck security grants. This is roughly what the Administration requested in FY 2008, but substantially less than Congress appropriated for these programs last year. Congress recognized that our ports and transit systems, in particular, still have substantial vulnerabilities that we can not afford to let go unaddressed. Congress has identified hundreds of millions of dollars worth of needed security improvements; the SAFE Port Act of 2006 authorized \$400 million for port security grants in FY 2009, while the 9/11 Commission Recommendations Act authorized \$750 million for transit security grants, \$483 million for rail security, and \$27 million for bus and truck security in FY 2009. While I recognize that it may be impossible to fully fund each of these authorizations, I strongly recommend that the port and transit (which includes rail) security grant programs each receive at least \$400 million for FY 2009, the same level Congress appropriated for FY 2008.

Medical Response: Yet another preparedness program targeted by the Administration is the Metropolitan Medical Response System (MMRS) – marking the fourth straight year the Administration has proposed to eliminate this valuable program. From its inception following the Oklahoma City bombing, the MMRS has ensured that local planning, exercises and execution of disaster response plans among our fire, police, and paramedic first responders is integrated with that of our medical personnel, our clinics and our hospitals. Each of the 124 MMRS jurisdictions serves to coordinate local and state pandemic flu plans, maintains a stockpile of chemical and biological agent antidotes allowing local first responders to operate under otherwise impossibly dangerous conditions, and is charged with the responsibility of developing plans for the rapid movement of patients when disaster occurs. Yet funding for this program has failed to keep up: in fact MMRS funding in FY 2008 (\$41 million) was lower than in FY 2004 (\$50 million). The Post-Katrina Act authorized MMRS funding of \$63 million dollars for FY 2008 and I believe this is an appropriate level of funding in FY 2009 as well.

Infrastructure and REAL ID: The budget requests a combined \$110 million for REAL ID grants and the Buffer Zone Protection Program (BZPP) under a new account called the National Security and Terrorism Prevention Grant Program. This represents an overall increase in funding, as both the BZPP and REAL ID grants were funded at \$50 million respectively in FY 2008. However, I am concerned that the combination of these two entirely unrelated programs into one competitive grant may lead to a

misallocation of funding. The Department has not been able to provide an explanation of how applications will be evaluated or prioritized under this new program, which creates the possibility that either BZPP or REAL ID grants will receive less funding in FY09 than last year, or even no funding at all. I recommend that these two grant programs remain separate and distinct.

Border Security

As in recent years, much of the proposed DHS budget is focused on border security. While I generally support these proposals, it is important that these investments be properly planned, implemented and overseen.

Western Hemisphere Travel Initiative: I support the Administration's request for additional funding to implement the Western Hemisphere Travel Initiative (WHTI). Even before the September 11th attacks, GAO had identified poor security controls at our land border crossings as a dangerous vulnerability. Unfortunately, almost four years after the 9/11 Commission recommended and Congress mandated strict document requirements for land border crossers, the date for WHTI implementation continues to recede. This has largely been the fault of Congress, which recently prohibited WHTI implementation before June 2009 even if DHS is ready to move forward. Despite this most recent setback I am hopeful that DHS will receive the necessary funds, so that the Department will be ready to make the borders safer when Congress permits it.

SBIInet: While I support the use of technology to help protect the border, I recommend that Congress proceed with caution in approving large sums for the SBIInet component of DHS' border security strategy, which is designed to create greater situational awareness through a system of sensors and surveillance technology. When the Administration first sought funding for SBIInet two years ago, I warned of an unrealistic timetable and questioned the vagueness of the Department's plans. To date, the Department's prime contractor on SBIInet has not resolved the outstanding problems that have prevented the full implementation of the prototype for SBIInet, a project which is known as P28. Even if the contractor resolves these remaining problems and P28 is accepted by the Department, CBP officials have made clear that the P28 model will require significant software and hardware modifications for use along other stretches of the border. The Department needs to clearly define goals and expectations for future phases of SBIInet and must provide assurance to Congress that investment in the program will produce a system that fully meets CBP's needs.

Border Patrol and CBP officers: The size of the Border Patrol has doubled since 2001, and this year's budget proposal seeks hiring of an additional 2,200 Border Patrol Officers. At the same time, Customs and Border Protection is severely understaffed at ports of entry, and the budget only requests enough funding to hire 212 additional CBP officers for these posts. GAO reports have documented the harmful results of the staffing shortages at ports of entry, yet DHS' budget documents

show that the proposed new officers would eliminate only one fourth of the current officer deficit at the land borders. Increasing the contingents of CBP officers at ports of entry would help prevent terrorists from entering the country, smuggling of drugs and contraband, and illegal immigration in the same way that increasing Border Patrol Officers does. I support increased funds beyond the President's request for hiring of CBP officers.

TECS modernization: I also strongly support funding to modernize the Treasury Enforcement Communication System (TECS). TECS is the primary screening system to process travelers entering the U.S. at ports of entry, and it is essential to prevent the entry into the U.S. of terrorists, criminals, and those who pose a risk to public health. Yet the system was developed in 1987 and uses decades-old software. Our Committee has been conducting an investigation into the case of the Mexican national with drug resistant TB who repeatedly crossed the border last year. It appears from our investigation that flaws in the TECS system may well have been a factor in our failure to detect the individual. According to its current schedule CBP would not complete TECS modernization until 2013. I support allocating more than the \$25 million CBP has requested for TECS modernization if additional funds would speed the completion of this project.

Border Fencing: I support the construction of border fencing in areas where it will effectively impede illegal migration and smuggling into the United States. However, the Department now seems to envision a more or less continuous line of fencing and barriers from the Pacific Ocean to the Texas-New Mexico state line. This includes highly populated urban areas, but also vast stretches of border that consist of remote desert devoid of roads or population centers where fencing may not be the most effective strategy. The recent omnibus appropriations legislation requires an expenditure plan justifying fencing costs. In reviewing the Department's plans, Congress must consider the relative effectiveness of fencing against other programs designed to keep terrorists, drug smugglers, criminals, and illegal immigrants from entering the United States.

Preventing terrorist infiltration into the United States: In comparison to substantial expenditures to fortify the Southwestern border, proposed spending on programs specifically targeting terrorist travel remain disappointingly modest. Available evidence suggests that terrorists may well seek entry into this country by securing visas (as did the 9/11 hijackers) or by traveling with a passport from a visa-waiver program country (as did Zacarias Moussaoui and Richard Colvin Reid). Nevertheless, relatively small amounts are proposed for enhancements to our worldwide screening systems, the Automated Targeting System, CBP's intelligence program, and, as already discussed, TECS modernization. The 9/11 Commission Recommendations Act we enacted last year required expansion of the Human Smuggling and Trafficking Center and authorized increased funding. It also required the creation of a terrorist travel program, a mandate the Department appears to be slighting or ignoring. Funding for all of these programs and offices should be increased substantially.

FEMA

Following Hurricane Katrina, the Homeland Security and Governmental Affairs Committee conducted an extensive investigation of the botched response and of FEMA. The investigation found that FEMA was woefully unprepared to deal with a national catastrophe on the magnitude of Hurricane Katrina, lacking essential capabilities and resources. This Committee subsequently made significant recommendations for improvements to FEMA, and Congress implemented many of those recommendations in the Post-Katrina Act. The Act creates a new FEMA - a stronger, more robust entity that would, for the first time, be equipped to prepare for and respond to a true catastrophe. The legislation also put preparedness functions back into FEMA; strengthened FEMA's regional offices and emergency response teams; and strengthened and enhanced emergency planning and preparedness responsibilities.

Building the New FEMA: FEMA last year received a much needed increase in resources that was an essential first step in the long process of building the new FEMA and implementing other provisions of the Post-Katrina Act. However, additional substantial increases are still necessary. While the Administration's budget request includes some increases for building the new FEMA (initiatives the budget request labels as "FEMA Vision Phase II"), such increases are not as large as they may appear and are actually less than the increase included in last year's budget. For example, of the \$213.5 million increase requested this year for FEMA transformation, \$149 million is designated to provide permanent, rather than ad hoc, funding for certain full-time employees currently paid from the Disaster Relief Fund account. While this is a useful step to make FEMA more stable, it does not represent a true increase in manpower and resources.

The Administration's requested increase is not sufficient to fulfill the statutory requirements in the Post-Katrina Act and other gaps that have recently emerged. For example, the Post-Katrina Act requires FEMA to establish strike teams - a special type of highly skilled and trained interagency emergency response team - in each of FEMA's 10 regions. This budget, however only contains enough funding to build one such strike team - for a total of 4 regional teams by the end of FY 2009. FEMA estimates that \$4 million is necessary to fund each team. Additionally, FEMA relies heavily on the American Red Cross for its mass care mission in response to disasters. However, the American Red Cross has recently announced it has a substantial deficit and will be making big staff and infrastructure cuts as part of its restructuring plan, undoubtedly hampering its disaster response capabilities. Given FEMA's reliance on the American Red Cross in large part for mass care in the event of a disaster, I'm concerned that FEMA will also need additional resources to fill this gap.

Additionally, FEMA officials have acknowledged that the Administration's budget request does not include any funding for the private sector preparedness certification program required in section 901 of the recently passed in the 9/11 Commission

Recommendations Act. This program seeks to create a structure and incentive for private sector entities to improve their own preparedness for natural or manmade disasters. Without any funding, I am concerned that this important program will not be properly implemented, leaving us more vulnerable to terrorist attacks and other disasters.

In order to continue to build FEMA into an entity that can respond to a catastrophe, to implement the other requirements of the Post-Katrina Act, to fill gaps created by the American Red Cross cuts, and to provide funding for implementation of the private sector preparedness program, I ask that you increase the Administration's request for FEMA Vision Phase II and other such relevant aspects of FEMA's budget by at least \$35 million, for a total increase of \$100 million (in addition to the \$149 million to hire the existing workers out of permanent rather than emergency funds). This will provide for an increase equivalent to last year's increase and be another essential step forward in the long process of building the new FEMA.

Pre-Disaster Mitigation Fund: Additionally, I'm concerned about the Administration proposed cut of 34% to the Pre- Disaster Mitigation Fund. Mitigation has proven itself a cost-effective measure - a recent study by the Multi-Hazard Mitigation Council found that every dollar FEMA spends on mitigation provides the nation \$4 in future benefits. The Administration's proposed cut to this program is short-sighted and I urge you to add an additional \$50 million to the Administration's request for the Pre-Disaster Mitigation Fund.

Emergency Food and Shelter: Finally, I'm disheartened that the Administration's request proposes to cut funding for the Emergency Food and Shelter Program by 35%. This important and highly effective program provides emergency assistance to supplement community efforts to meet food, shelter, and other related needs of homeless and hungry persons to all fifty states. Funding for this program has lagged behind inflation and I believe funding for this program should be increased, not cut.

U.S. Fire Administration: The administration's request proposes that funding for the U.S. Fire Administration (USFA) be reduced by \$2.4 million. FEMA has indicated that this reduction will be spread across USFA, and no determination has been made as to which programs will be cut. I am concerned that this reduction could lead to dangerous cuts to essential first responder programs such as training at the national Fire Academy or the National Emergency Training Center, and urge it be rejected.

Improvised Explosive Devices

The President's budget requests a disappointing \$8 million for the Office for Bombing Prevention (OBP) within the Office of Infrastructure Protection. The OBP is responsible for coordinating the Department's efforts to prevent, deter, detect, and respond to improvised explosive devices (IEDs) in the United States. Last year, this office received \$10 million after Senator Collins and I offered an amendment to the FY 2008 Homeland Security Appropriations Act to increase the funding from the

President's requested level of \$6 million – however Administration documents suggest that considerably more is needed for the office to fulfill its mission. Last year the Homeland Security and Governmental Affairs Committee reported the National Bombing Prevention Act (S. 2292) authorizing \$25 million annually for the OBP and I recommend that the budget resolution reflect this necessary level of funding.

The budget also requests \$49 million for counter-IED research and development in the Science and Technology Directorate, including an increase of \$34 million to address priorities outlined in the HSPD-19 National Strategy for Combating Terrorist Use of Explosives in the United States. This funding is critical to countering suicide bomber and vehicle-borne improvised explosive device (VBIED) threats. I strongly recommend that the Committee grant the President's request in this area.

Cyber Security

I support the proposed increase for the National Cyber Security Division to bring its overall budget to \$293.5 million. This increase, part of the much needed new government-wide approach to cyber security known as the “Cyber Initiative,” is long overdue. Much of that program is classified and cannot be addressed in this letter. However, these particular funds are part of the unclassified component of the program and are necessary to help the government detect and respond to cyber incidents. It is now a matter of public record that there has been foreign intrusion into government networks and we need to take substantial steps to reduce our vulnerabilities in this area, both with government and industry. This increase represents an important first step. Specifically, this new funding for FY09 primarily will help DHS deploy the Einstein Program across all Federal agencies. This program, which is currently used by 12 agencies and will expand to the entire federal government, will help the Department monitor government networks and help defend these critical networks against attacks.

Domestic Nuclear Detection Office

Given the importance to our nation's safety of hardening our domestic defenses against a catastrophic nuclear terrorist attack, I strongly support the President's request to increase funding for the Domestic Nuclear Detection Office (DNDO) to \$563 million in FY 2009. At the same time, I continue to believe that the success of DNDO over the next decade will require sustained and vigorous oversight in the short-term, with particular attention paid to the design of the Global Nuclear Detection Architecture. The President's request includes \$68 million for the acquisition of 87 full-rate production versions of the Advanced Spectroscopic Portal (ASP) monitor. This increase is reasonable on its face. However, the request appears to be based on the assumption that pending reviews will verify that first generation ASP radiation monitors provide a significant improvement in detection performance over the portal monitors currently deployed at domestic ports of entry. It is important that these reviews be completed before Congress permits full-scale production of

ASP monitors.

Chemical Site Security

I support the requested \$13 million increase for the Department's chemical site security program, for a total program budget of \$63 million in FY 2009. This is a critical and long overdue effort to enhance security at facilities, some in or near densely populated areas, that make or use hazardous chemicals and could prove inviting targets for terrorists. The program is getting underway and is badly in need of increased resources to ensure adequate inspectors and other capabilities.

Directorate of Science and Technology

I strongly support the President's \$898 million request for the DHS Directorate of Science and Technology (S&T) in FY 2009. While the \$38 million increase is modest, it reflects the progress that Undersecretary Cohen has made in carrying out critical management reforms. In light of this progress, I strongly urge support for two minor increases in funding for S&T that I believe will pay large returns throughout DHS. The FY 2009 budget introduces a nascent effort to transform S&T's testing, evaluation and standards capabilities into a department-wide mechanism for ensuring reliable testing and evaluation of applications of advanced technology to challenging homeland security missions. However, the \$28 million request for this activity entails a \$4 million reduction from funding in FY 2008. Given the number of major acquisition programs that have been delayed by technology problems, I recommend that this \$4 million be restored. Secondly, I recommend an additional \$5 million funding for the S&T Borders and Maritime Security Division that I understand will provide critical support to maritime aspects of CBP's Secure Border Initiative Net (SBI-net) and the USCG's Command 21 program.

Coast Guard Research and Development

The FY2009 Budget proposes cutting funding for traditional mission R&D for the Coast Guard by \$8 million. Given the Coast Guard R&D Center's historic and unique ability to focus on R&D related to the traditional missions of the Service, as well as the lessons learned from Hurricane Katrina, I believe the Research Center should continue to receive adequate funding for traditional mission R&D. The Coast Guard continues to be asked to do more with less, to protect our ports and waterways from terrorists, and to safeguard our environment. Researching and developing new equipment and procedures to help the Service deal with its expanding mission and the next disaster is crucial, and I support maintaining the Coast Guard's R&D budget at last year's level of \$25 million.

Maritime Interagency Operations Centers

In an effort to improve coordination and information sharing among federal, state and local government agencies and private companies operating at our nation's ports the

SAFE Port Act of 2006 authorized \$60 million for fiscal years 2007 through 2012 for the creation of additional maritime interagency operations centers, similar to Project Seahawk located in Charleston, South Carolina. Project Seahawk began in 2003 with funding through the Department of Justice, but is supposed to begin a transition to the Department of Homeland Security. Yet the proposed budget does not include any funding for Project Seahawk, for facilitating its transition to DHS, or for any additional maritime interagency operation centers. I urge you to provide \$50 million for these purposes, the same amount Congress appropriated for the establishment of the first set of additional interagency operation centers in FY 2008.

Quadrennial Homeland Security Review

The Administration requests \$1.65 million in funding to support the Quadrennial Homeland Security Review (QHSR) in FY 2009. DHS is required to conduct the QHSR in FY 2009 pursuant to Sec. 2401 of the 9/11 Commission Recommendations Act, and I strongly support an adequate level of funding for a review in FY 2009 that is comparable in scope, relative to the size of the Department, to the Quadrennial Defense Review. I am concerned, however, that \$1.5 million of the \$1.65 million request is for contractor support. According to the DHS congressional justification, the Department intends for contractors to "research, organize, analyze, facilitate workshops, and draft the document." Several of these tasks are inherently-governmental; thus I support contractor funding primarily for administrative and clerical tasks in support of the QHSR.

Intelligence and Analysis

The Administration's specific funding requests for the DHS Office of Intelligence and Analysis are classified within the National Intelligence Program (NIP) budget request, but many of the specific programmatic details of the budget request are unclassified. I support full funding for this program. In particular, I strongly support funding for activities associated with the State and Local Fusion Center program, as established in the most recent 9/11 Commission Act Recommendations Act, and support the requested increase to develop a domestic open source intelligence (OSINT) capability at DHS.

Department-wide Challenges

Homeland Security Department Headquarters: The President's budget for DHS and the General Services Administration includes a combined \$467 million request for the DHS Consolidated Headquarters Project, which would initiate construction of a unified Departmental headquarters at the St. Elizabeth's West Campus. Last year, Congress did not provide any funding for this project because of last minute budget constraints imposed on the FY 2008 Omnibus Appropriations Act, even though both the House and Senate bills provided funding at or close to the President's request.

Today, DHS is spread throughout 70 buildings across the National Capital Region

making communication, coordination, and cooperation between DHS components a significant challenge. I believe Congress should provide support for this important project, and view it as a critical cornerstone of efforts to improve management at the Department of Homeland Security. Consolidating the majority of the Department's functions into one location is essential to establishing a unified DHS culture and boosting morale.

Transition: The Department of Homeland Security will undergo a transition in leadership in FY 2009, following the Presidential election in November. Given the fact that al-Qaeda has previously planned attacks in conjunction with political transitions elsewhere, and the fact that DHS has never previously gone through a full transition in leadership in its short existence, it is imperative that DHS manage this transition effectively, and that Congress provide the resources to support this transition.

The two offices that are leading the transition effort at the Department are the immediate office of the Undersecretary for Management and the Office of the Chief Human Capital Officer. These two offices have been funded at levels below those requested by the President in recent years, in large part due to the necessity to find offsets to the Administration's decision every year to slash homeland security grant funding. While I strongly support providing robust funding for homeland security grants, it is critical that we not achieve that goal by cutting funds for management activities associated with implementing the transition.

Another critical office associated with the implementation of the transition will be the DHS Office of Security, which conducts "suitability reviews" for incoming employees. The Office of Security currently has the resources to conduct suitability reviews for normal hiring and attrition patterns, but does not have the resources to manage the likely spike in reviews that will accompany the transition in the first half of 2009. This could delay the on-boarding process for a new leadership team, to the detriment of the overall transition effort. I urge you to consider additional one-time funding, above the President's request, of \$2 million in FY 2009, to provide the Office of Security with additional staffing, on detail from other components of DHS, to mitigate this transition-related risk.

Office of Inspector General: Under the proposed budget, the DHS Office of Inspector General (OIG) would see a 7.5 percent reduction in its budget, from \$108.7 million in FY 2008 to \$101 million in FY 2009. This is particularly troubling because the OIG is already struggling to keep up with its oversight responsibilities, particularly with regard to FEMA activities. Furthermore, the office will have significant new grant audit obligations under the recently passed 9/11 Commission Act. I strongly urge that, at a minimum, the DHS OIG retain its current year funding and would like to see increased funding for this office.

Acquisition Workforce: I strongly support the Department's efforts to strengthen its oversight of procurement activities, including the \$3.1 million requested for

expansion of its acquisition intern program, which will bring an infusion of new talent into the Department. Without strengthening the acquisition workforce, we will be unable to resolve the problems of cost overruns, over-reliance on noncompetitive contracts, and poor contract oversight, all of which have been far too prevalent in DHS contracting. The proposed internship program is a good start, however it is also important to increase our permanent workforce in the area of acquisitions and related oversight.

Learning and Development: The Department requests \$5.5 million in new funding for the Office of Human Capital to support the implementation of the DHS Learning and Development Strategy, completed and approved in September 2007. The Department's growing emphasis on professional workforce training is long overdue and much-needed, and I support this increase in funding, as well as continued funding for the Homeland Security Academy and the Leadership Institute.

Federal Protective Service

The Federal Protective Service (FPS) is responsible for providing security for more than 8000 federal buildings around the country, and the more than 12 million federal employees working in them. It is important that the FPS has sufficient resources, personnel and an effective approach to protect federal employees and members of the public that work in and visit federal facilities from the risk of crime and terrorist attacks.

As it did last year, the Administration's budget proposes to reorganize the FPS, eliminating approximately 25% of the existing uniformed security personnel within the agency from 2006 levels. The FY2008 Appropriations legislation for DHS included a provision which requires the FPS maintain no fewer than 1,200 full-time equivalent staff (FTE's), including at least 900 law enforcement officers. I therefore recommend increasing the FPS' budget by \$30 million so that the FPS may maintain 1200 FTE's, the statutorily required level, rather than the 950 FTE's proposed within the Budget.

Transportation Security Administration Employees

I disagree with the proposal in the Administration's budget to exempt TSA screeners from the government-wide pay increase enacted annually by Congress. The President's proposed budget explains that the Department should not be required to provide every screener an annual pay increase regardless of the screener's performance rating. However, there are plenty of other personnel incentives that TSA managers can apply without withholding the across-the-board pay increase that Congress establishes each year government-wide. Other DHS employees in security, protective, and law enforcement-related organizations at the Department receive the annual government-wide pay increase, and there is no reason to give TSA screeners less. Indeed, considering the importance of TSA's role in detecting threats of

terrorism, we have a responsibility to ensure that TSA will recruit and retain, not lose, the screener workforce.

Customs and Border Protection Officers

I also oppose the Administration's proposal to repeal the recently enacted legislation to treat CBP officers as law enforcement officers with respect to retirement benefits, and to rescind the \$50 million provided to begin this program in the end of FY 2008. Further, the Administration has not requested the \$200 million that must be funded under this program in FY 2009. CBP officers carry weapons and make arrests but have not had access to the accelerated retirement options available to other federal employees who have official "law enforcement" status. This provision and the related funding is necessary not only to ensure parity for the CBP officers, but also to aid the Department in recruiting and retaining the best officers since CBP must compete with agencies that offer law enforcement retirement benefits in its hiring.

* * * * *

I would also like to comment on several budget matters outside the Department of Homeland Security but within the purview of the Homeland Security and Governmental Affairs Committee.

Privacy and Civil Liberties Oversight Board

The 9/11 Commission recognized that as the U.S. government expands its efforts to fight terrorism, it must take care to safeguard bedrock national protections of personal privacy and civil liberties. In 2004, following the Commission's recommendation, Congress created the first Privacy and Civil Liberties Oversight Board within the Executive Office of the President. The Board was tasked with providing advice and oversight on anti-terrorism policies. Unfortunately, the original Board proved neither as robust nor as independent as Congress had envisioned. In 2007, Congress reconstituted the Board as an entity outside the Executive Office of the President, and with enhanced powers. That provision, which passed as part of the 9/11 Commission Act, provided a six month transition period to stand up the new Board and \$5 million for its operation in FY 2008, rising to \$10 million in FY 2011. Unfortunately, the Administration has made no visible steps towards standing up the new Board and requested only \$2 million for its operation in FY 2009. There is currently no functioning Board, since the original Board's authorization lapsed last month at the end of the scheduled transition period. We cannot afford any additional delay in creating this important oversight body. I will continue to call on the Administration to nominate members for the new Board, and urge your support in ensuring robust funding for its operations.

Office of Government Ethics

I recommend an increase in funding for the Office of Government Ethics in order to assist OGE in promoting a strong ethical culture for Executive Branch employees. As OGE prepares for the Presidential transition, we must ensure that employees leaving federal service understand the negotiating rules and post-employment restrictions, and also that those entering federal service lead the new Administration with sound, ethical principles. While the President has requested a small increase for OGE, even the proposed \$13 million would leave the office short-handed. I recommend an additional \$625,000 to bring OGE to its full authorized staffing of 80 FTEs.

Office of Personnel Management

I am concerned about the Administration's proposal to cut the budget for the Office of Inspector General (OIG) at the Office of Personnel Management (OPM) by \$600,000. If the President's budget were enacted, OIG would be forced to terminate employees, at the same time as its workload is increasing. The OIG plays a critical role in conducting independent investigations for OPM and promoting good government practices, and OIG was assigned responsibility for a special, and very important, investigation of the Office of Special Counsel that is still ongoing. I am concerned that the Administration has attempted to weaken the role of the Inspector General, at the expense of the American people. Therefore, I urge that you restore the funding for OPM's Office of Inspector General.

* * * * *

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

Sincerely,

Joseph I. Lieberman
Chairman