

DEPARTMENT OF HOMELAND SECURITY APPROPRIATIONS  
 BILL, 2004

JUNE 23, 2003.—Committed to the Committee of the Whole House on the State of  
 the Union and ordered to be printed

Mr. ROGERS of Kentucky, from the Committee on Appropriations,  
 submitted the following

R E P O R T

together with

ADDITIONAL VIEWS

[To accompany H.R. 2555]

The Committee on Appropriations submits the following report in  
 explanation of the accompanying bill making appropriations for the  
 Department of Homeland Security for the fiscal year ending  
 September 30, 2004.

INDEX TO BILL AND REPORT

	<i>Page number</i>	
	<i>Bill</i>	<i>Report</i>
Summary of the Bill .....		3
TITLE I—DEPARTMENTAL MANAGEMENT AND OPERATIONS:		
Departmental Administration .....	2	5
Counterterrorism Fund .....	3	9
Department-Wide Technology Investments .....	3	10
Office of the Inspector General .....	4	12
TITLE II—BORDER AND TRANSPORTATION SECURITY:		
Bureau of Customs and Border Protection .....	4	13
Automation Modernization .....	6	19
Bureau of Immigration and Customs Enforcement .....	7	20
Federal Protective Service .....	8	23
Automation and Infrastructure Modernization .....	9	23
Air and Marine Interdiction .....	10	25
Transportation Security Administration:		
Aviation Security .....	11	28
Federal Air Marshals .....	12	33
Maritime and Land Security .....	12	34
Intelligence .....	13	37

	<i>Page number</i>	
	<i>Bill</i>	<i>Report</i>
Research and Development .....	13	37
Administration .....	13	38
Federal Law Enforcement Training Center:		
Salaries and Expenses .....	13	40
Acquisition, Construction, Improvements, and Related Expenses .....	16	41
Office for Domestic Preparedness .....	16	42
TITLE III—EMERGENCY PREPAREDNESS AND RESPONSE:		
Administrative and Regional Operations .....	18	47
Preparedness, Mitigation, Response, and Recovery .....	19	47
Public Health Programs .....	20	50
Biodefense Countermeasures .....	20	50
Grant Programs .....	20	51
Emergency Food and Shelter .....	21	51
Firefighter Assistance Grants .....	21	52
Disaster Relief .....	22	52
Flood Map Modernization Fund .....	22	53
National Flood Insurance Fund .....	22	54
Disaster Assistance Direct Loan Program Account .....	23	55
TITLE IV—OTHER DEPARTMENTAL ACTIVITIES:		
Citizenship and Immigration Services .....	24	56
United States Coast Guard:		
Operating Expenses .....	24	57
Environmental Compliance and Restoration .....	25	61
Reserve Training .....	25	62
Acquisitions, Construction, and Improvements .....	25	64
Alteration of Bridges .....	26	65
Research, Development, Test, and Evaluation .....	26	66
Retired Pay .....	27	66
Information Analysis and Infrastructure Protection .....	27	67
Science and Technology .....	28	72
United States Secret Service:		
Salaries and Expenses .....	29	79
Acquisition, Construction, Improvements, and Related Expenses .....	31	81
TITLE V—GENERAL PROVISIONS:		
This Act .....	31	82
Compliance with House Rules .....	---	85
Tables .....	---	93
Summary of the Total Bill .....	---	.....

The accompanying bill contains recommendations for new budget (obligational) authority for fiscal year 2004 for the Department of Homeland Security. The following table summarizes these recommendations and reflects comparisons with the budget, and with amounts appropriated to date for fiscal year 2003:

[In thousands of dollars]

Bureau/agency	New budget (obligation) authority fiscal year 2003 enacted to date	Budget estimates of new (obligational) authority, fiscal year 2004	Recommended in the bill	Bill compared with . . .	
				New budget authority fiscal year 2003	Budget estimate, fiscal year 2003
Departmental Management and Operations .....	460,136	598,118	505,611	+45,475	-92,507
Border and Transportation Security .....	16,500,550	14,580,569	14,852,095	-1,648,455	+271,526
Emergency Preparedness and Response .....	3,373,127	4,352,296	5,100,056	+1,726,929	+747,760
Other Departmental Activities .....	7,846,420	8,626,311	8,738,220	+891,800	+111,909
Grand total .....	28,875,233	28,372,294	29,410,982	+535,749	+1,038,688

## SUMMARY OF MAJOR RECOMMENDATIONS IN THE BILL

The Committee recommends a total of \$29,410,982,000 in discretionary resources for the Department of Homeland Security, an increase of \$1,038,688,000 above the President's request, and \$666,749,000 above fiscal year 2003 enacted levels. The Committee recommends a total of \$4,446,000,000 for First Responders, including: \$1,900,000,000 for the Office for Domestic Preparedness basic grant program; \$500,000,000 for State and Local Law Enforcement Terrorism Prevention grants; \$500,000,000 for grants to high-threat, high-density, urban areas; and \$200,000,000 for critical infrastructure grants. The Committee also includes \$750,000,000 for Firefighter Assistance Grants through the Emergency Preparedness and Response Directorate, as well as a total of \$168,000,000 for Emergency Management Performance Grants.

The Committee recommends advance appropriations of \$5,593,000,000 for biodefense countermeasures, with a limitation of \$890,000,000 for fiscal year 2004 obligations. The Committee believes that by providing these funds in an advance appropriation, a market place is created for those manufacturers who would otherwise not undertake the lengthy and expensive process to produce needed countermeasures as identified by the Secretary.

The Committee provides a total of \$5,172,000,000 for the Transportation Security Administration, continuing efforts to enhance both aviation and non-aviation security, including: \$100,000,000 for port security grants, \$335,000,000 for the procurement and installation of explosive detection systems; \$50,000,000 for air cargo security, including \$30,000,000 for state-of-the-art detection technologies; and \$10,000,000 for intercity bus security.

For the Bureau of Customs and Border Protection, the Committee provides a total of \$5,081,327,000, including \$493,727,000 for Automation Modernization, and \$129,000,000 for continuing efforts to develop and deploy inspection technologies.

For the Bureau of Immigration and Customs Enforcement, the Committee recommends \$2,996,816,000, including \$350,000,000 for US VISIT, and \$175,000,000 for the Air and Marine Interdiction Program.

The Committee recommends a total of \$6,681,081,000 for the U.S. Coast Guard, including \$1,300,000,000 for national security related activities, and \$530,000,000 for the Integrated Deepwater Systems program. In addition, the Committee recommends \$134,000,000 for Rescue 21.

The Committee includes a total of \$776,000,000 for Information Analysis and Infrastructure Protection, and \$900,360,000 for Science and Technology. Included in the amounts for Science and Technology are \$80,000,000 for the Rapid Prototyping Program; \$35,000,000 for University and Fellowship Programs, including university-based centers of excellence; and \$60,000,000 for the research, development, testing and evaluation of an antimissile device for commercial aircraft.

## TRANSFER AND REPROGRAMMING GUIDELINES

The Committee includes a general provision (Section 503) specifying conditions for the transfer and reprogramming of funds made available to the Department of Homeland Security. The Committee

has also included a table at the end of this Report detailing the specific levels of funding which will be used to determine both transfer and reprogramming thresholds.

TITLE I—DEPARTMENTAL MANAGEMENT AND OPERATIONS

DEPARTMENTAL ADMINISTRATION

SALARIES AND EXPENSES

Appropriation, fiscal year 2003 .....	\$195,370,000
Budget estimate, fiscal year 2004 .....	294,000,000
Recommended in the bill .....	221,493,000
Bill compared with:	
Appropriation, fiscal year 2003 .....	+26,123,000
Budget estimate, fiscal year 2004 .....	- 72,507,000

MISSION

The Homeland Security Act of 2002 created the new Department of Homeland Security through the merger of 22 federal agencies into this new organization. The mission of Departmental Administration is to provide efficient services to the Department of Homeland Security and to support the Department in its achievement of strategic goals: preventing terrorist attacks within the United States; reducing America's vulnerabilities to terrorism; and minimizing the damage and recovery from attacks that may occur.

Departmental Administration will focus on department-wide efforts, such as national policy development and planning as well as be responsible for such functions as strategy, interagency coordination, public affairs, legislative affairs, information technology, legal affairs, and financial matters. The Departmental Administration appropriation also includes funding for the immediate offices of the Under Secretaries and associated staff in the four operating directorates (Border and Transportation Security, Emergency Preparedness and Response, Information Analysis and Infrastructure Protection, and Science and Technology), as well as other headquarters activities.

RECOMMENDATION

The Committee recommends \$221,493,000 for Departmental Administration. The request for a consolidated appropriation for the salaries and expenses of various departmental offices has been denied because the Committee wants to ensure adequate Congressional oversight and control over these expenses. The Committee is unable to ensure that oversight given the lack of supporting detail and inadequacy of the budget justifications. Instead, the appropriation of \$221,493,000 includes specific funding for the salaries and expenses of various offices comprising the Office of the Secretary and Executive Management; Under Secretary for Management; and the Immediate Offices of the Under Secretaries for Border and Transportation Security, Information Analysis and Infrastructure Protection, Emergency Preparedness and Response, and Science

and Technology. The following table summarizes the fiscal year 2004 budget estimate and Committee recommendations by office:

	Estimate	Recommended
Office of the Secretary and Executive Management:		
Immediate Office of the Secretary .....	\$2,340,000	\$2,340,000
Immediate Office of the Deputy Secretary .....	1,207,000	1,207,000
Security .....	20,025,000	20,025,000
Chief of Staff .....	5,283,750	5,284,000
Executive Secretary .....	6,102,500	4,882,000
Special Assistant to the Secretary/Private Sector .....	4,777,500	3,822,000
NCR Coordinator .....	582,750	583,000
State and Local Affairs .....	3,697,750	2,959,000
International Affairs .....	1,384,000	1,108,000
Public Affairs .....	9,632,750	7,577,000
Legislative Affairs .....	7,463,250	5,841,000
General Counsel .....	10,750,500	8,601,000
Civil Rights and Liberties .....	14,885,000	11,908,000
Immigration Ombudsman .....	1,304,000	1,304,000
Homeland Security Advisory Committee .....	767,000	767,000
Privacy .....	767,000	767,000
Office of the Under Secretary for Management:		
Under Secretary for Management .....	1,470,800	1,177,000
Strategic Initiatives .....	1,843,750	1,475,000
Chief Financial Officer .....	12,175,000	9,740,000
Procurement .....	7,133,750	5,707,000
Human Resources .....	7,823,750	6,259,000
Chief Information Officer .....	82,167,250	68,734,000
Administration .....	28,808,750	23,047,000
Under Secretary for Border and Transportation Security .....	10,132,250	8,106,000
Under Secretary for Information Analysis and Infrastructure Protection .....	5,729,750	4,584,000
Command Center .....	5,459,200	5,460,000
Under Secretary for Emergency Preparedness and Response .....	4,115,500	3,293,000
Under Secretary for Science and Technology .....	6,170,000	4,936,000
Headquarters building .....	30,000,000	
Total .....	\$294,000,000	\$221,493,000

The Committee recognizes the many difficulties the Department of Homeland Security (DHS) has faced in staffing a new Department and recognizes that this will take time. In particular, the Committee is aware of the unique challenges DHS faces in hiring homeland security, intelligence, and information technology experts at a time when many other federal agencies and the private sector are also seeking personnel with these same skills. As a result, many offices within the Department are not fully staffed. The Committee has made reductions to the budget request for those offices that have less than half of their estimated personnel onboard recognizing that they will not need full year funding for all planned positions or travel expenses in fiscal year 2004. However, the recommended level assumes full funding for all onboard staff and operational requirements in fiscal year 2004. If there is a discrepancy, the Committee will consider a reprogramming request.

The Committee directs the Department to submit the fiscal year 2005 Congressional justification materials for the salaries and expenses of the Office of the Secretary and Executive Management, Under Secretary for Management, and the Immediate Offices of the Under Secretaries for Border and Transportation Security, Information Analysis and Infrastructure Protection, Emergency Preparedness and Response, and Science and Technology at the same level of detail as presented in the table above.

## TRAVEL EXPENSES

Within the funding provided for the Office of Public Affairs and Office of Legislative Affairs, no more than \$100,000 shall be allocated for travel expenses in fiscal year 2004 unless additional expenses are fully justified. The Committee cannot support \$860,000 in travel expenses for the Office of Public Affairs or \$735,000 for the Office of Legislative Affairs. This funding level is well above what the Immediate Office of the Secretary has requested or received.

DETECTION AND MONITORING DEVICES FOR WEAPONS OF MASS  
DESTRUCTION

The Committee is aware that a number of different agencies within the Department are testing and investing in a variety of radiation, chemical, biological, and high-explosives detection and inspection technologies, and integrating such technologies into their operations and programs. It is imperative that the Secretary use the Science and Technology Directorate to centrally coordinate these efforts across all the agencies within the Department. The advantages of this are clear; as many other agencies (Bureau of Customs and Border Protection, Transportation Security Administration, Coast Guard, and the Secret Service) pursue similar ventures, coordination will ensure that maximum benefits can be derived from the diverse work going on within the homeland security community. In addition, the Committee expects each agency, on an ongoing basis, to actively share information about its plans and experiences about such technology programs with its counterparts at other agencies, as well as with the Office of the Secretary.

## COMMAND OPERATIONS CENTER

The Committee recommends \$20,000,000 for the Command Operations Center. This center is a command and control facility that operates 24 hours-per-day, 7 days-per-week monitoring situations worldwide that may impact homeland security. Funding for this center is divided between the Information Analysis and Infrastructure Protection Directorate (\$5,460,000) and the Chief Information Officer (\$14,540,000).

## HEADQUARTERS BUILDING

The Department requested \$30,000,000 for the design and acquisition of a site suitable for construction of a permanent headquarters. The Committee has denied this request for a variety of reasons. The Committee is aware that a number of alternatives are under consideration for a new headquarters facility, including renovations to existing space at the Nebraska Avenue Complex and/or the acquisition of alternative space in the Washington, D.C. metropolitan area. Given the status of these discussions, there is limited information available on how the \$30,000,000 would be obligated, including information regarding costs of alternative sites. The Committee further believes that the General Services Administration (GSA) should be the lead agency as it relates to all DHS headquarters construction-related activities, and directs DHS to work with GSA on these efforts. The Committee is also concerned

that that Department may be proceeding in advance of required authorizations, and includes a general provision (Section 519) that prohibits the use of funds in this Act for the expenses of any construction, repair, alteration, and acquisition project for which a prospectus, if required by the Public Buildings Act of 1959, has not been approved. Funds are included as part of the Salaries and Expenses appropriation for necessary expenses associated with the review of alternatives, as well as the development of a prospectus, if required.

#### CONGRESSIONAL BUDGET JUSTIFICATIONS

While the Committee recognizes that the majority of the 22 federal agencies did not transfer into DHS until March 1, 2003, and developing detailed budget justifications for the merger and consolidation of these agencies was particularly challenging, the Committee expects that delays in the submission of detailed budget justifications will not occur next year. The Committee directs the Department to submit all of its fiscal year 2005 budget justifications on the first Monday in February, concurrent with official submission of the President's budget to Congress. These justifications should have the customary level of detailed data and explanatory statements to support the appropriations requests, including tables that detail each agencies' programs, projects, and activities for fiscal years 2004 and 2005. The budget justifications must also include a table identifying the last year that authorizing legislation was provided by Congress for each program; project, or activity; the amount of that authorization; and the appropriation in the last year of authorization.

#### MONTHLY REPORTING REQUIREMENT

The Department is directed to submit to the Committee a monthly budget execution report showing the status of obligations and costs for all components of the Department. The report should include the total obligational authority appropriated (new budget authority plus unobligated carryover), undistributed obligational authority, amount allotted, current year obligations, unobligated authority, beginning unexpended obligations, costs year to date, and ending unexpended obligations. This budget execution information is to be provided at the level of detail shown in the tables displayed in the House report for each Departmental component. The first report is due January 2004, showing data through December 2003, and monthly thereafter.

#### PROTECTION OF CLASSIFIED INFORMATION

Federal requirements for storage of classified information and materials mandate that GSA-approved containers be secured with locks that meet or exceed federal specification FF-L-2740-A. The Committee is concerned that many containers used for storage of sensitive information do not provide this required level of security. The Secretary of Homeland Security is directed to identify the number of containers under the control of, or accessible by, federal employees and contractors in the Department that are not in com-



pliance with the federal specification. The results of this survey are to be submitted to the Committee no later than August 15, 2003.

REGIONAL OFFICES

The Committee is aware that DHS is evaluating the need for and location of DHS regional offices. The Committee directs DHS to submit a report by August 31, 2003 on the locations being considered for regional offices and the factors being analyzed to make such decisions, including costs. The report should also discuss how the proposed regional structure would affect all DHS' agencies current structures, including those of the Coast Guard. The Committee directs the Department to notify the Committee three days prior to any final announcement on DHS regional office locations.

OFFICE FOR STATE AND LOCAL GOVERNMENT COORDINATION

The Committee believes that the strong participation of local governments, including those of midsize and rural communities and counties and multi-county regional cooperatives, is essential to the development of sound homeland security plans within each State. Therefore, the Committee directs the Department, through the Office for State and Local Government Coordination, to formalize a process for States to incorporate local governments, including those of midsize and rural communities and counties and multi-county regional cooperatives, in the development and review of State homeland security plans, and to submit a report on the implementation no later than October 1, 2003.

COUNTERTERRORISM FUND

Appropriation, fiscal year 2003 .....	\$159,935,000
Budget estimate, fiscal year 2004 .....	40,000,000
Recommended in the bill .....	20,000,000
Bill compared with:	
Appropriation, fiscal year 2003 .....	- 139,935,000
Budget estimate, fiscal year 2004 .....	- 20,000,000

MISSION

This appropriation provides funding for unbudgeted and unanticipated costs associated with support to counter, investigate, or pursue domestic or international terrorism, and to re-establish the operational capability of an office, facility, or other property damaged or destroyed as a consequence of any domestic or international terrorist act. Funds may be used for reward payments for information to assist in the pursuit of suspects or networks that support and foster terrorist activity. Funding may also be used to pay the costs for officially designated National Special Security Events. These funds are available to the extent that prior notification is given to the Committees on Appropriations in accordance with guidelines on reprogramming and transfer of funds.

RECOMMENDATION

The Committee recommends an appropriation of \$20,000,000 for the Counterterrorism Fund, a reduction of \$20,000,000 from the budget request. The Committee understands that there is a sizeable balance available to this Fund from prior year appropriations.

DEPARTMENT-WIDE TECHNOLOGY INVESTMENTS

Appropriation, fiscal year 2003 .....	\$63,321,000
Budget estimate, fiscal year 2004 .....	206,000,000
Recommended in the bill .....	206,000,000
Bill compared with:	
Appropriation, fiscal year 2003 .....	+142,679,000
Budget estimate, fiscal year 2004 .....	.....

MISSION

This appropriation provides funding for department-wide investments in information technology and wireless communications technology. These investments will enable the Department to establish priorities for information technology integration, modernize high-priority business processes, and increase efficiency through technological improvements. In addition, funding is provided for conversion of wireless radio communications to narrowband operations while continuing to support existing legacy land mobile radio systems.

RECOMMENDATION

The Committee recommends \$206,000,000 for Department-wide Technology Investments, the same as the budget request. Statutory language has been included prohibiting the use of funds in this account to support or supplement the appropriations for the U.S. Visitor and Immigrant Status Indicator Technology (US VISIT) and the Automated Commercial Environment (ACE) programs.

REPORTING REQUIREMENT

The Committee directs the Department to provide to the Committee by December 15, 2003, a detailed program plan describing the scope, total estimated cost, cost by year, and the schedule for completion, including significant milestones, for each individual project funded in the information technology services, security activities, and wireless programs.

WATCH LIST CONSOLIDATION

The Committee is concerned that there are still several individual terrorist and criminal watch list systems being maintained within the Department and expects the Department to proceed expeditiously to consolidate and standardize these lists. The Department is to provide to the Committee, by October 15, 2003, a detailed program plan for consolidating all the watch lists in the Department during fiscal year 2004. The program plan should include the total estimated cost, the scope of the project, and the schedule for completion, including significant milestones. The plan should also identify those watch lists maintained by other federal agencies that are not part of the consolidated Department of Homeland Security watch list and explain why those lists are not included.

RECORDS MANAGEMENT

The Committee directs the Department to conduct a department-wide inventory of existing records and information and review the need for the capability to convert critical records and information

to digital format and online storage. The results of this review should be conveyed to the Committee as soon as available, but no later than March 15, 2004.

#### COMMUNICATIONS SECURITY

Many parts of the Department have already implemented Public Key Infrastructure programs that are designed to support secure communications against internal and external threats. The Committee directs the Department's Chief Information Officer to evaluate whether these programs should be expanded throughout the Department and report the findings to the Committee on Appropriations.

#### INFORMATION TECHNOLOGY SERVICES

Funding of \$72,506,000, a reduction of \$2,494,000 from the budget request of \$75,000,000, is provided for information technology services. A major function of this program is to design and help implement a Department enterprise architecture that will guide investment in and use of information technology across the Department. Other activities include improving department-wide collaboration capabilities; optimizing and integrating management systems such as financial and human resources systems; and implementing e-learning capabilities for Departmental components. Funding of \$2,494,000 has been transferred to the salaries and expenses program.

#### SECURITY ACTIVITIES

Funding of \$31,000,000, the same as the budget request, is provided for additional security activities, including the integration of the federal watch lists, and support to the Homeland Security Information Technology and Evaluation program that will work to improve homeland security-related information sharing across the federal government, as well as with state and local governments and the private sector.

#### WIRELESS PROGRAM

Funding of \$100,000,000, the same as the budget request, is provided for the wireless program for conversion of wireless radio communications to narrowband operations as required by 47 U.S.C. 903(d)(1). Resources will be allocated to invest in new narrowband infrastructure and subscriber equipment while continuing to support existing legacy land mobile radio systems along the nation's borders.

The Department is to report to the Committee, by December 15, 2003, describing how the federal wireless program will operate with the state and local wireless communication systems that are being implemented concurrently. Since a large share of the nation's communications infrastructure is owned and operated at the state and local levels, the federal program must ensure that it is compatible with the proposed state and local upgrades, where appropriate.

SALARIES AND EXPENSES

The Committee recommends \$2,494,000 for salaries and associated expenses for the federal employees funded in the Department-wide Technology Investments program. The budget request incorporated funds for salaries and expenses within each program area, but the Committee prefers to maintain a separate account for these expenses. These funds will be used to support 15 full-time federal employees.

OFFICE OF THE INSPECTOR GENERAL

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

Appropriation, fiscal year 2003 .....	\$62,947,000
Budget estimate, fiscal year 2004 <sup>1</sup> .....	80,118,000
Recommended in the bill <sup>1</sup> .....	80,118,000
Bill compared with:	
Appropriation, fiscal year 2003 .....	+17,171,000
Budget estimate, fiscal year 2004 .....	

<sup>1</sup>Including \$22,000,000 to be derived by transfer from the Emergency Preparedness and Response Disaster Relief Fund.

MISSION

The Homeland Security Act of 2002 established an Office of the Inspector General in the Department of Homeland Security by amendment to the Inspector General Act of 1978. This office was established to provide an objective and independent organization that would be more effective in: (1) preventing and detecting fraud, waste, and abuse in departmental programs and operations; (2) providing a means of keeping the Secretary of Homeland Security and the Congress fully and currently informed of problems and deficiencies in the administration of programs and operations; (3) fulfilling statutory responsibilities for the annual audit of the Department's financial statements and to ensure security of its information technology pursuant to the Federal Information Security Management Act; and (4) reviewing and making recommendations regarding existing and proposed legislation and regulations to the Department's programs and operations. According to the authorizing legislation, the Inspector General is to report dually to the Secretary of Homeland Security and to the Congress.

RECOMMENDATION

The Committee recommendation provides a total of \$80,118,000 for activities of the Office of the Inspector General (IG), the same level as the budget request. Of this total, \$22,000,000 shall be derived by transfer from the Emergency Preparedness and Response Disaster Relief Fund. This funding will be used to support 457 full-time employees.

INTERNAL AFFAIRS INVESTIGATIONS

It is the Committee's intent that the IG serve as the primary entity within the Department for investigating, as to employees, contractors, and grantees, all criminal allegations of waste, fraud, abuse and mismanagement; allegations of misconduct against all

political appointees, personnel at the level of GS-15 and above; and any allegations that indicate systemic problems in the Department or otherwise affect public health or safety. The IG's statutory independence, and its dual reporting responsibilities to the Department and to the Congress, make it ideally situated to address such matters. All employees must have immediate, direct, and unfettered access to the IG to report allegations without fear of retribution.

The Department's numerous internal affairs offices can play a useful adjunct role to the IG. By handling less serious investigative matters of an administrative nature, these internal affairs offices can enable the IG to leverage its resources, provided these offices cooperate fully with the IG and regularly report their activities to the IG.

AUDIT REPORTS

The Committee requests that the Inspector General forward copies of all audit reports to the Committee immediately after they are issued, and immediately make the Committee aware of any review that recommends cancellation of, or modification to, any major acquisition project or grant, or which recommends significant budgetary savings. The IG is also directed to withhold from public distribution for a period of 15 days any final audit or investigation report, which was requested by the House Committee on Appropriations.

TITLE II—BORDER AND TRANSPORTATION SECURITY (BTS)

CUSTOMS AND BORDER PROTECTION

BUREAU OF CUSTOMS AND BORDER PROTECTION

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

Appropriation, fiscal year 2003 .....	\$4,804,087,000
Budget estimate, fiscal year 2004 .....	5,647,000,000
Recommended in the bill .....	4,587,600,000
Bill compared with:	
Appropriation, fiscal year 2003 .....	- 216,487,000
Budget estimate, fiscal year 2004 .....	- 1,059,400,000

MISSION

The mission of the Bureau of Customs and Border Protection (CBP) is to protect the borders of the United States by preventing, preempting and deterring threats through ports of entry, and to interdict illegal crossing between ports of entry. The Bureau consolidates the inspection, trade, and revenue functions of the U.S. Customs Service, the inspection, Border Patrol, intelligence and related functions of the Immigration and Naturalization Service, and the inspection functions of the Agriculture Quarantine and Inspection program, formerly part of the Animal and Plant Health Inspection Service. To accomplish its missions, CBP has a workforce of over 40,000, including inspectors, canine enforcement officers, Border Patrol agents, trade specialists, and mission support staff. The integration of homeland security, safety, and border manage-

ment is aimed at ensuring that all goods and persons crossing U.S. borders do so in accordance with all United States laws and regulations, and pose no threat to the United States.

#### RECOMMENDATION

The Committee recommends an appropriation of \$4,587,600,000 for the salaries and expenses of the Bureau of Customs and Border Protection (CBP), including \$3,000,000 for the collection of the Harbor Maintenance Fee. This represents a decrease of \$1,059,400,000 below the President's request and reflects a realignment of funding carried in the request into three stand-alone appropriations: Automation Modernization, which includes information technology initiatives of the Bureau, particularly the Automated Commercial Environment; Air and Marine Interdiction; and Automation and Infrastructure Modernization, which includes information technology initiatives of the Bureau of Immigration and Customs Enforcement primarily related to the US VISIT system. This realignment is necessary to identify resources and programs obscured within a monolithic CBP account.

These realignments would reduce the Salaries and Expenses appropriation by \$1,113,018,000. Otherwise, the recommendation fully funds the President's request for the Bureau. The Committee also adds \$17,884,000 to fully fund 2003 pay adjustments; \$21,000,000 to partially offset unspecified reductions in base funding; \$4,750,000 to fund textile transshipment enforcement as authorized by Section 352 of the Trade Act of 2002; and \$10,000,000 for additional non-intrusive inspection technology to address unfunded requirements such as pallet inspection.

#### SUPPLY CHAIN SECURITY AND CONTAINER SECURITY

The Committee gives high priority to preserving the security of the lines of international trade and commerce on which the U.S. and its economy depend, but recognizes that trade and seaport operations are complex mechanisms, sensitive to international actions and processes over which the U.S. often has no direct control. It therefore funds the request for two critical CBP efforts to "push out" the borders and increase the perimeter of security: (1) \$12,100,000 for the Customs-Trade Partnership Against Terrorism (C-TPAT), which involves working with members of trade and industry to establish and certify security within their own operations and facilities; and (2) \$61,754,000 to continue and expand the Container Security Initiative (CSI).

CSI was initiated in January 2002 to pre-screen cargo containers at ports of origin or transit rather than wait for these goods to arrive in our ports for inspection. It consists of four core elements: (1) establishing security criteria to identify high-risk containers; (2) pre-screening containers before they arrive at U.S. ports; (3) using technology to pre-screen high-risk containers; and (4) developing and using smart and secure containers. The fundamental objective of the CSI is to join with seaports that send the highest volumes of container traffic into the United States to facilitate detection of potential problems at the earliest possible opportunity. CBP has established CSI programs at 19 of these ports, and inspectors are currently based at 7 of them. When combined with the \$60,300,000

previously provided for this initiative, the funding in the bill will move the program to phase two, to a total of 30 mega-ports and strategically important ports worldwide. These will include ports in the Middle East and other strategic locations; such as Dubai, which could become the first CSI port in the Arab world; ports in Turkey, Malaysia, and Sri Lanka, South Africa, Latin America, and additional European ports.

#### ENFORCEMENT OF U.S. TRADE LAWS PERTAINING TO STEEL IMPORTS

The Committee continues to support CBP enforcement of U.S. trade laws, to include the President's March 2002 steel 201 proclamation and related antidumping and countervailing duty orders. The fiscal year 2003 appropriation provided \$1,250,000 to remain available until October 2004 for this purpose, and required a report to be provided by April 20, 2003, to describe steps taken to improve training for steel tariff implementation and to enhance enforcement. The report was also to include data on types and value of illegal imports seized and penalties imposed. The Committee strongly urges the Department to complete and submit the report as soon as possible.

#### UNIFORMITY OF CUSTOMS RULINGS AND POLICY

The Committee understands that in the reorganization of CBP and the Department there will be some adjustment between autonomy of field directors and the need to have a clear national policy. When it comes to rulings on trade and customs matters, or administrative actions that might establish de facto policy on the processing of imports and exports, industry and commerce expect that decision making will be standardized and represent national policy, and not vary by locale. The potential for individuals or businesses to feel pressure to "shop" between ports in order to avoid disadvantageous rulings or treatments is too great. The Committee strongly urges CBP to establish a formal process and communications mechanism to prevent any perceptions that policy may vary between ports or field offices.

#### NON-INTRUSIVE INSPECTION TECHNOLOGY AND RADIATION DETECTION TECHNOLOGY

The Committee is convinced of the need to deploy non-intrusive inspection technology and radiation detection technology, and provided additional resources in the Wartime Supplemental to accelerate the implementation of these technologies. The Committee includes \$10,000,000 in addition to the base request of \$119,000,000 for inspection technologies. The Committee directs CBP to submit a revised non-intrusive inspection technology plan for acquisition and deployment of this technology before releasing any funding for such technology, but in no case later than November 1, 2003.

As CBP proceeds to invest in radiation detection and inspection technology, and integrates such technology into its operations and programs, it is imperative that it coordinates efforts with other agencies within the Department. The advantages of this are clear; as many other agencies (TSA, Coast Guard, Secret Service) pursue similar ventures, coordination will ensure that maximum benefits

can be derived from the diverse work going on within the homeland security community. Such coordination should also be a central function of the Department. To facilitate this, the Committee directs CBP to actively, and on an ongoing basis, share information about its plans and experiences with such technology programs with its counterparts at other agencies, as well as with the Office of the Secretary, in particular the Chief Information Officer.

#### SHARED BORDER ACCORD

As a result of the Shared Border Accord between the U.S. and Canada, there are numerous activities underway or planned to meet the 30 action items included in the Accord. These include the Fast and Secure Trade (FAST) initiative to address cross-border commercial shipments, improved assessment and targeting of in-transit cargo, sharing of data between the U.S. and Canadian governments, and rail security. The Committee understands that 15 importers, 240 carriers, and 4,417 drivers at five ports are using the FAST program thus far. In fiscal year 2004, CBP plans to add additional Northern Border ports to the program, as well as to expand the FAST program to the Southern Border.

Programs such as NEXUS and NEXUS Air help facilitate movement of passengers by identifying regular, low-risk travelers. Air preclearance operations are in place at seven Canadian airports, and consideration is being given to additional overseas Immigration Control Officers. The Committee understands that approximately 43,300 individuals are currently enrolled in the six NEXUS locations, and that an additional six sites will be operational in fiscal year 2004.

One initiative of great interest to the Committee is the potential to reduce security risks and speed up processing at border bottlenecks through fiscal year the use of "Integrated Border Inspection Areas". The fiscal year 2003 Omnibus Appropriation authorized efforts to explore and establish such facilities. The Committee understands that various approaches are being considered, and that each border crossing and port of entry will have unique logistical, physical, and operational needs—so that there is no easy or unique solution to this issue. Nevertheless, the Committee urges CBP and the Department to work closely with the Canadian government and the State Department to pursue creative ways to address the long-standing issues of delays and security at key chokepoints along the Northern Border.

#### BORDER STAFFING

The Committee is strongly supportive of providing adequate staffing for the nation's ports and borders, and has provided significant funding in the past two regular appropriations for the Northern and Southern Border, as well as an additional \$60,000,000 for staffing on Northern Borders and seaports in the recent Wartime Supplemental. The Committee approves the Administration proposals to add inspectors in conjunction with increased deployment of non-intrusive inspection systems, the Customs-Trade Partnership Against Terrorism, for additional agriculture inspectors, and to expand the numbers of canine enforcement officers.



Given the need to absorb these increases, to consolidate personnel from the three agencies joining CBP, and to adjust for the movement of staff and functions to the Bureau of Immigration and Customs Enforcement, the Committee does not recommend specific staffing increases over the President's request at this time. However, it strongly urges CBP to finish any outstanding organizational plans and to move as rapidly as possible in recruiting, training and deploying new inspectors, canine officers, Border Patrol agents, and other positions to these ports and border areas. The Committee directs CBP to provide an updated staffing plan, reflecting its actual on board staffing for fiscal year 2003, and projected staffing for fiscal year 2004, at all ports of entry and border areas, not later than December 1, 2003.

#### RECRUITMENT AND HIRING

The Department has told the Committee that training centers inherited by CBP, particularly the National Hiring Center and Customs Quality Recruitment Center, have excellent programs for hiring entry level officers. The Committee supports continued use of these Centers and directs CBP to report to the Committee on whether any changes or expansion of operations are required to meet increased CBP or BTS-wide hiring needs.

#### SENTRI

The Committee supports the Secure Electronic Network for Travelers Rapid Inspection (SENTRI) system, which has operated since 1995 at selected Southwest Border ports of entry. SENTRI participants must first undergo background and vehicle checks. With dedicated commuter lanes and an automated system, SENTRI—which now serves more than 42,000 motorists—helps ensure border security while expediting the movement of legitimate traffic and commerce. The Committee understands that backlog in SENTRI applications caused by increased demand following the September 11 attacks has been significantly reduced by the decision to extend enrollment and participation from one to two years. The Committee urges CBP to continue efforts to reduce the backlog of prospective applicants, and to consider creation of pre-inspection, low-risk traveler dedicated commuter lanes for pedestrian crossers.

#### AIRPORT INSPECTION STAFFING

The Committee remains interested in the expeditious processing by CBP of arriving international passengers at Washington Dulles International Airport.

Therefore, the Committee directs the Secretary to report on a quarterly basis beginning November 1, 2003 on the number of inspectors operating the passenger service lanes at Washington Dulles International Airport. This report should detail the number of inspectors lost and the number of new inspectors reporting, as well as the Bureau's plan to expedite the processing of international passengers during peak hours.

## INTERIOR CHECKPOINTS

The Committee continues bill language making no funds available for construction of any permanent Border Patrol checkpoint in the Tucson sector, and prohibiting any checkpoint in that sector from operating at any one location for more than seven consecutive days in any two week period.

## FORWARD DEPLOYMENT OF BORDER PATROL HELICOPTERS

The Committee directs the Tucson Sector Border Patrol to continue to forward deploy its air assets by expanding its air operation facility in Sierra Vista, Arizona.

## REIMBURSEMENT FOR EMERGENCY ALIEN MEDICAL CARE

The 2003 Omnibus Appropriations Act conferees directed the INS to provide reimbursement to hospitals in Arizona for emergency services to illegal immigrants injured as a result of interaction with the Border Patrol, subject to authority in sections 562 and 563 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (IIRIRA). It also directed the INS, in coordination with the Department of Health and Human Services, to report by July 1, 2003, with recommendations to address this issue. The Committee recognizes the problem faced by the States and local governments in providing such emergency health care, often at financially strapped facilities, with little or no chance of reimbursement. The Committee expects the forthcoming July 1 report to detail the steps DHS has taken to satisfy the conference report direction, and its policy for handling the need for medical treatment for illegal aliens in fiscal year 2004.

## VIGILANTE OPERATIONS

The Committee is concerned about vigilante operations against migrants along the Southwestern border, and in particular how such activity may interfere with CBP's mission. The Committee supports CBP and Border Patrol outreach activities to improve communications with local communities, thus enabling citizens to report illegal activity, and thereby prevent violations of migrant civil rights. The Committee encourages CBP to continue its proactive liaison with border communities, in conjunction with increased control levels and resources needed to patrol the border effectively, so as to prevent vigilantes from finding unsecured areas or sympathetic land owners' property to patrol.

## LABORATORIES AND SCIENTIFIC SERVICES

The Bureau of Customs and Border Protection laboratories conduct forensic and product analysis, including determining country of origin of agricultural goods and products. The Committee is aware that such analysis has resulted in findings of illegal transshipment and dumping of products, and that more resources are needed to satisfy demand for investigation of at least a dozen products for which country of origin analysis is required. It also understands that such analysis both deters illegal trade and generates significant antidumping duties, although a lack of staff and resources may have prevented the assessment of even larger pen-

alties. The Committee directs CBP to provide the staffing and resources needed, including specialized laboratory equipment and collection and maintenance of product reference samples, to the extent such resources can be made available without detracting from CBP's ongoing homeland security mission.

OFFSETTING FEE COLLECTIONS

The President's request assumes that CBP will receive over \$800,000,000 from user fees, examinations fees, land border inspection fees, enforcement fines, and COBRA fees. Over \$500,000,000 of this is derived from the Immigration User Fee Account to cover base activities. The Committee is concerned by recent estimates of shortfalls in collections of the User Fee, which is delaying the ability of CBP to hire inspectors authorized in the fiscal year 2003 Omnibus Appropriation. In addition, the COBRA passenger fee collections are not only reduced because of lower travel volume, but must be reauthorized for fiscal year 2004 if they are to be available for offsetting CBP expenses at airports and to handle inspectional workload for cruise ships. Because of the uncertainty about the level and timing of collections, the Committee does not propose any additional funding within this fee account. The Committee directs CBP to ensure that fee revenues are used to fully fund base operations and adjustments, as presented in the justification materials presented to Congress, before undertaking any further initiatives. The Committee also directs CBP and DHS to inform the Committee in a timely manner of potential short term operational or program impacts from reduced fee collections.

AUTOMATION MODERNIZATION

Appropriation, fiscal year 2003 .....	\$432,502,000
Budget estimate, fiscal year 2004 .....	
Recommended in the bill .....	493,727,000
Bill compared with:	
Appropriation, fiscal year 2003 .....	+61,225,000
Budget estimate, fiscal year 2004 .....	+493,727,000

MISSION

The Automation Modernization Account includes funding for major information technology projects for the Bureau of Customs and Border Protection. Projects included in this request are the planned Automated Commercial Environment (ACE) system, continued support and transition of the legacy Automated Commercial System (ACS), and technology associated with integration and connectivity of information technology within CBP and the Department.

RECOMMENDATION

The Committee recommends an appropriation of \$493,727,000 for Automation Modernization. This fully funds the President's request, and realigns funding that was requested in the CBP Salaries and Expenses account. The recommendation includes \$312,900,000 in base funding for ACE; an increase of \$5,790,000 for the International Trade Data System (ITDS) development and implementation; \$22,395,000 for the ATLAS connectivity project; and

\$30,210,000 for the homeland security information technology transformation and transition reserve.

AUTOMATED COMMERCIAL ENVIRONMENT (ACE)

The Committee continues to support completion and deployment of ACE capability as quickly as feasible and compatible with ensuring the optimal quality and cost effectiveness. Now that ACE is being developed in the context of the Department of Homeland Security, the Committee is particularly interested in seeing what implications the system can have for integrating and supporting common systems, interoperability and functionality within the Department. ACE may become the linchpin of border information systems, linking the Department of Homeland Security, the private commercial sector, the Federal Motor Carrier Safety Administration (Transportation), and the Center for Food Safety and Applied Nutrition. Furthermore, agencies participating in the International Trade Data System, a feature of ACE, represent eleven cabinet departments and numerous independent agencies. The Committee strongly supports the ACE program, and in order to ensure that it is kept fully informed of developments in the project, directs CBP to provide quarterly reports on progress in meeting ACE implementation schedules.

IMMIGRATION AND CUSTOMS ENFORCEMENT

BUREAU OF IMMIGRATION AND CUSTOMS ENFORCEMENT

SALARIES AND EXPENSES

Appropriation, fiscal year 2003 .....	\$1,855,431,000
Budget estimate, fiscal year 2004 .....	2,063,000,000
Recommended in the bill .....	2,030,000,000
Bill compared with:	
Appropriation, fiscal year 2003 .....	+174,569,000
Budget estimate, fiscal year 2004 .....	- 33,000,000

MISSION

The Bureau of Immigration and Customs Enforcement (ICE) was created by joining the investigative, intelligence and interdiction capabilities of the Customs Service and the Immigration and Naturalization Service along with the protective functions of the Federal Protective Service. ICE has the lead responsibility in the federal government for enforcing immigration and customs laws in the United States, as well as investigation into fraud, forced labor, trade agreement noncompliance, moneylaundersing, smuggling and illegal transshipment, export control enforcement, vehicle and cargo theft. Enforcement includes the expeditious detention and removal of deportable or inadmissible aliens, interdiction of smuggled contraband, detection of violations of laws, strategic and tactical intelligence and communications. With almost 14,000 employees, ICE has the second-largest number of criminal investigators in the federal government following the FBI. The capabilities of ICE to carry out a wide range of homeland security and other investigative and enforcement missions, and its strong connection to the border enforcement and management operations of the Bureau of Customs

and Border Protection, help ensure a seamless approach to enforcing border security and safety.

#### RECOMMENDATION

The Committee recommends an appropriation of \$2,030,000,000, \$33,000,000 below the President's request. As it did for CBP, the Committee recommends realignment of some funding. Specifically, funding for the Air and Marine Interdiction activities are provided as a separate account, and a new account, Automation and Infrastructure Modernization, is created for funding the US VISIT system, and similar major information technology and infrastructure investments. Included in that account are \$35,700,000 requested for US VISIT, and \$17,605,000 requested for the ATLAS information technology connectivity project. In addition, the Committee includes increases of \$8,306,000 to fully fund fiscal year 2003 pay adjustments, \$4,750,000 to fund textile transshipment enforcement authorized in the Trade Act of 2002, and \$7,249,000 to restore unspecified reductions in base funding.

#### INTELLECTUAL PROPERTY RIGHTS (IPR) ENFORCEMENT

The Committee strongly concurs with views expressed by the Commissioner for Customs and Border Protection that intellectual property theft "saps the creativity that America is built on." Whether the theft is of software or takes the form of counterfeit or pirated products, the impact on the U.S. economy is substantial. According to DHS, U.S. business loses around \$200–250 billion per year to counterfeiting of products. The Committee applauds the efforts of the former Customs Service in pursuing such violations, and strongly urges the Department and the Bureaus of ICE and CBP to continue and strengthen their IPR enforcement and deterrent efforts. In addition to its cost to commerce and private industry, there is compelling evidence that business in pirated or counterfeit products is being used to fund and support terrorist groups. In order to determine how the Department is moving to address this issue, the Committee directs the Under Secretary for Border and Transportation Security to report, not later than September 1, 2003, on the number of personnel exclusively assigned to IPR enforcement; their deployment; and information about numbers and value of seizures. The report should also include a 5-year plan showing budget, personnel and milestones associated with this effort at both CBP and ICE.

#### ASSET FORFEITURE

The Committee believes that a vigorous and well managed asset forfeiture program is an essential part of law enforcement and homeland security operations. The Committee recognizes that a number of entities within DHS have participated in the past in forfeiture funds operated by the Department of Justice and the Department of the Treasury, and is aware that new arrangements may be developed in the legal or administrative structure of such programs. The Committee directs the Department, working closely with its component agencies, to carefully review its policies and requirements for participation in asset forfeiture activity, including

the activities that will be supported through forfeiture resources and the policies for assessing and allocating costs and reimbursement.

#### FINANCIAL CRIME AND CYBER CENTER INVESTIGATIONS

The Committee strongly supports the continued engagement of ICE in significant efforts to deter, interdict and investigate financial crime and cyber crime. Major efforts by the former Customs Service and now continued by ICE, such as Operations El Dorado and Casablanca, and the Black Market Peso initiative, have resulted in substantial gains in the campaign against money laundering—upon which organized crime, drug trafficking, and terrorism depend. Operation Green Quest has generated significant gains in identifying and interdicting the financing of terrorist activity, and the Cyber Smuggling Center has established itself as a critical asset in pursuing and stopping cybercrime, fraud, child pornography and child exploitation. The Committee applauds these efforts and encourages ICE and DHS to continue their focus on these missions, which are strongly aligned with and supportive of the Department's homeland security missions.

#### DETECTION AND REMOVAL POLICIES AND PROCEDURES

The Committee is aware of the April 2003 report by the Justice Department Inspector General critical of the Justice Department and its component agencies, including the former Immigration and Naturalization Service (INS), and the use of immigration laws to arrest and detain aliens in the New York City area in the course of the investigation of the September 11th attacks. The I.G. report included recommendations for DHS with regard to its policies and future actions in executing detention and removal policy. The Committee expects that DHS and ICE will employ their enforcement authority in a manner consistent with the requirements of due process, insofar as possible, while supporting their homeland security missions. The Committee therefore directs DHS to report no later than October 1, 2003 on what steps it has taken to address the recommendations of the I.G. report; its goals, policies and standards for notification of decisions to detainees; and its procedure for informing Congress when emergent conditions might require deviation from such policies and standards.

#### OFFSETTING FEE COLLECTIONS

The President's request assumes that \$132,000,000 from immigration user fee collections, \$116,000,000 in Breached Bond fees, and \$52,000,000 in COBRA collections will be available to offset operations. In addition, the Committee understands that rough estimates for the student fees generated by the Student and Exchange Visitor Program and corresponding obligations will be close to \$58,000,000. That estimate is subject to high uncertainty about when fee collection will begin, and what actual revenue collection experience will be.

Uncertainty is present in more established fee activities as well, as can be seen in lowered re-estimates of the availability of funding for such items as housing funded through breached bond/detention

and removal collections. The fiscal year 2003 assumption for obligations was based on estimated receipts of \$171,000,000 in Breached Bond/Detention Fees, on which a detention building program of \$50,000,000 was based. That program is now being pushed back two more years because actual collections were about \$60,000,000 less than expected. The Committee is thus concerned that such shortfalls may adversely affect fiscal year 2004 plans.

Similar shortfalls in collections to the Immigration User Fee Account this year are restricting the ability to hire additional inspectors authorized in the fiscal year 2003 Omnibus Appropriations Act. Because of the potential for fee collections to fall below planned obligations, the Committee does not propose any additional funding within this fee account. The Committee directs ICE to ensure that the fee revenues are used to fully fund base operations and adjustments as presented in the justification materials submitted to Congress before undertaking any further initiatives. The Committee also directs ICE and DHS to inform the Committee in a timely manner of potential short term operational or program impacts from reduced fee collections.

FEDERAL PROTECTIVE SERVICE

(INCLUDING TRANSFER OF FUNDS)

Appropriation, fiscal year 2003 .....	\$408,031,000
Budget estimate, fiscal year 2004 .....	424,211,000
Recommended in the bill .....	424,211,000
Bill compared with:	
Appropriation, fiscal year 2003 .....	+16,180,000
Budget estimate, fiscal year 2004 .....	.....

MISSION

The Federal Protective Service (FPS) is responsible, through its Police Officers and others, for the protection of public buildings and other areas under the charge and control of the General Services Administration (GSA). They are also responsible for the enforcement of laws enacted for the protection of persons and property, the prevention of breaches of peace, suppression of affrays or unlawful assemblies, and enforcement of any rules and regulations made and promulgated by the GSA Administrator. This authority can also be extended, by agreement, to any area with a significant federal interest. Funding for the FPS is provided through a transfer of funds from GSA's Federal Buildings Fund.

RECOMMENDATION

The Committee recommends funding the Federal Protective Service through a transfer of \$424,211,000 from the Federal Buildings Fund, the same as the President's request.

AUTOMATION AND INFRASTRUCTURE MODERNIZATION

Appropriation, fiscal year 2003 .....	.....
Budget estimate, fiscal year 2004 .....	.....
Recommended in the bill .....	\$367,605,000
Bill compared with:	
Appropriation, fiscal year 2003 .....	+367,605,000
Budget estimate, fiscal year 2004 .....	+367,605,000

## MISSION

The new Automation Infrastructure Modernization Account is established to fund major information technology (IT) projects for the Bureau of Immigration and Customs Enforcement, but chiefly for the United States Visitor and Immigrant Status Indicator Technology (US VISIT) project, which will include investments in physical infrastructure as well as IT.

## RECOMMENDATION

The Committee recommends an appropriation of \$367,605,000 for Automation and Infrastructure Modernization. This realigns funding requested in the CBP and ICE appropriations for both US VISIT and the ATLAS connectivity project. The recommendation includes a total of \$350,000,000 for US VISIT—\$130,000,000 below the President's request. This reduction reflects the fact the \$375,000,000 in fiscal year 2003 US VISIT funding remains available as DHS enters the final quarter of the fiscal year. The Department recently delivered its proposed fiscal year 2003 spending plan, and the Committee looks forward to receiving the General Accounting Office's (GAO) review, as required by the fiscal year 2003 Omnibus Appropriations Act. Until that review has been completed, the Committee cannot judge the appropriate level of funding for fiscal year 2004. The Committee is prepared to consider reprogramming or transfer requests for this activity when the Bureau and the Department provide a thorough justification and plan for fiscal year 2004 that has been reviewed by GAO.

## US VISIT TECHNOLOGY

The Committee is concerned that US VISIT may fast become the most complex and overwhelmed investment project in the new Department. Estimates are that the final price tag may reach \$10 billion, and increasingly the Committee sees evidence that deadlines may be missed and discipline may be lost as multiple interests "pile on" to fund or promote different elements of the initiative.

It is essential that development, implementation, documentation, and spending plans be developed and made available to this Committee and to the General Accounting Office to permit adequate time to review and, if necessary, amend the plans. The Committee will insist that any funding for such an ambitious and pivotal homeland security project will only be provided when ICE and the Department proceed in a straightforward way, beginning with the laying out of business processes, technical architecture, and clear spending plans that show what system capabilities and benefits will be delivered, by when, and at what cost. They must also have a clear plan to ensure that the "human capital" associated with this massive project is recruited, cultivated and empowered to ensure that the proper steps are taken in carrying out a complex, large and inherently risky investment.

Provided that the project is managed according to the best practices for development and implementation, the Committee directs DHS to support pilot programs that incorporate features to meet the technical and functional requirements for biometric identifiers, secure travel documents, and similar criteria. Such projects shall



include the ability to replace or streamline processing for articles such as re-entry permits, documents, or seaman booklets. Any use of funding for US VISIT must be consistent with the stage and requirements of the US VISIT planning and implementation process, including being subject to spending plans that are approved by the Department, OMB, and reviewed by GAO.

The Committee has a specific concern with regard to the machine card reader for the Mexican Border Crossing Card, designed to exploit the data storage features of such cards, which at present are not being appropriately used. Funding to purchase and deploy such readers has previously been made available, and a report on the status of plans to deploy card readers on the border was due on May 1, 2003, as part of the Wartime Supplemental, but has not yet been submitted. The Committee directs that this report be completed and delivered to the Committee as soon as possible.

BIOMETRICS TECHNOLOGY

The integrity and effective use of biometrics is essential to the success of the US VISIT program. While the Committee understands the Secretary's need to aggressively begin implementation of US VISIT, actions taken within this first phase must not preclude DHS from developing a biometric infrastructure and automated fingerprint identification system (AFIS) that supports NIST biometric standards, is interoperable with law enforcement AFIS systems, and that ensures timely and efficient search responses. The Department is instructed to coordinate with the Department of Justice on ensuring interoperability between US VISIT and the FBI IAFIS system. As stated in P.L. 108-7, the Committee expects DHS to ensure full and open competition with regard to future procurement actions for the US VISIT program.

AIR AND MARINE INTERDICTION

Appropriation, fiscal year 2003 .....	\$180,647,000
Budget estimate, fiscal year 2004 .....	.....
Recommended in the bill .....	175,000,000
Bill compared with:	
Appropriation, fiscal year 2003 .....	- 5,647,000
Budget estimate, fiscal year 2004 .....	+175,000,000

MISSION

The Office of Air and Marine Interdiction (AMI) provides integrated and coordinated border interdiction and law enforcement support for homeland security missions; provides airspace security for high risk areas or national special security events; and continues to carry out its traditional role in combating the illegal entry of narcotics and other items into the United States. As this mission has become inseparable from the homeland security mission, it is these traditional capabilities of AMI, including their unique command, control and surveillance assets, which makes AMI so valuable. This appropriation provides all operations, maintenance and procurement funding for AMI.

## RECOMMENDATION

The Committee recommends an appropriation of \$175,000,000 for Air and Marine Interdiction, the amount requested by the President.

## AIR AND MARINE INTERDICTION PROGRAM MODERNIZATION PLAN

The Committee knows that the roles and missions of AMI are being redefined, as it has become an integral component of DHS. With the advent of airspace security missions, and given heightened needs to coordinate air and marine operations, as well as the need to continue aggressive counterdrug efforts, it is essential that AMI modernize. As part of a comprehensive review of AMI missions, structures, operations and resources, a number of security shortfalls were identified. These included the need to establish AMI operations that cover the Northern Border, and to provide airspace security for the Capital Region. Other priorities include the need to replace AMI's aging air and marine assets, and continue interdiction missions in the source and transit zones. The Committee has been informed that a modernization plan will be completed this summer, which will set forth the five-year recapitalization goals of AMI.

The Committee is committed to seeing AMI succeed, but needs to know more about the ultimate plan for development, modernization and deployment of AMI, including its relationship with the Border Patrol and the U.S. Coast Guard. To that end, the Committee directs the Under Secretary for Border and Transportation Security to report, not later than October 1, 2003, on the five year plan for AMI missions, structure, operations, and resources, including its deployment and its command and control requirements, such as the Air and Marine Interdiction Coordination Center. The report should also address issues of acquiring and basing air assets, in particular the P-3 aircraft. Many of these are occupying temporary or inadequate hangar space such as at Jacksonville, FL. This report should also detail how AMI will use the \$35,800,000 in base funding that is included in the Administration request for continued support of the Western Hemisphere Drug Elimination Act.

## STAFFING AND PERSONNEL ISSUES

The Committee is concerned that, in the course of being realigned from the legacy Customs Service, the President's budget request may have underfunded the salaries and expenses required to support authorized Air and Marine Interdiction activities.

The Committee therefore directs the Under Secretary to report, not later than October 1, 2003, on AMI staffing needs and personnel policies affecting the use and assignment of personnel, including staffing grades, maintenance and operational issues. For example, the Committee understands that there is some interest in converting all AMI positions to series GS-1811 positions. While such a change might be desirable, the Committee expects to see what operational and budgetary options are under consideration. The report, covering the next five years, should display the numbers and types of authorized positions needed to fulfill the mission

of AMI; their associated personnel and benefits costs; the numbers currently on-board; and projections for filling vacant positions.

MONITORING, SURVEILLANCE, AND COORDINATION

The Air and Marine Interdiction Coordination Center (AMICC) monitors surveillance information for AMI, and has received support from the Committee in recent years to improve its support of monitoring, detection and surveillance of aircraft and marine vessels. The capabilities of AMICC were demonstrated most recently during the Liberty Shield operation, in supporting enhanced and expanded airspace security operations. The Committee is aware that AMI has been working on the development of a visual computing network (VCN) to allow AMICC capabilities to be deployed at all AMI regional facilities, for national special security events, and in support of other homeland security and law enforcement collaboration. The Committee strongly supports efforts to complete and deploy the VCN.

TRANSPORTATION SECURITY ADMINISTRATION

Appropriation, fiscal year 2003 .....	\$5,811,330,000
Budget estimate, fiscal year 2004 .....	4,812,300,000
Recommended in the bill .....	5,172,000,000
Bill compared with:	
Appropriation, fiscal year 2003 .....	- 639,330,000
Budget estimate, fiscal year 2004 .....	+359,700,000

RECOMMENDATION

The Committee recommends total funding of \$5,172,000,000, \$359,700,000 above the budget request. The Committee is disappointed that the budget omitted several key items critical to the long-term success of the Transportation Security Administration (TSA) as discussed below.

BUDGET PRESENTATION

The Committee does not believe it prudent, or consistent with other agencies within the Department of Homeland Security, to provide a single lump-sum appropriation to TSA, as requested. Traditionally across the government, budgetary requests are divided into separate appropriations, which account for important differences in the activities being financed, such as operating expenses, capital expenses, research and development, and grants to state and local entities. In this way, comparisons can be made across agencies, and a proper balance can be found between budgetary flexibility and oversight. For this reason, the Committee recommends that total TSA funding be provided in six separate appropriations: Aviation Security; Federal Air Marshals; Maritime and Land Security; Intelligence; Research and Development; and Administration.

TSA STAFFING

Over the past two years, the Committee has been increasingly alarmed that TSA was planning for and hiring a workforce larger than necessary. In the rush to meet deadlines to federalize an aviation screener workforce by November 19, 2002, and to screen all

checked baggage using explosive detection systems by December 31, 2002, the agency was unable to take a long-term perspective on what staffing ratio and airport configuration schemes made the most sense at each of the 429 commercial airports. As a result, TSA hired at least 6,000 more aviation screeners than necessary. The Committee is pleased to see that beginning in May 2003, TSA began downsizing the aviation screener workforce to be more in line with travel loads in each individual airport. However, the Committee believes that more needs to be done in this area. The vast majority of the reductions are being taken at large airports that handle most of the passenger traffic, while smaller airports may continue to be overstaffed. For example, the smallest airports (Category IVs) have on average between 10 and 16 screeners that handle, on average, 53 passengers a day. Because the ebb and flow of traffic is greater in these smaller airports, it appears that many of these airports may be overstaffed as well. As a result, the Committee has slightly modified bill language, first included in the fiscal year 2002 supplemental appropriations bill, which caps the agency's full-time equivalents (FTEs) at 45,000 screeners. Within these caps, TSA is directed to review the appropriate balance among full time, part time, and seasonal screeners in an effort to accommodate fluctuations in workload at all (small, medium, large and Category X) airports. TSA is directed to report the findings of this review to the Committee no later than November 1, 2003.

AVIATION SECURITY

Appropriation, fiscal year 2003 .....	\$5,131,944,000
Budget estimate, fiscal year 2004 .....	4,216,800,000
Recommended in the bill .....	3,679,200,000
Bill compared with:	
Appropriation, fiscal year 2003 .....	-1,452,744,000
Budget estimate, fiscal year 2004 .....	-537,600,000

MISSION

Aviation security is focused on protecting the air transportation system against terrorist threats, sabotage, and other acts of violence.

RECOMMENDATION

The Committee recommends \$3,679,200,000 for aviation security activities. After accounting for a proposed transfer of federal air marshal activities to a separate appropriation, the reduction from the budget estimate is largely due to approval of a lower staffing level for screening activities. Funds are available until expended, and partially offset by offsetting collections, estimated at \$2,070,000,000 from security user fees. The Committee continues to believe that fees paid by aviation travelers and airlines should be invested in programs directly benefiting those paying the fees, not cross-subsidizing other modes of transportation. A separate general provision (section 514) addresses those fees. A comparison of the budget estimate to the Committee recommended level by budget activity is as follows:

	Estimate	Recommended
Passenger Screening .....	\$1,801,200,000	\$1,672,700,000
Baggage Screening .....	943,800,000	1,284,800,000
Security Direction and Enforcement .....	1,471,800,000	721,700,000 <sup>1</sup>
<b>Total .....</b>	<b>\$4,216,800,000</b>	<b>\$3,679,200,000</b>

<sup>1</sup>Deletes the Federal Air Marshal program and ancillary equipment from the security direction and enforcement category in 2004 and funds these efforts in a separate appropriation.

#### PASSENGER SCREENING

The Committee recommends \$1,672,700,000 for passenger screening activities. A comparison of the Committee recommendation to the budget estimate, by budget activity, is as follows:

	Estimate	Recommended
Contract screening locations (5 airport pilots) .....	\$112,000,000	\$125,000,000
Personnel, compensation and benefits for passenger screeners .....	1,319,600,000	1,185,400,000
Passenger screeners-other .....	42,300,000	42,300,000
TSA human resource services .....	153,300,000	153,300,000
Training .....	71,800,000	64,500,000
Checkpoint equipment .....	38,200,000	38,200,000
Electronic surveillance .....	14,000,000	14,000,000
CAPPS II .....	35,000,000	35,000,000
Maintenance for leased screening equipment .....	5,000,000	5,000,000
Registered traveler program .....	5,000,000	5,000,000
Gate screener initiative .....	5,000,000	5,000,000
<b>Total .....</b>	<b>\$1,801,200,000</b>	<b>\$1,672,700,000</b>

#### PASSENGER SCREENERS

The Committee recommends \$1,185,400,000 for personnel, compensation, and benefits for passenger screeners. Included in this funding level is \$13,000,000 to fully fund the fiscal year 2003 pay adjustment. This is a reduction of \$147,200,000 from the budget request, and reflects a reduction of 4,600 screeners during fiscal year 2004. The Committee believes that thousands of the budgeted positions in the passenger screening workforce are unneeded or could be easily eliminated through the use of technology. For example, TSA could reduce the number of exit lane monitors by installing technology, previously approved by the Federal Aviation Administration, that would monitor movement in the exit lanes and alert screeners if a violation had occurred. Currently, TSA has over 1,300 staff watching for improper movement in airport exit lanes. The Committee directs TSA to strongly consider the use of part time and seasonal screeners at smaller airports, which may have lower salary and benefits levels, and to explore the use of technologies such as self-closing doors, which would obviate the need for the exit lane monitor positions altogether.

Notwithstanding the provisions of the Aviation and Transportation Security Act, the Committee believes that significant cost savings may result if TSA could contract out for part-time screeners during peak airport traffic times. TSA is directed to review this option and report back to the Committee by November 1, 2003 about the merits of this proposal.

## PASSENGER SCREENING TRAINING

The Committee has provided \$64,500,000 for passenger screening training, a reduction of \$7,300,000 from the budget request. Because the Committee is recommending a reduction in passenger screeners, less funding will be necessary in fiscal year 2004 for training these personnel.

## CONTRACT SCREENING LOCATIONS

The Aviation and Transportation Security Act allows pilot projects at five airports to demonstrate the feasibility of using private sector screening firms under contract, rather than using federal employees. The Committee has provided \$125,000,000 for this initiative, \$13,000,000 more than requested. This increased funding level reflects more recent cost estimates for this program. The Committee understands that TSA requires the five airports in this pilot program to follow virtually identical operating procedures to TSA's own federal workforce. For example, these five airports must operate at staffing levels, and compensate their personnel using TSA policies and procedures, with no latitude for innovation or creativity, such as allowing for alternative scheduling or staffing models. Using this methodology will not give Congress a true comparison of the potential cost and efficiency savings at these five airports compared to those with a federalized work force. The Committee directs TSA to review this policy, and provide the contract screener pilot locations as much operational flexibility as possible, while meeting the same overall security requirements. Only in this way will the contractors be able to demonstrate the advantages and disadvantages of the contract screening approach. TSA should report to the Committee following this review, no later than October 1, 2003.

## SECURITY SCREENER BACKGROUND CHECKS

The Committee is very concerned at the continuing effects caused by the poor quality of the TSA security background checks. Certain airport authorities have discovered that some members of their security screener workforce had criminal convictions and petitioned TSA for the authority to conduct their own background check of the screeners. TSA officials at first refused and then approved the requests. Background checks by these airports are continuing to identify employees with disqualifying convictions. In light of the ongoing revelations, the Committee urges the TSA to work cooperatively with airport authorities that wish to conduct their own background checks of their TSA screener workforce.

## BAGGAGE SCREENING

The Committee recommends \$1,284,800,000 for baggage screening, an increase of \$341,000,000 above the budget estimate. The recommendation largely reflects the Committee's decision to accelerate the installation of explosive detection machines in line with the baggage handling systems at large and medium-sized airports. A comparison of the Committee recommendation to the budget estimate, by budget activity, is as follows:

	Estimate	Recommended
Personnel, compensation and benefits for checked bag screeners .....	\$774,200,000	\$780,200,000
Checked bag screeners—other .....	24,000,000	24,000,000
Baggage screener training contract .....	45,500,000	45,500,000
EDS purchase .....		100,000,000
EDS installation .....		235,000,000
EDS/ETD maintenance .....	100,000,000	100,000,000
Checked baggage data system .....	100,000	100,000
<b>Total .....</b>	<b>\$943,800,000</b>	<b>\$1,284,800,000</b>

#### PERSONNEL, COMPENSATION AND BENEFITS

The Committee has included \$6,000,000 above the budget request to fully fund the fiscal year 2003 pay adjustment.

#### EXPLOSIVE DETECTION SYSTEMS PROCUREMENT

The Committee recommends \$100,000,000 for procurement of additional explosive detection systems (EDS). The Committee is aware that 36 large and medium airports require at least 719 high-speed in line EDS machines by 2005, the vast majority of which is for the most expensive and largest machines. The Administration did not request any funding for this procurement; the Committee is very disappointed in the unrealistic nature of the fiscal year 2004 budget and urges TSA not to overlook these critical needs in the future.

#### EDS SYSTEMS INSTALLATION

The Committee recommends \$235,000,000 for the in line installation of the additional explosive detection systems provided in this Act, and for other modifications to airports to better utilize EDS machines. The Committee is very disappointed that the budget did not request any funding for this critical endeavor. Current estimates to install EDS machines in line with the airport's baggage systems range from \$3–5 billion. To date, \$1.2 billion has been appropriated for this effort, and not all of this funding has been obligated. Even with this additional funding, at best, airports will be funded for about half of their installation needs, which means that many airports will still have large, bulky EDS machines in airport lobbies for the foreseeable future.

The Committee is disappointed with how long it has taken TSA and its contractor to develop plans to deploy EDS systems in line. It is unclear whether TSA has developed a comprehensive plan to modify all airports and what the timetables are to complete this work. The Committee recognizes that part of this problem may have occurred because the Administration has not yet entered into letters of intent that would help fund these multi-year projects, even though Congress first provided bill language permitting this type of funding mechanism in the fiscal year 2003 Omnibus Appropriations Act. The Committee directs TSA to report to the Committee on their plan for installing EDS machines in line, the timetable, and the cost estimates for each airport beginning on September 1, 2003, and every quarter thereafter.

## AIRPORT SECURITY DIRECTION AND ENFORCEMENT

The Committee recommends \$721,700,000 for airport security direction and enforcement. This budget activity finances the costs of Federal Security Directors and their support staff at airports, as well as checkpoint law enforcement officers. A comparison of the Committee recommendation to the budget estimate is as follows:

	Estimate	Recommended
State and local enforcement .....	\$225,000,000	\$160,000,000
Law enforcement case management system .....	2,300,000	2,300,000
Airport management and staff .....	403,800,000	353,800,000
Airport rent and furniture .....	105,600,000	80,000,000
Airport parking and transit benefits .....	15,000,000	15,000,000
Airport staff information technology .....	50,000,000	60,000,000
Transportation security coordination center .....	5,600,000	5,600,000
Federal flight deck officer program .....	25,000,000	25,000,000
Air cargo .....	20,000,000	20,000,000
<b>Total .....</b>	<b>\$871,800,000</b>	<b>\$721,700,000</b>

## STATE AND LOCAL ENFORCEMENT

The Committee has provided a total of \$160,000,000 for state and local enforcement activities instead of \$225,000,000 as requested. Funding under this line item is used to reimburse state and local law enforcement officers at checkpoints, when necessary. This reduction reflects a change in policy where airports are no longer required to have an enforcement presence at every checkpoint at all times. This policy change occurred after the budget was submitted.

## AIRPORT MANAGEMENT AND STAFF

The Committee has provided \$353,800,000 for airport management and staff instead of \$403,800,000 as requested. Within this total, the Committee has provided \$3,000,000 to fully fund the fiscal year 2003 pay adjustment. The reduction of \$53,000,000 reflects more current funding assumptions, based on reprogramming requests submitted by TSA.

## AIRPORT RENT AND FURNITURE

The Committee has provided \$80,000,000 for airport rent and furniture instead of \$105,600,000 as requested. The reduction is made because of high unobligated balances for this program in fiscal year 2003.

## AIRPORT INFORMATION TECHNOLOGY

The Committee has provided \$60,000,000 for airport staff information technology instead of \$50,000,000 as requested. This funding level is more in line with TSA's current spend plan. This funding will be used for cabling and connectivity between the Federal Security Directors (FSDs) and staff to other TSA staff at baggage screening checkpoints and passenger screening checkpoints. In many instances, the FSDs are not located at the airport itself so this connectivity is key. Some of this funding may also be used for basic information technology needs, such as computers and internet connections.



## AIR CARGO

The Committee strongly encourages TSA to begin development of an air cargo security program for domestic and foreign all-cargo carriers. The Committee also directs TSA to develop and implement a risk-weighted freight screening system that will identify pieces of cargo that require closer scrutiny. This automated system should include the automated known shipper verification system, the automated indirect air carrier recertification program and automated cargo profiling systems. A total of \$20,000,000 has been included for these efforts.

## FEDERAL AIR MARSHALS

Appropriation, fiscal year 2003 .....	.....
Budget estimate, fiscal year 2004 <sup>1</sup> .....	.....
Recommended in the bill .....	\$634,600,000
Bill compared with:	
Appropriation, fiscal year 2003 .....	+634,600,000
Budget estimate, fiscal year 2004 .....	+634,600,000

<sup>1</sup>Funding was requested under airport security direction and enforcement.

## MISSION

The Federal Air Marshal program is focused on protecting the air transportation system against terrorist threats, sabotage and other acts of violence.

## RECOMMENDATION

The Committee has provided a total of \$634,600,000 for the Federal Air Marshal program instead of \$619,500,000 as requested under airport security direction and enforcement. A comparison of the Committee recommendation to the budget estimate is as follows:

	Estimate	Recommended
Federal air marshals .....	\$600,000,000	\$615,100,000
K-9 units .....	17,000,000	17,000,000
Personnel, compensation and benefits for federal law enforcement officers .....	2,500,000	2,500,000
Total .....	\$619,500,000	\$634,600,000

The Committee has recommended a separate program account for Federal Air Marshals (FAMs) and its related activities instead of continuing to fund these functions under airport security direction and enforcement for several reasons. First, the Committee is disappointed by recent proposals to use critical Federal Air Marshal appropriations to fund other TSA shortfalls. Second, the Committee is aware that the Department of Homeland Security is considering moving the FAM program out of TSA and into the Bureau of Immigration and Customs Enforcement (ICE). The Committee looks favorably upon this proposal. It will provide Federal Air Marshals and law enforcement officers within ICE more diversity in their career paths, particularly if cross-trained, and allow for a large pool of trained enforcement officers to protect our nation's airports and aircraft. However, before this proposal can be adopted, the Committee directs the Department to review the pay scales, benefits, and retirement plans for the FAMs and ICE law enforce-

ment officers and identify any impacts that this proposal may have, whether changes are necessary, and the costs to implement these changes. In addition, the Committee must review any reorganization of the FAM program outside of TSA prior to adoption of this proposal.

SCHEDULE AND INFORMATION TECHNOLOGY

An additional \$10,000,000 above the budget request for the FAM program has been provided. This funding shall be used to augment funding for the FAM scheduling system and information technology at field offices.

AIR-TO-GROUND COMMUNICATIONS

FAMs have developed a model for deployment of an air-to-ground communications system (AGCS). The Committee recommends that a working group chaired by the FAMs be created to: (1) develop a technical implementation plan for AGCS to be utilized by FAMs, TSA, DHS, and the Department of Defense (DOD), and (2) develop a business/government partnership to fund the implementation plan. The working group shall consist of the FAMs (chair); Federal Aviation Administration; DHS; DOD; other Federal departments as deemed appropriate; commercial air carriers; and communications industry providers.

FISCAL YEAR 2003 PAY ADJUSTMENT

The Committee has provided \$5,100,000 above the budget request for the FAM program to fully fund the fiscal year 2003 pay adjustment.

EXPLOSIVES UNIT

The Committee understands that the FAM program has responsibility for an explosives unit within aviation security. The Committee directs TSA to transfer this unit and the associated funding to the FAM program expeditiously.

MARITIME AND LAND SECURITY

Appropriation, fiscal year 2003 .....	\$263,209,000
Budget estimate, fiscal year 2004 .....	85,500,000
Recommended in the bill .....	231,700,000
Bill compared with:	
Appropriation, fiscal year 2003 .....	- 31,509,000
Budget estimate, fiscal year 2004 .....	+146,200,000

MISSION

Maritime and land security is responsible for assessing the risk of terrorist attacks to all non-aviation transportation modes, issuing regulations to improve the security of the modes, and enforcing these regulations to ensure the protection of the transportation system.

RECOMMENDATION

The Committee recommends \$231,700,000 for maritime and land transportation security, an increase of \$146,200,000 above the

budget estimate. A comparison of the budget estimate to the Committee recommended level by budget activity is as follows:

	Estimate	Recommended
Port security grants .....		\$100,000,000
Credentialing (TWIC) .....	55,000,000	55,000,000
Intercity bus security .....		10,000,000
Operation Safe Commerce .....	2,500,000	2,500,000
Highway and trucking security .....		22,000,000
Nuclear detection and monitoring .....		4,000,000
Transit security and training .....		10,000,000
Staffing and operations .....	28,000,000	28,200,000
Total .....	\$85,500,000	\$231,700,000

#### PORT SECURITY GRANTS

A total of \$100,000,000 has been provided for port security grants. The Coast Guard has estimated that there are approximately \$1 billion in security requirements currently identified as necessary in the near term, and over \$4.4 billion over a 10-year period. To date, \$388,000,000 has been appropriated. It is imperative for the Federal Government to continue to assist local port authorities in their most pressing security needs.

#### CREDENTIALING AND TRANSPORTATION WORKER IDENTIFICATION CARD

The Committee continues to be cautiously optimistic with the direction and scope of the credentialing and transportation worker identification cards (TWIC) that TSA is currently testing at various locations in the Eastern and Western United States. The goals of the TWIC program are ambitious, but necessary: to create one standardized identification card, universally recognized and accepted across the transportation system. Given the complexity of the initiative, the Committee is very disappointed with the lack of budget justification materials for the next phase of the program, perhaps the most critical phase to date. Decisions on technology, application, enrollment, and guidelines for personalization and issuance will all be made in fiscal year 2004. Yet, the Committee has very little information with which to work.

Given the importance of continuity to the successful implementation of this endeavor, the Committee nonetheless conditionally approves the full requested amount of \$55,000,000. In doing so, the Committee again emphasizes that TSA should not develop new technologies if existing ones, already developed by other federal agencies, are good enough. One such technology, the optical laser card, has one of the greatest capacities for storing biometric information, and is currently being utilized by BTS, among others. Within this total, funding shall be allocated to four major components: access technologies; enrollment centers; databases; and card production, personalization, and issuance as well as other administrative costs. For work on card production, personalization, and issuance, the Committee strongly encourages TSA to consider the benefits of consolidating regional centers into a centralized location, and the benefits of using existing government card issuance centers for these activities. While approving funds for this program, the Committee directs TSA not to obligate funds for the next phase

until a spend plan has been developed, and the Committee is briefed on the results of the technical evaluation and prototypes phases, and agrees that the program should move forward.

The Committee has included new bill language (section 514) that grants TSA the authority to charge reasonable fees to perform background checks and/or provide credentials for transportation workers throughout the transportation system. Some examples include background checks on an estimated 3.5 million commercial truck drivers with hazardous materials endorsements as part of their commercial drivers licenses, and on approximately 60,000 rail workers with access to explosive materials. TSA already has authority to charge aviation workers reasonable fees for the costs of performing these background checks. Without a similar fee, TSA may face an annual funding shortfall that could reach several hundred million dollars per year, depending on how many of the estimated 12 to 15 million transportation workers will require background checks and credentials because of access to unsecured areas of the transportation system. TSA is directed to ensure that the fees are reasonable, and are restricted to the actual costs incurred to perform the services rendered. Moreover, these fees shall not be used to supplement other TSA programs.

#### INTERCITY BUS SECURITY

The Committee recommends \$10,000,000 for continued improvements in intercity bus security, which is the same level as provided in fiscal year 2003.

#### HIGHWAY AND TRUCKING SECURITY GRANTS

The Committee recommends \$22,000,000 for continued improvements in highway and trucking security. Of this total, \$20,000,000 shall be available to continue the Highway Watch program, and \$2,000,000 shall be provided to train, track, and certify hazardous materials shippers.

#### NUCLEAR DETECTION AND MONITORING

The Committee recommends \$4,000,000 to continue evaluation and procurement of portable nuclear radiation search tools. This is the same level of funding as provided in fiscal year 2003.

#### TRANSIT SECURITY AND TRAINING

The Committee has included \$10,000,000 for security investments and training for our nation's transit providers, including bus and commuter rail operators. The Committee expects these funds to be awarded competitively.

#### FISCAL YEAR 2003, PAY ADJUSTMENT

The Committee has provided \$200,000 above the budget request to fully fund the fiscal year 2003 pay adjustment.

INTELLIGENCE

Appropriation, fiscal year 2003 .....	
Budget estimate, fiscal year 2004 .....	\$13,600,000
Recommended in the bill .....	13,700,000
Bill compared with:	
Appropriation, fiscal year 2003 .....	+13,700,000
Budget estimate, fiscal year 2004 .....	+100,000

MISSION

TSA is charged with serving as the primary liaison for transportation security to the intelligence and law enforcement communities in working to meet its intelligence charter. This program will provide current and strategic warnings regarding threats to United States transportation modes, identify trends, analyze intelligence data, and disseminate information through liaison with the intelligence community agencies.

RECOMMENDATION

The Committee has provided a total of \$13,700,000 for intelligence activities of the TSA, \$100,000 above the budget request. This additional funding will fully fund the fiscal year 2003 pay adjustment. This funding level supports 100 positions in fiscal year 2004 and the associated program support costs, such as training, travel, human resources, and information technology.

RESEARCH AND DEVELOPMENT

Appropriation, fiscal year 2003 .....	\$109,484,000
Budget estimate, fiscal year 2004 .....	75,200,000
Recommended in the bill .....	125,700,000
Bill compared with:	
Appropriation, fiscal year 2003 .....	+16,216,000
Budget estimate, fiscal year 2004 .....	+50,500,000

MISSION

TSA conducts research and development activities in an effort to improve current security technology. This research is targeted toward methodologies of detecting potential chemical, biological, or similar threats and devices that could be released on an aircraft, within an airport or on non-aviation transportation modes.

RECOMMENDATION

The Committee recommends \$125,700,000 for research and development, an increase of \$50,500,000 above the budget estimate. A comparison of the budget estimate to the Committee recommended level by budget activity is as follows:

	Estimate	Recommended
Research and development at the Tech Center .....	\$55,200,000	\$55,700,000
Next generation EDS and ETD .....	10,000,000	40,000,000
Air cargo .....	10,000,000	30,000,000
<b>Total .....</b>	<b>\$75,200,000</b>	<b>\$125,700,000</b>

NEXT GENERATION EDS AND ETD

The Committee has provided a total of \$40,000,000 for research into the next generation of EDS and explosive trace detection (ETD) machines, which is \$30,000,000 more than requested. Without a healthy research program in this area, airports may not be able to acquire less expensive and faster EDS and ETD machines in the near future. Within the funds provided, TSA should consider a variety of technologies including the quadruple resonance explosive and weapon detection systems, explosive detection boarding pass technology, trace explosive detection portals, and shoe scanners.

AIR CARGO

The Committee has provided a total of \$30,000,000 for research and development activities for state-of-the-art detection technologies that will screen cargo either carried onboard passenger aircraft or in cargo aircraft that may require closer scrutiny. This funding is \$20,000,000 above the budget request. Included in this total is funding for the air cargo pilot program that will support research and development of new performance methodologies in detecting threats to air cargo. Additional funding has also been provided to address how existing devices and procedures can be best applied to air cargo, and to investigate new air security technologies, including advanced sensors, that may be effective in screening cargo.

PAY PARITY

The Committee has provided \$500,000 above the budget request for research and development staff located at the Technical Center to fully fund the fiscal year 2003 pay adjustment.

TSA ADMINISTRATION

Appropriation, fiscal year 2003 .....	\$306,693,000
Budget estimate, fiscal year 2004 .....	421,200,000
Recommended in the bill .....	487,100,000
Bill compared with:	
Appropriation, fiscal year 2003 .....	+180,407,000
Budget estimate, fiscal year 2004 .....	+65,900,000

MISSION

This account supports TSA's administrative activities including financial and human resources support; information technology support; policy development and oversight; performance management and e-government; communications; public information and legislative affairs; training and quality performance; internal conduct and audit; legal advice; and overall headquarters administration.

RECOMMENDATION

The Committee recommends \$487,100,000 for administrative activities in support of TSA missions. A comparison of the budget estimate to the Committee recommended level by budget activity is as follows:

	Estimate	Recommended
Headquarters administration:		
Headquarters staff .....	\$141,100,000	\$162,000,000
Headquarters rent .....	21,800,000	21,800,000
Headquarters furniture .....	3,700,000	3,700,000
Transit benefits and parking .....	1,100,000	1,100,000
Field Administration: Mission support centers .....	40,000,000	45,200,000
Information technology:		
Information technology core .....	145,200,000	185,000,000
Time and attendance .....	15,000,000	15,000,000
Performance management system .....	5,000,000	5,000,000
E-government management system .....	5,000,000	5,000,000
Planet asset database .....	5,000,000	5,000,000
TSA call center .....	1,900,000	1,900,000
CFO/personnel systems .....	21,000,000	21,000,000
Training:		
Computer-based/Web-based training .....	1,000,000	1,000,000
Training evaluation program .....	200,000	200,000
Leadership training .....	4,000,000	4,000,000
Tuition assistance program .....	1,000,000	1,000,000
Quality systems .....	2,500,000	2,500,000
Workforce planning .....	300,000	300,000
Regulatory training division .....	3,200,000	3,200,000
Training evaluation and standards .....	1,700,000	1,700,000
Learning management system support .....	1,500,000	1,500,000
<b>Total .....</b>	<b>\$421,200,000</b>	<b>\$487,100,000</b>

#### HEADQUARTERS STAFF

An additional \$20,900,000 has been provided above the budget request to accommodate the growing administrative workload in TSA, for employee background investigations, and to fully fund the fiscal year 2003 pay adjustment. This funding is more in line with TSA's current spend plan.

#### MISSION SUPPORT CENTERS

An additional \$5,200,000 has been provided above the budget request to accommodate the growing workload in field centers, particularly administrative in nature and employee background investigations, and to fully fund the fiscal year 2003 pay adjustment. This funding is more in line with TSA's current spend plan.

#### INFORMATION TECHNOLOGY

The Committee has provided \$185,000,000 for information technology, \$39,800,000 above the budget request. This funding will be used for a variety of information technology infrastructure needs that have become apparent since the budget was originally submitted, including connectivity between TSA headquarters and the 429 commercial airports. The recommended level is more in line with TSA's current spend plan.

#### DIVERSITY

The Committee believes it is critical that TSA continue its efforts to improve airport security procedures, and to have the means to understand diverse passenger and employee behaviors, so that they can be incorporated into security protocols. The Committee encourages TSA to support the development of computer models that

could take into account behavioral elements and help adapt security procedures accordingly.

REPORTING REQUIREMENT

The Committee directs TSA to report on the progress made in reviewing any application for liability protection described in Division I of House Report 108–10.

FEDERAL LAW ENFORCEMENT TRAINING CENTER

SALARIES AND EXPENSES

Appropriation, fiscal year 2003 .....	\$134,122,000
Budget estimate, fiscal year 2004 .....	122,379,000
Recommended in the bill .....	136,629,000
Bill compared with:	
Appropriation, fiscal year 2003 .....	+2,507,000
Budget estimate, fiscal year 2004 .....	+14,250,000

MISSION

The Federal Law Enforcement Training Center (FLETC) provides the necessary facilities, equipment, and support services to conduct basic, advanced, specialized, and refresher training for Federal law enforcement personnel. This appropriation is for operating expenses of the Center, for research in law enforcement training methods, and curriculum content. In addition, the Center has a reimbursable program to accommodate the training requirements of various Federal agencies. As funds are available, law enforcement training is provided to certain State and local law enforcement, and in some cases, foreign government and private sector security personnel, on a space-available and usually reimbursable basis.

RECOMMENDATION

The Committee recommends an appropriation of \$136,629,000 for the Federal Law Enforcement Training Center, \$14,250,000 above the budget request.

STAFFING NEEDS

The Committee has provided \$13,016,000 above the budget request to annualize 130 rehired annuitants that FLETC currently has onboard. These annuitants make up 35 percent of FLETC’s workforce. Since submission of the budget request, FLETC conducted its semi-annual verification of training projections. They found that the projections for fiscal year 2004 training had grown by over 61,000 students from what was projected in the budget request. Without this increase in funding, FLETC will be unable to meet a large portion of the requested basic training as well as the new projections. In addition, the Committee has provided \$234,000 above the request to fully fund the fiscal year 2003 pay adjustment for all FLETC employees, including the rehired annuitants.



STATE AND LOCAL PROGRAMS

The Committee has continued funding for the delivery of tuition-free training to small town and rural law enforcement agencies under FLETC's state and local programs (+\$1,000,000).

TRAINING NEEDS OF FEDERAL AGENCIES

The expanded training requirements of federal agencies since the September 11th attacks have imposed tremendous strains on FLETC facilities, requiring six-day workweeks and, in some cases, housing students some distance away. The Committee is fully committed to the principle of consolidated law enforcement training, and supports FLETC as the provider of basic training for federal law enforcement officials. However, the Committee recognizes the demands upon FLETC for more specialized or advanced training, and that FLETC capacity is a major constraint in providing such training at its campuses. In such cases, particularly for new training related to homeland security, the Committee directs FLETC to work with other federal agencies to identify and make maximum use of existing training facilities, such as the TSA's center in New Jersey and FAA's center in Oklahoma, consistent with meeting agencies' training needs, and where it represents the most cost effective use of government resources.

UTILIZATION OF BASIC AND ADVANCED TRAINING FACILITIES

The Committee has included new bill language (Section 513) that authorizes FLETC to determine the optimum utilization for both federal basic and advanced training at all locations under its control to ensure that the best level of operating capacity is achieved. This language is necessary because FLETC is now experiencing unprecedented increases in training requests. Currently, 75 agencies are voluntarily participating in consolidated training at FLETC centers and further agency participation is expected. FLETC presently has three centers that have modern facilities exclusively developed for the special requirements of law enforcement training, and another opening shortly. FLETC is often faced with responding to the preferences and competing interests of the agencies for scheduling and training in specific geographic locations. This has resulted from time-to-time in the inefficient use of FLETC's available training capacity, often overtaxing some centers and underutilizing others.

ACQUISITION, CONSTRUCTION, IMPROVEMENTS, AND RELATED EXPENSES

Appropriation, fiscal year 2003 .....	\$35,766,000
Budget estimate, fiscal year 2004 .....	23,679,000
Recommended in the bill .....	32,323,000
Bill compared with:	
Appropriation, fiscal year 2003 .....	- 3,443,000
Budget estimate, fiscal year 2004 .....	+8,644,000

MISSION

This account provides for the acquisition, construction, improvements, equipment, furnishings and related costs for expansion and

maintenance of facilities of the Federal Law Enforcement Training Center.

RECOMMENDATION

The Committee recommends an appropriation of \$32,323,000 for FLETC Acquisition, Construction, Improvements, and Related Expenses, \$8,644,000 above the budget request. The additional funding shall be provided to continue the rehabilitation of the Cheltenham, Maryland facility, including upgrades to the electrical, water, and sewage systems, roads, and to renovate partner organization offices such as Building 50.

OFFICE FOR DOMESTIC PREPAREDNESS

DOMESTIC PREPAREDNESS

Appropriation, fiscal year 2003 .....	\$3,235,884,000
Budget estimate, fiscal year 2004 .....	3,558,000,000
Recommended in the bill .....	3,503,000,000
Bill compared with:	
Appropriation, fiscal year 2003 .....	+267,116,000
Budget estimate, fiscal year 2004 .....	- 55,000,000

MISSION

The Office for Domestic Preparedness appropriation supports first responder grants, including basic formula grants, protection of critical infrastructure grants, and high-density, high-threat urban area grants. Firefighter Assistance Grants and Emergency Management Performance Grants are funded within the Emergency Preparedness and Response Directorate. State and local responders are first to arrive on scene when a terrorist attack occurs and must be prepared to protect life and property. This function is inherently non-Federal, although Federal resources and expertise are needed to manage the crisis, and provide support to State and local assets when an attack overwhelms their resources. Federal support can be in the form of planning, exercises, technical assistance, or grants. Several grant programs exist to ensure funds are distributed to the proper levels of government in a timely manner.

RECOMMENDATION

The Committee recommends \$3,503,000,000 for Domestic Preparedness. With this funding, \$20,800,000,000 has been made available for assistance to State and local governments for terrorism prevention and preparedness, general law enforcement, firefighter assistance, airport security, seaport security, and public health preparedness since fiscal year 2002. Of that amount, a total of \$7,384,000,000 has been provided to first responders through the Office for Domestic Preparedness (ODP), and \$1,860,000,000 has been provided directly to firefighters. The additional amounts provided by the Committee for fiscal year 2004 demonstrate the continued support for first responders. The Committee believes that ODP must continue its vital and successful program for assisting State and local response agencies to ensure first responders are prepared to respond in the event of a terrorist attack. Reductions to the ODP budget request reflect the realignment of funds for

Firefighter Assistance Grants and Emergency Management Performance Grants (EMPGs) to the Emergency Preparedness and Response Directorate.

The Committee recommends the following amounts for fiscal year 2004:

	<i>Amount</i>
Basic Formula Grants .....	\$1,900,000,000
State and Local Law Enforcement Terrorism Prevention .....	500,000,000
Critical Infrastructure .....	200,000,000
High-Threat, High-Density Urban Areas .....	500,000,000
Citizen Corps .....	45,000,000
Grant Administration and Planning .....	32,000,000
National Domestic Preparedness Consortium .....	125,000,000
Centers for Emergency Preparedness .....	35,000,000
Technical Assistance .....	67,000,000
National Exercise Program .....	50,000,000
Standards and Testing .....	12,000,000
Pre-positioned Equipment Caches .....	5,000,000
Management and Administration .....	21,000,000
Contractor Support .....	11,000,000
Total .....	3,503,000,000

#### BASIC FORMULA GRANTS

The Committee recommends \$1,900,000,000 for grants to States based on their approved, updated homeland security strategies for the purposes of training, procuring equipment, and conducting exercises. These funds are available to all States on a formula basis, as authorized by section 1014 of the USA PATRIOT Act, (Public Law 107-56). The Committee expects these funds will be made available to States within 30 days after enactment of this Act, that States will have 30 days to apply after the grant is announced, and ODP will act on an application within 15 days of its receipt. The Committee also agrees that no less than 80 percent of these funds shall be passed by the State to local units of government within 60 days of the State receiving funds. None of these funds may be used for construction or overtime.

#### STATE AND LOCAL LAW ENFORCEMENT TERRORISM PREVENTION

The Committee recommends \$500,000,000 for State and local law enforcement terrorism preparedness and prevention activities, including equipment and training. These funds are available to all States on a formula basis, as authorized by section 1014 of the USA PATRIOT Act (Public Law 107-56). The Committee expects these funds will be made available to States within 30 days after enactment of this Act, that States will have 30 days to apply after the grant is announced, and ODP will act on an application within 15 days of its receipt. The Committee also agrees that no less than 80 percent of these funds shall be passed by the State to local units of government within 60 days of the State receiving funds. None of these funds may be used for construction or overtime.

#### CRITICAL INFRASTRUCTURE

The Committee recommends \$200,000,000 for grants to protect critical infrastructure. These funds are available to all States on a formula basis, as authorized by section 1014 of the USA PATRIOT Act (Public Law 107-56). The Committee expects these funds will

be made available to States within 30 days after enactment of this Act, that States will have 30 days to apply after the grant is announced, and ODP will act on an application within 15 days of its receipt. The Committee also agrees that no less than 80 percent of these funds shall be passed by the State to local units of government within 60 days of the State receiving funds. None of these funds may be used for construction.

#### HIGH-THREAT, HIGH-DENSITY URBAN AREAS

The Committee recommends \$500,000,000 for discretionary grants to high-threat, high-density urban areas. The Committee urges the Secretary to take into account credible threat, presence of critical infrastructure, population, vulnerability, and the identified needs of public agencies when determining the allocation of these funds. The Committee agrees that no less than 80 percent of these funds which are made available to the States, shall be passed by the State to local units of government within 60 days of the State receiving funds. The Committee is encouraged by the Department's progress in including multiple jurisdiction locations for grant consideration and urges the Department to continue those efforts. None of these funds may be used for construction.

#### CITIZEN CORPS

The Committee recommends \$45,000,000 for the Citizen Corps program, previously funded under the Emergency Preparedness and Response Directorate of the Department. This program relies on the skills and interests of individuals to assist communities in preventing and responding to disasters, whether natural or terror related. The Committee understands that the Emergency Preparedness and Response Directorate will continue to administer the Community Emergency Response Team (CERT) program of Citizen Corps with funding provided by ODP. Of the funds provided under this heading, \$20,000,000 will be for this purpose.

#### GRANT ADMINISTRATION AND PLANNING

The Committee recommends \$32,000,000 for grants to States for the administration and planning of grants. The budget proposed \$150,000,000, which included a base amount of \$118,000,000 transferred from the Emergency Preparedness and Response Directorate for Emergency Management Performance Grants (EMPGs) to ODP. Without an official proposal from the Department of Homeland Security on the new Office of State and Local Coordination and Preparedness structure, the Committee recommends that EMPGs remain in the Emergency Preparedness and Response Directorate where they have a proven track record and the focus remains an all-hazards approach. The Committee understands the remaining \$32,000,000 will be provided to States and local entities to assist in the administration and planning of the various grant programs that are available.

#### NATIONAL DOMESTIC PREPAREDNESS CONSORTIUM

The Committee recommends \$125,000,000 for the National Domestic Preparedness Consortium, of which \$45,000,000 is available

for the Center for Domestic Preparedness. ODP identifies, develops, tests, and delivers training to State and local emergency responders via the National Domestic Preparedness Consortium. Each member provides a unique set of assets and abilities in the training of first responders.

ODP is directed to work with the Science and Technology Directorate to leverage the Consortium's capability for research and development and test and evaluation activities that could be conducted at these facilities. The Committee also wants to ensure that training programs conducted by ODP are coordinated with the university centers of excellence managed by the Science and Technology Directorate.

The Committee has received numerous requests for inclusion in the National Domestic Preparedness Consortium. Because the Committee believes the Consortium maximizes training resources for first responders, the Committee directs the Department to provide a report no later than 120 days after enactment of this Act on the expansion of the Consortium. The Committee expects the Department to review other qualified university, government, commercial, and not-for-profit institutes to determine complementary training efforts not already addressed by the Consortium. The report shall include an evaluation of the institutes reviewed, existing training deficiencies, and how the recommended institute can address those deficiencies.

#### CENTERS FOR EMERGENCY PREPAREDNESS

The Committee recommends \$35,000,000 for a new competitive training grant program. The Committee has received numerous requests for funding for first responder and emergency training centers. These projects include, but are not limited to, terrorism prevention and response, specific disaster response such as railroad and nuclear power plant disasters, as well as distance learning training projects and regional training centers. The Committee expects the Department to identify areas of importance for continuing and emerging first responder and emergency training programs, and to issue competitive solicitations to provide additional opportunities for participation by a wide variety of interested participants. ODP shall select and designate Centers for Emergency Preparedness after preparing the competitive grant application process in accordance with public rule making procedures.

The Committee expects the Department to coordinate the university activities conducted by ODP with the university centers of excellence authorized in the Science and Technology Directorate. The Department should report to the Committee on how these university programs will be coordinated within the Department to prevent duplication, leverage existing academic resources, and provide maximum benefit to meet homeland security needs.

#### STANDARDS AND TESTING

The Committee recommends \$12,000,000 for performance and field testing. The budget proposed \$27,000,000, which included \$15,000,000 for standards development. The Committee is concerned about the proliferation of research and development and standards development funds across various agencies within the

Department with no central control or oversight. Therefore, the Committee transfers \$15,000,000 for standards development from ODP to the Standards/State and Local Program of the Science and Technology Directorate.

#### LOCAL GOVERNMENT PARTICIPATION IN STATE PLANNING

The Committee believes that the strong participation of local governments, including those of midsize and rural communities and counties and multi-county regional cooperatives, is essential to the development of sound homeland security plans within each State. Therefore, the Committee directs the Department, through the Office for State and Local Government Coordination, to formalize a process for States to incorporate local governments, including those of midsize and rural communities and counties and multi-county regional cooperatives, in the development and review of State homeland security plans, and to submit a report on the implementation no later than October 1, 2003.

#### EMERGENCY MEDICAL SERVICE PROVIDERS

The Committee is aware of the critical role that state and local emergency medical service (EMS) providers and officials play in the event of a disaster. Accordingly, the Committee wishes to make clear its intention that both public and private EMS units which participate in State or local emergency planning processes are eligible recipients for grants under the ODP State Homeland Security Grant Program. Because these EMS units represent an integral part of the first responder community, the Committee directs ODP to ensure that EMS equipment and training requirements, particularly in rural areas, are accorded proper attention by State and local governments.

#### INFORMATION SHARING BY LAW ENFORCEMENT AGENCIES

The Committee supports the development of technologies to facilitate electronic information sharing among law enforcement agencies. Technologies that link commercial and public databases from multiple states and correlate current and historical data can assist critical law enforcement functions. The Committee encourages ODP to pursue technologies to provide an integrated law enforcement database that will facilitate data sharing among States and assist first responders in the fight against terrorism and a wide spectrum of crimes.

#### SERVICEABLE EQUIPMENT

The Committee is aware that when funds are provided to procure new first responder and firefighter equipment, the old equipment is sometimes discarded. Usually, this equipment is still serviceable, yet it is not handed down to other jurisdictions or departments for fear of civil liability lawsuits. In some instances, however, the discarded equipment is in better condition than the current equipment of other jurisdictions or departments. Therefore, the Committee directs the Department to provide a report within six months of enactment of this Act on the feasibility of allowing first responder and firefighter grant equipment to be passed to other jurisdictions

or departments without the risk of liability lawsuits. The report shall include the benefits from such a program, and any necessary legislative proposals.

#### INTEROPERABLE COMMUNICATIONS

The Committee is aware of numerous federal programs addressing communications interoperability through planning, building, upgrading, replacing, maintaining, managing, or training personnel to use public safety communication systems. To better coordinate the government's efforts, the Committee encourages these programs to use the guidelines outlined by the SAFECOM program in the Science and Technology Directorate. However, the Committee directs that all programs within the Department of Homeland Security that issue grants for the above listed purposes incorporate the SAFECOM grant guidance, and coordinate with the SAFECOM program when awarding funding.

### TITLE III—EMERGENCY PREPAREDNESS AND RESPONSE

#### ADMINISTRATIVE AND REGIONAL OPERATIONS

Appropriation, fiscal year 2003 .....	
Budget estimate, fiscal year 2004 .....	\$165,267,000
Recommended in the bill .....	168,589,000
Bill compared with:	
Appropriation, fiscal year 2003 .....	+168,589,000
Budget estimate, fiscal year 2004 .....	+3,322,000

#### MISSION

This activity encompasses the salaries and expenses required to provide executive direction and administrative staff support for all agency programs in both the headquarters and field offices. The account funds both program support and executive direction activities.

#### RECOMMENDATION

The Committee recommends \$168,589,000 for administrative and regional operations, an increase of \$3,322,000 from the budget request. Of these amounts, the Committee directs the Emergency Preparedness and Response Directorate to provide \$4,000,000 to complete its effort to archive key agency documents by digitization to optical disks, including related activities. The recommendation includes \$322,000 for the impact of the fiscal year 2003 pay raise, and \$3,000,000 for the full time equivalents directed in Public Law 108-7, but not included in the budget request.

#### PREPAREDNESS, MITIGATION, RESPONSE, AND RECOVERY

Appropriation, fiscal year 2003 .....	
Budget estimate, fiscal year 2004 .....	\$163,000,000
Recommended in the bill .....	363,339,000
Bill compared with:	
Appropriation, fiscal year 2003 .....	+363,339,000
Budget estimate, fiscal year 2004 .....	+200,339,000

## MISSION

This activity provides for the development and maintenance of an integrated, nationwide operational capability to prepare for, mitigate against, respond to, and recover from the consequences of disasters and emergencies, regardless of their cause, in partnership with other Federal agencies, State and local governments, volunteer organizations, and the private sector.

## RECOMMENDATION

The Committee recommends \$363,339,000 for preparedness, mitigation, response and recovery activities, an increase of \$200,339,000 from the budget request. The recommendation includes \$339,000 for the impact of the fiscal year 2003 pay raise, \$3,000,000 for the full time equivalents directed in Public Law 108-7 but not included in the budget request, and \$4,000,000 for the administration of grants, which the Committee recommends stay in the Emergency Preparedness and Response Directorate.

## EMERGENCY MANAGEMENT PERFORMANCE GRANTS (EMPGS)

The budget request proposed that the EMPGs be transferred to the Office for Domestic Preparedness in an effort to consolidate grants to States and local entities under a new Office of State and Local Coordination and Preparedness. Without an official proposal from the Department of Homeland Security on the new Office of State and Local Coordination and Preparedness structure, the Committee recommends that the program remain in the Emergency Preparedness and Recovery Directorate, where it has a proven track record and the focus remains an all-hazards approach. Further, the Committee is concerned that the Department's proposal for EMPGs did not allow State and local governments to fund personnel expenses. State and local emergency managers rely on these funds for a variety of expenses, but predominately for personnel who plan, train, coordinate, and conduct exercises and other functions essential to effective preparedness, mitigation, response, and recovery efforts. Therefore, the Committee recommends that of the funds provided, \$168,000,000 be available for EMPGs within the Emergency Preparedness and Response Directorate. Further, these funds shall be available for personnel and other emergency management related expenses.

## EMERGENCY OPERATIONS CENTERS

The Committee understands that emergency operation centers are vital to the State and local government responses in a disaster, whether natural or manmade. The Committee includes \$25,000,000 as a new program for competitive emergency operations centers grants. These funds are available to equip, modify, renovate, or repair existing emergency operations centers, but are not available for new construction.

## WEB-BASED TECHNOLOGY

The Committee is aware of the Emergency Preparedness and Response Directorate's efforts to use web-based technology to update, expand, and improve a library of best practices in emergency pre-



paredness for use by all levels of government. The Committee encourages the continuation and expansion of these efforts to integrate cross-agency processes, and enable decision-making, promoting collaboration and coordination within the emergency management and first responder community.

#### INTEROPERABLE COMMUNICATIONS

The Committee is concerned that first responders may purchase new equipment for the purpose of interoperability without looking at mechanisms that may make existing equipment interoperable. For instance, the Committee is aware of efforts between Federal, State, and local governments and private industry that enable groups operating on different frequencies to communicate directly through interoperability switching equipment. The Committee directs the Department to evaluate and support such projects within the funding provided for the Emergency Preparedness and Response Directorate.

The Committee is aware of numerous federal programs addressing communications interoperability through planning, building, upgrading, replacing, maintaining, managing, or training personnel to use public safety communication systems. To better coordinate the government's efforts, the Committee encourages these programs to use the guidelines outlined by the SAFECOM program in the Science and Technology Directorate. However, the Committee directs that all programs within the Department of Homeland Security that issue grants for the above listed purposes incorporate the SAFECOM grant guidance, and coordinate with the SAFECOM program when awarding funding.

#### RURAL FIREFIGHTER TRAINING

The Committee is concerned that rural firefighters lack needed training due to their remote locations and distance from training courses. Therefore, the Committee directs the Department to consider funding a rural firefighter training demonstration program that could use innovative technologies and a multimedia approach to develop a means to keep the level of training of these critical first responders similar to those in urban locations.

#### MITIGATION OF FIRE HAZARDS

The Committee urges the Emergency Preparedness and Response Directorate to continue to work with the State of California Office of Emergency Services to eliminate an extremely dangerous forest fire condition around the San Bernardino National Forest caused by drought and bark beetle infestation.

#### MINORITY EMERGENCY PREPAREDNESS DEMONSTRATION PROGRAM

The Committee is very concerned that the Emergency Preparedness and Response Directorate has not kept it informed with respect to actions taken to implement the minority emergency preparedness demonstration program during fiscal year 2003, as directed by the Committee in Public Law 108-7. The Committee therefore directs the Department to submit an action plan and progress report regarding this program by November 20, 2003.

PUBLIC HEALTH PROGRAMS

Appropriation, fiscal year 2003 .....	\$497,744,000
Budget estimate, fiscal year 2004 .....	434,000,000
Recommended in the bill .....	484,000,000
Bill compared with:	
Appropriation, fiscal year 2003 .....	- 13,744,000
Budget estimate, fiscal year 2004 .....	+50,000,000

MISSION

This activity provides for the countermeasures needed to treat diseases caused by biological and chemical agents, as well as medical and support personnel designed to provide emergency medical care during a disaster or other unusual event.

RECOMMENDATION

The Committee recommends \$484,000,000 for public health programs, an increase of \$50,000,000 from the budget request. Of the amounts appropriated, \$400,000,000 is provided for the Strategic National Stockpile, including smallpox vaccine, \$50,000,000 is provided for the Metropolitan Medical Response System, and \$34,000,000 is provided for the National Disaster Medical System. The Committee is concerned that the budget request did not include funding for the Metropolitan Medical Response System, and urges the Department and the Office of Management and Budget to fully fund this program in the future.

BIODEFENSE COUNTERMEASURES

Appropriation, fiscal year 2003 .....	.....
Budget estimate, fiscal year 2004 .....	\$890,000,000
Recommended in the bill .....	5,593,000,000
Bill compared with:	
Appropriation, fiscal year 2003 .....	+5,593,000,000
Budget estimate, fiscal year 2004 .....	+4,703,000,000

MISSION

This activity will allow the Department to secure medical countermeasures to strengthen the Nation's preparedness against bioterror attacks by promoting the removal of barriers to development and production processes, and pre-purchasing critically needed vaccines or medication for biodefense.

RECOMMENDATION

The Committee recommends advance appropriations of \$5,593,000,000, to remain available until fiscal year 2013. This amount is an increase of \$4,703,000,000 from the budget request. Of the funds appropriated, no more than \$3,418,000,000 may be obligated in fiscal years 2004 through 2008, of which no more than \$890,000,000 may be obligated during fiscal year 2004.

The Committee believes that by providing these funds in an advance appropriation, a market place is created for those manufacturers who would otherwise not undertake the lengthy and expensive process to produce needed countermeasures as identified by the Secretary.

GRANT PROGRAMS

(INCLUDING TRANSFER OF FUNDS)

Appropriation, fiscal year 2003 .....	\$168,895,000
Budget estimate, fiscal year 2004 .....	300,000,000
Recommended in the bill .....	200,000,000
Bill compared with:	
Appropriation, fiscal year 2003 .....	+31,105,000
Budget estimate, fiscal year 2004 .....	- 100,000,000

MISSION

These funds are available to reduce the risk of future damage in hazard areas and to ultimately reduce needs for Federal disaster assistance by encouraging the building of an environment increasingly resistant to the effects of natural hazards. This program also addresses repetitive loss properties within the National Flood Insurance Program, offering removal or elevation of structures.

RECOMMENDATION

The Committee recommends \$180,000,000 for the Pre-Disaster Mitigation Fund, a decrease of \$100,000,000 from the budget request. The Committee directs the Emergency Preparedness and Response Directorate to provide \$250,000 per year to each State, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, and American Samoa. The Committee also recommends \$20,000,000 for the National Flood Mitigation Fund, to be derived by transfer from the National Flood Insurance Program.

HURRICANE MITIGATION RESEARCH

The Committee understands that Florida International University submitted a proposal to the Emergency Preparedness and Response Directorate in April of 2003, drawing on the expertise of 8 of the 11 public universities in Florida, to fulfill the requirement in the fiscal year 2003 Omnibus Appropriations Act (Public Law 108-7). The Committee encourages the Emergency Preparedness and Response Directorate to review the proposal, and work with the State University System of Florida on comprehensive hurricane mitigation research as directed in Public Law 108-7.

EMERGENCY FOOD AND SHELTER

Appropriation, fiscal year 2003 .....	\$152,005,000
Budget estimate, fiscal year 2004 .....	153,000,000
Recommended in the bill .....	153,000,000
Bill compared with:	
Appropriation, fiscal year 2003 .....	+995,000
Budget estimate, fiscal year 2004 .....	.....

MISSION

The Emergency Food and Shelter Program within the Emergency Preparedness and Response Directorate originated in the 1983 Emergency Jobs legislation. Minor modifications were incorporated in the McKinney-Vento Homeless Assistance Act. The program is designed to help address the problems of the hungry and homeless. Appropriated funds are awarded to a National Board to carry out programs for sheltering and feeding the needy. This program is na-

tionwide in scope, and provides such assistance through local private voluntary organizations and units of government selected by local boards in areas designated by the National Board as being in highest need.

RECOMMENDATION

The Committee recommends \$153,000,000 for the Emergency Food and Shelter Program, the same as the budget request.

The budget proposed that this program be transferred to the Department of Housing and Urban Development in an effort to consolidate homeless programs. Pending enactment of legislation moving this program, the Committee has fully funded it in fiscal year 2004.

Bill language is included which limits administrative costs to 3.5 percent for fiscal year 2004.

FIREFIGHTER ASSISTANCE GRANTS  
(INCLUDING TRANSFER OF FUNDS)

Appropriation, fiscal year 2003 .....	\$745,125,000
Budget estimate, fiscal year 2004 .....	.....
Recommended in the bill .....	750,000,000
Bill compared with:	
Appropriation, fiscal year 2003 .....	+4,875,000
Budget estimate, fiscal year 2004 .....	+750,000,000

MISSION

This activity supports a grant program of assistance to local fire departments for the purpose of protecting the health and safety of the public and fire fighting personnel, including volunteers and emergency medical service personnel, against fire and fire-related hazards.

RECOMMENDATION

The Committee recommends \$750,000,000 for Firefighter Assistance Grants, an increase of \$750,000,000 from the budget request.

The budget request proposed to transfer these grants to the Office for Domestic Preparedness (ODP). The request identified \$500,000,000 of the ODP basic grants as a set aside for Firefighter Assistance Grants. The Committee, however, recommends the program remain in the Emergency Preparedness and Response Directorate in a separate appropriation so there is no doubt as to its importance, and to protect this program from being lost in the first responders grant programs.

DISASTER RELIEF  
(INCLUDING TRANSFER OF FUNDS)

Appropriation, fiscal year 2003 .....	\$776,420,000
Budget estimate, fiscal year 2004 .....	1,956,000,000
Recommended in the bill .....	1,800,000,000
Bill compared with:	
Appropriation, fiscal year 2003 .....	+1,023,580,000
Budget estimate, fiscal year 2004 .....	- 156,000,000

MISSION

The Emergency Preparedness and Response Directorate has responsibility for administering disaster assistance programs and coordinating the Federal response in Presidential disaster declarations. Major activities under the disaster assistance program are human services, which provides aid to families and individuals; infrastructure, which supports the efforts of State and local governments to take emergency protective measures, clear debris and repair infrastructure damage; hazard mitigation, which sponsors projects to diminish effects of future disasters; and disaster management, such as disaster field office staff and automated data processing support.

RECOMMENDATION

The Committee recommends \$1,800,000,000, a decrease of \$156,000,000 from the budget request. Of this amount, up to \$22,000,000 shall be transferred to the Office of Inspector General. The Committee takes this reduction to the budget request without prejudice, and expects to fully fund all disaster relief expenses in fiscal year 2004.

POST-DISASTER MITIGATION

The budget request included a proposal to discontinue the section 404 post-disaster hazard mitigation grants program, and rely solely on a competitive pre-disaster mitigation grant program for mitigation activities. The Committee maintains that the section 404 post-disaster hazard mitigation grant program is an effective mechanism to ensure mitigation activities are undertaken when the need is most apparent, which is immediately after a disaster strikes. When used in conjunction with the pre-disaster mitigation grant program, a comprehensive mitigation strategy can be accomplished. The Committee therefore continues the post-disaster hazard mitigation grant program, and recommends that the set-aside remain at 7.5 percent.

FLOOD MAP MODERNIZATION FUND

Appropriation, fiscal year 2003 .....	\$149,025,000
Budget estimate, fiscal year 2004 .....	200,000,000
Recommended in the bill .....	200,000,000
Bill compared with:	
Appropriation, fiscal year 2003 .....	+50,975,000
Budget estimate, fiscal year 2004 .....	.....

MISSION

This program provides funds to modernize and digitize the Emergency Preparedness and Response Directorate's inventory of over 100,000 flood maps. These flood maps are used to determine appropriate risk-based premium rates for the National Flood Insurance Program, complete hazard determinations required for the Nation's lending institutions, and to develop appropriate disaster response plans for Federal, State, and local emergency management personnel.

RECOMMENDATION

The Committee recommends \$200,000,000 for Flood Map Modernization, the same as the budget request.

FLOOD MAPPING PROJECTS

The Kentucky counties of Bell, Knox, Whitley, Laurel, and Harlan have historically been prone to flooding. Flood control projects undertaken by the Corps of Engineers are complete, yet the flood maps have yet to be updated, creating an undue economic burden on these communities. The Committee therefore directs the Emergency Preparedness and Response Directorate to update the flood maps for these counties within the funds provided under this heading. Further, the Committee directs the Emergency Preparedness and Response Directorate to continue funding ongoing flood mapping projects at those levels identified in Public Law 108-7.

The Committee directs the Emergency Preparedness and Response Directorate to provide funding to study the flood plains in Abilene, Texas, especially the highest priority stream segment, which impacts Dyess Air Force Base, and to utilize a high resolution digital elevation model in Minnesota.

The Committee recognizes that State and local governments, especially those in high-risk areas, routinely contribute resources to flood map modernization programs. When allocating Federal flood mapping modernization funds, the Emergency Preparedness and Response Directorate includes as a criterion these contributions of State and local governments. This criterion allows the Department to better leverage Federal resources in conjunction with non-Federal contributions. The Committee encourages the Department to continue these efforts.

NATIONAL FLOOD INSURANCE FUND

(INCLUDING TRANSFER OF FUNDS)

Appropriations, fiscal year 2003 .....	\$109,343,000
Budget estimate, fiscal year 2004 .....	110,472,000
Recommended in the bill .....	110,570,000
Bill compared with:	
Appropriations, fiscal year 2003 .....	+1,227,000
Budget estimate, fiscal year 2004 .....	+98,000

MISSION

The Flood Disaster Protection Act of 1973 requires the purchase of insurance in communities where it is available as a condition for receiving various forms of Federal financial assistance for acquisition and construction of buildings or projects within special flood hazard areas identified by the Emergency Preparedness and Response Directorate. All existing buildings and their contents in communities where flood insurance is available, through either the emergency or regular program, are eligible for a first layer of coverage of subsidized premium rates.

Full risk actuarial rates are charged for new construction or substantial improvements commenced in identified special flood hazard areas after December 31, 1974, or after the effective date of the flood insurance rate map issued to the community, whichever is

later. For communities in the regular program, a second layer of flood insurance coverage is available at actuarial rates on all properties, and actuarial rates for both layers apply to all new construction or substantial improvements located in special flood hazard areas. The program operations are financed with premium income augmented by Treasury borrowings.

RECOMMENDATION

The Committee has included bill language proposed in the budget request for salaries and expenses to administer the fund, not to exceed \$32,761,000, and for mitigation activities, not to exceed \$77,809,000. Also included is a limitation of \$20,000,000 for expenses under Section 1366 of the National Flood Insurance Act of 1968, as amended, which shall be available for transfer to the National Flood Mitigation Fund.

DISASTER ASSISTANCE DIRECT LOAN PROGRAM ACCOUNT

ADMINISTRATIVE EXPENSES

Appropriation, fiscal year 2003 .....	\$553,000
Budget estimate, fiscal year 2004 .....	557,000
Recommended in the bill .....	558,000
Bill compared with:	
Appropriation, fiscal year 2003 .....	+5,000
Budget estimate, fiscal year 2004 .....	+1,000

LIMITATION ON DIRECT LOANS

Obligations Limitation, fiscal year 2003 .....	\$24,837,000
Budget estimate, fiscal year 2004 .....	25,000,000
Recommended in the bill .....	25,000,000
Bill compared with:	
Obligations Limitations, fiscal year 2003 .....	+163,000
Budget estimate, fiscal year 2004 .....	.....

MISSION

Beginning in 1992, loans made to States under the cost sharing provisions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act were funded in accordance with the Federal Credit Reform Act of 1990. The Disaster Assistance Direct Loan Program Account, which was established as a result of the Federal Credit Reform Act, records the subsidy costs associated with the direct loans obligated beginning in 1992 to the present, as well as administrative expenses of this program.

RECOMMENDATION

The Committee recommends \$25,000,000 for the limitation on direct loans pursuant to Section 319 of the Stafford Act, the same as the budget request, as well as \$558,000 for administrative expenses of the program, an increase of \$1,000 from the budget request.

TITLE IV—OTHER DEPARTMENTAL ACTIVITIES  
CITIZENSHIP AND IMMIGRATION SERVICES

OPERATING EXPENSES

Appropriation, fiscal year 2003 .....	\$695,148,000
Budget estimate, fiscal year 2004 .....	235,000,000
Recommended in the bill .....	248,500,000
Bill compared with:	
Appropriation, fiscal year 2003 .....	- 446,648,000
Budget estimate, fiscal year 2004 .....	+13,500,000

MISSION

The Bureau of Citizenship and Immigration Services (BCIS) is charged with providing the highest quality services in a manner that is timely, efficient, and fair. BCIS manages the asylum process, something that must be done with care to deter possible abuse of the system while supporting those with legitimate claims; carries out immigration and naturalization processes and services; and is a source of information for employers, benefit providers and others with appropriate requirements for information about immigration and alien status. This activity must both provide quality and supportive service to the public, while maintaining the integrity and security of a system that grants citizenship and residency status and privileges. While essentially a service organization, BCIS maintains substantial records and data that are relevant to both the individuals whose immigration status may depend on them, as well as for law enforcement and other Homeland Security purposes.

RECOMMENDATION

The Committee recommends an appropriation of \$248,500,000 for Citizenship and Immigration Services, an increase of \$13,500,000 above the President's request. The increase consists of \$12,000,000 to restore unspecified administrative reductions to finance Departmental operations, as well as \$1,500,000 to fully fund the fiscal year 2003 pay adjustment. This funding would be in addition to the estimated \$1,564,485,000 in collections that would bring total resources for BCIS to \$1,812,985,000.

BCIS operations are heavily dependent on a variety of fees to offset their operations, particularly the Immigration Examination Fee. The fluctuation of these fees can adversely affect operations if allowances are not made for prioritizing spending. The Committee therefore directs BCIS to ensure that it fully funds current, ongoing base operations that are fee-supported before undertaking new initiatives.

BACKLOG REDUCTION

In response to the rapidly growing workload for BCIS—from 5.4 million to 7 million applications between 1999 and 2002—the President initiated a five-year, \$500,000,000 plan to achieve a six month processing backlog level. The Committee continues to wait for submission of the revised backlog elimination plan. In the meantime, it appears that initial progress in reducing average backlog has been slowed due to increased security requirements, including



Interagency Border Identification System (IBIS) and FBI checks. While there seems to have been some improvement since the beginning of the program, the most recent statistical reports from the Department suggest that pending cases for immigration services are growing in excess of 5 million cases and that naturalization case backlogs seem to be holding steady. The Committee directs BCIS and the Department to expedite the completion of the plan and to report on it as soon as possible to the Committee, but not later than September 1, 2003. The report should, in addition to showing the specific timeframes and goals to achieve the targeted reductions, specify assumptions about funding requirements, availability, and projections that must be met in order to meet the plan goals.

OFFSETTING FEES

Current estimates of examination fee collections, which constitute the majority of BCIS offsetting resources, are \$1,564,485,000. These would support the adjudication of applications for immigration benefits and be derived from fees collected from persons applying for immigration benefits. The Committee assumes that \$20,000,000 of this will be applied to the backlog reduction initiative. Within the fees collected, the Committee directs BCIS to provide not less than \$43,000,000 for support telephone customer service center operations. No less than \$20,400,000 shall be made available to the efforts under way for the Microfilm Rescue Project, the Naturalization Certificate and Other Old Certificate Rescue Project, and the Flex-O-Line project to convert millions of alien and immigration records that survive on old microfilm and other micrographic records, as well as paper punch cards and similar deteriorating media, into digitized, accessible and searchable forms of data storage.

IMMIGRATION OFFICER TRAVEL

The Committee is concerned that limits on travel of immigration officers have resulted in a significant decline in the processing and resettlement of refugees to the United States. The Committee directs DHS to develop a plan to address this issue, in consultation with the State Department, and to report on the plan within 90 days of enactment of this Act.

UNITED STATES COAST GUARD

OPERATING EXPENSES

Appropriation, fiscal year 2003 .....	\$4,503,152,000
Budget estimate, fiscal year 2004 .....	4,838,000,000
Recommended in the bill .....	4,703,530,000
Bill compared with:	
Appropriation, fiscal year 2003 .....	+200,378,000
Budget estimate, fiscal year 2004 .....	- 134,470,000

MISSION

This appropriation provides funding for the operation and maintenance of multipurpose vessels, aircraft, and shore units strategically located along the coasts and inland waterways of the United

States, and in selected areas overseas. This is the primary appropriation financing operational activities of the Coast Guard.

RECOMMENDATION

Including \$1,300,000,000 for national security activities, the Committee recommends a total of \$4,703,530,000 for operating activities of the Coast Guard in fiscal year 2004, \$134,470,000 below the budget request. This reduction largely reflects the denial of placing two budget categories—environmental compliance and restoration and reserve training—into the operating expenses account. These activities are funded in separate appropriation accounts. Other small adjustments made to the budget include a reduction in travel expenditures from a requested 19 percent increase to a 10 percent increase (–\$8,077,000); a reduction for new homeland security facilities (–\$1,000,000) which shall not be applied to security improvements or costs to accommodate child care facilities within existing locations; an increase of \$4,099,000 to fully fund the fiscal year 2003 pay adjustment for civilian employees; and \$1,184,000 for the self-locating datum marker buoy.

The following table highlights the recommended level by program, project and activity:

	<i>Recommended</i>
Personnel resources:	
Military pay and allowances .....	\$1,993,713,000
Civilian pay and benefits .....	381,246,000
Military health care .....	464,890,000
Permanent change of stations .....	105,184,000
Training and education .....	110,638,000
Recruiting .....	20,702,000
FECA/UCX .....	4,420,000
Operating funds and unit level maintenance:	
Atlantic command .....	145,714,000
Pacific command .....	161,540,000
1st District .....	38,708,000
7th District .....	54,498,000
8th District .....	39,150,000
9th District .....	20,860,000
13th District .....	16,050,000
14th District .....	11,522,000
17th District .....	21,052,000
Headquarters offices .....	414,913,000
Headquarters managed units .....	111,310,000
Other activities .....	2,290,000
DHS administrative services .....	–23,000,000
Travel .....	–8,077,000
Pay parity for civilians .....	+4,099,000
Portable radiation search tools .....	+3,000,000
Search and rescue .....	+2,000,000
Intermediate and depot level maintenance:	
Aircraft maintenance .....	218,771,000
Electronic maintenance .....	89,889,000
Ocean engineering and shore facilities maintenance .....	152,048,000
Vessel maintenance .....	146,400,000
Total .....	\$4,703,530,000

Additional adjustments to the budget estimate are discussed below.

## SEARCH AND RESCUE

The Committee continues to remain concerned about the quantity and quality of personnel and equipment at small boat stations, command centers, and other field locations that are used for search and rescue operations. Repeated Inspector General investigations have pointed to longstanding staffing shortages, lack of training, and equipment problems. While the Committee is pleased that the Coast Guard is increasing its request for search and rescue operations in fiscal year 2004 by \$10,314,000, more funding is necessary. As such, the Committee has provided an additional \$2,000,000 to continue to improve the search and rescue program in headquarters, Atlantic command, Pacific command, and district offices. With this funding, the Coast Guard should consider: (1) expanding the Boatswain Mate-A as well as motorboat and utility boat Coxswain-C school programs to accommodate additional staff each year; (2) expanding advanced training programs to reduce on-the-job training workload at its small boat stations; (3) procuring additional personnel protection equipment; (4) recapitalizing Coast Guard housing to correct inadequacies in terms of size, condition, or mix of sleeping quarters; (5) alleviating over billeting of staff at certain small boat stations; and/or (6) continuing other activities initially funded with the fiscal year 2003 increase for search and rescue activities. The Committee recognizes that some of this funding may need to be transferred to the acquisition, construction and improvement account for shore facilities and specific boat station repairs.

In addition to the increased funding for search and rescue operations, the Committee recommends that oversight procedures be established for use by the commanding officers or officers-in-charge of Coast Guard stations to improve the safety of Coast Guard routine small boat operations, including the institution of in-depth pre-departure briefings, thorough preparedness checks of boats, monitoring of coxswain performance, and thorough post patrol briefings. The Committee believes that these oversight procedures are necessary based on findings of the National Transportation Safety Board following investigations into accidents in Buffalo, New York and Biscayne Bay, Florida. In both of these accidents, young coxswains went out into waters that were too rough (as in Buffalo) or went too fast in their boats (as in Biscayne Bay). The results, all too often, are "unplanned departures from the boat", injury, and sometimes death. The National Transportation Safety Board recommended, and the Committee concurs, that a more formal process at stations beforehand, including a pre-departure checklist and briefing with station authorities, may, if done correctly, make a life saving difference.

## ICE BREAKING

The Committee continues to be concerned about the level of funding the Coast Guard provides for ice breaking activities, particularly in the Antarctic region. The Coast Guard has a Memorandum of Agreement (MOA) with the National Science Foundation for the use of three icebreakers to support scientific and operational programs in the polar regions. The most recent MOA was signed on

May 25, 1999, and will remain in effect until terminated or modified by either agency. Under the MOA, the National Science Foundation reimburses the Coast Guard for the following expenditures: fuel costs in transiting to and from the operation area and while in the designated operating area; vessel maintenance for each day the icebreakers are in the operation area and for transit time to and from the icebreaker's normal homeport; maintenance for helicopters aboard the icebreaker for each day the icebreaker is in the operation area and for each day spent in straight line transit to and from the icebreaker's normal homeport; and for the liaison billet in Antarctica. On average, the National Science Foundation reimburses less than half of the costs of these operations (e.g. 35 percent of maintenance costs, 60 percent of helicopter costs). The Coast Guard has told the Committee that this is because the Coast Guard could be pulled off of icebreaking activities in the polar region to support other traditional functions, such as oil spill clean up or search and rescue. In the case of the Arctic, the Committee believes that this is true. However, this argument has less validity in the case of the Antarctic region. The Coast Guard was not able to clearly identify instances in the Antarctic region where it was required to stop breaking ice and function in a more traditional role. As a result, the Committee directs the Coast Guard to begin renegotiating the MOA with the National Science Foundation, with particular emphasis on gaining higher reimbursements for the Antarctic region. A reduction of \$2,500,000 for ice breaking activities has been applied to the budget request. The Committee expects the National Science Foundation to make up this shortfall.

#### PORTABLE RADIATION SEARCH TOOLS

A total of \$3,000,000 has been provided to continue the evaluation and procurement of portable radiation search tools currently undergoing field trials. These trials will help verify the operational practicality of unique equipment that shows great promise as one of several countermeasures against nuclear smuggling. The Committee encourages the Coast Guard to continue these tests, with a particular emphasis on use of these applications by boarding teams.

#### LORAN C

The Committee understands that the interagency agreement between the Coast Guard and the Federal Aviation Administration (FAA), permitting modernization of the Loran navigation infrastructure, remains in full force. The Committee supports this collaborative work because it offers the potential for important marine security and safety benefits, along with substantially reduced system operations and maintenance costs. There is also strong support for the recapitalization initiative from marine and other users who utilize Loran since it is the most compatible and only other available multimodal backup navigation system for satellite technology. In view of the significant progress and improvements that have been accomplished to date, the Committee believes the Coast Guard should advance efforts to expedite the Loran modernization effort as an important priority.

## BALLAST WATER PROGRAM

The National Invasive Species Act directed the Coast Guard to implement national guidelines to prevent the introduction of aquatic nuisance species into waters of the United States via the ballast water of ships. The Coast Guard has issued these guidelines. Because invasive species spread readily once established in U.S. waters, this prevention program is of critical importance to all states with water resources, regardless of their proximity to commercial ports. A total of \$4,000,000 has been provided within operating expenses to implement and enforce the national ballast water program and ballast water information clearinghouse.

## DUAL USE TECHNOLOGIES

The Committee continues to be interested in technology that would aid the Coast Guard with its dual mission in counter-drug and counter-terrorism operations. The Committee is aware that technology, widely deployed in other counter-terrorism and counter-drug operations, is able to detect minute quantities of narcotics and explosive materials on individuals, baggage, vehicles, cargo, and documents. These dual-use devices can reduce Coast Guard manpower and maintenance costs, and provide synergies between these two missions. The Committee directs the Coast Guard to undertake a pilot study of this technology by deploying dual use technology equipment on Coast Guard operations to evaluate its efficacy and value in real world mission scenarios. The Coast Guard shall provide results of this evaluation to the Committee on Appropriations no later than March 30, 2004.

## DEFENSE-RELATED ACTIVITIES

The bill specifies that \$1,300,000,000 of the total amount provided is for national security-related activities, \$960,000,000 above the budget estimate. Following September 11th, the Coast Guard has undertaken additional responsibilities for protecting our homeland, both at home and abroad. Funding included in this category will permit the Coast Guard to maintain a state of readiness to function as a specialized service in the Navy in the time of war, as required by Title 14; to better protect the navigation infrastructure in our 14 commercial and 3 military ammunition ports designed as strategic seaports; and to support new operating initiatives, such as secure communications and interoperability, port security units, and marine safety and security teams, to support DOD requirements.

## ENVIRONMENTAL COMPLIANCE AND RESTORATION

Appropriation, fiscal year 2003 .....	\$16,889,000
Budget estimate, fiscal year 2004 <sup>1</sup> .....	.....
Recommended in the bill .....	17,000,000
Bill compared with:	
Appropriation, fiscal year 2003 .....	+111,000
Budget estimate, fiscal year 2004 .....	+17,000,000

<sup>1</sup>The budget requested \$17,000,000 for these activities under Operating Expenses.

## MISSION

This appropriation assists in bringing Coast Guard facilities into compliance with applicable federal, state and environmental regulations; conducting facilities response plans; developing pollution and hazardous waste minimization strategies; conducting environmental assessments; and conducting necessary program support. These funds permit the continuation of a service-wide program to correct environmental problems, such as major improvements of storage tanks containing petroleum and regulated substances. The program focuses mainly on Coast Guard facilities, but also includes third party sites where Coast Guard activities have contributed to environmental problems.

## RECOMMENDATION

The Committee recommends \$17,000,000. The Committee has denied funding this program under operating expenses as requested. It is unclear how activities under this account are operating in nature and, in combining these activities under operating expenses, less emphasis could be placed on correcting key environmental problems.

## RESERVE TRAINING

Appropriation, fiscal year 2003 .....	\$85,933,000
Budget estimate, fiscal year 2004 <sup>1</sup> .....	94,051,000
Recommended in the bill .....	94,051,000
Bill compared with:	
Appropriation, fiscal year 2003 .....	+8,118,000
Budget estimate, fiscal year 2004 .....	+94,051,000

<sup>1</sup>The budget requested funding for reserve training under Operating Expenses. No amount was specified in bill language.

## MISSION

This appropriation provides for the training of qualified individuals who are available for active duty in time of war or national emergency, or to augment regular Coast Guard forces in the performance of peacetime missions. Program activities fall into the following categories:

*Initial training.*—The direct costs of initial training for three categories of non-prior service trainees.

*Continued training.*—The training of officer and enlisted personnel.

*Operation and maintenance of training facilities.*—The day-to-day operation and maintenance of reserve training facilities.

*Administration.*—All administrative costs of the reserve forces program.

## RECOMMENDATION

The bill includes \$94,051,000 for reserve training. The budget requested that this funding be included in the operating expenses account. This request is denied. In the past, the Committee has had a number of concerns about how the Coast Guard utilized its funding for reserve training. For many years, bill language was in-

cluded that limited the amount of reserve training funds that could be transferred to operating expenses because the Coast Guard had used this source of funding for a variety of questionably related activities, including active duty and administrative budgets. By combining the reserve training account into operating expenses, it is possible that the reserves may receive less funding than necessary to continue their critical functions. The Committee will monitor this situation to ensure that the reserves are not assessed excessive chargebacks to the Coast Guard operating budget over the coming year.

Included in the total is \$51,000 to fully fund the fiscal year 2003 pay adjustment for civilian personnel. Military personnel in the Coast Guard received a 4.1 percent pay raise in fiscal year 2003. As such, this adjustment is not required for the vast majority of the Coast Guard personnel.

#### SELECTED RESERVES

The budget requested an increase in funding for reserve personnel, to support a Selected Reserve level of 10,000, which is 1,000 (11 percent) above the level estimated for fiscal year 2003. Currently, the Coast Guard has a Selected Reserve level of 7,841. On average, the attrition rate for the reserve program is about 12 percent. Even with a surge in summer recruits, both in 2003 and 2004, the Committee does not believe it is possible for the Coast Guard to reach a Selected Reserve level of 10,000 by the end of fiscal year 2004. Thus, funding has been provided to support 9,000 Selected Reserves. The Coast Guard should not in any way interpret the denial as a diminution of support for this program. The reserves have proven to be a force multiplier within the Coast Guard, augmenting the efficient delivery of Coast Guard service to the public, not only in homeland security and national security missions, but also in support of routine duties. The Committee continues to strongly support the Coast Guard Reserve.

#### VESSEL TRAFFIC SAFETY FAIRWAY, SANTA BARBARA/SAN FRANCISCO

The bill continues language (Section 510) that would prohibit the use funds to plan, finalize, or implement regulations that would establish a vessel traffic safety fairway less than five miles wide between the Santa Barbara traffic separation scheme and the San Francisco traffic separation scheme. On April 27, 1989, the Department of Transportation published a notice of proposed rulemaking that would narrow the originally proposed five-mile-wide fairway to two one-mile-wide fairways separated by a two-mile-wide area where offshore oil rigs could be built if Lease Sale 119 goes forward. Under this revised proposal, vessels would be routed in close proximity to oil rigs because the two-mile-wide non-fairway corridor could contain drilling rigs at the edge of the fairways. The Committee is concerned that this rule, if implemented, could increase the threat of offshore oil accidents off the California coast. Accordingly, the bill continues the language of previous appropriations bills prohibiting the implementation of this regulation.

## ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

Appropriation, fiscal year 2003 .....	\$737,277,000
Budget estimate, fiscal year 2004 <sup>1</sup> .....	797,000,000
Recommended in the bill .....	805,000,000
Bill compared with:	
Appropriation, fiscal year 2003 .....	+67,723,000
Budget estimate, fiscal year 2004 .....	+8,000,000

<sup>1</sup> Requested a new budget category—capital acquisitions—that included both acquisition, construction, and improvements and research, development, test, and evaluation.

## MISSION

This capital appropriation finances the acquisition of new capital assets, construction of new facilities, and physical improvements to existing facilities and assets. The appropriation covers Coast Guard-owned and operated vessels, aircraft, shore facilities, and other equipment such as computer systems, as well as the personnel needed to manage acquisition activities.

## RECOMMENDATION

The Committee recommends \$805,000,000 for this appropriation, including \$530,000,000 for the Integrated Deepwater Systems (“deepwater”) program. The bill also fully funds the high priority Rescue 21. Funding is not provided for research, development, test, and evaluation under this category. Instead, the Committee has funded these activities in the traditional manner, in a separate research, development, test, and evaluation account.

Consistent with past practice, the bill includes language distributing the total appropriation by budget activity, and providing separate obligation availabilities appropriate for the type of activity being performed. The Committee continues to believe that these obligation availabilities provide fiscal discipline and reduce long-term unobligated balances.

The following table compares the fiscal year 2003 enacted level, the fiscal year 2004 estimate, and the recommended level by program, project and activity:

	FY 2003 Enacted	Estimate	Recommended
Vessels:	25,600,000	66,500,000	66,500,000
Great Lakes Icebreaker (GLIB) replacement .....		2,000,000	2,000,000
41 foot UTB and NSB replacement project .....		12,000,000	12,000,000
9 additional costal patrol boats to enforce security zones .....		52,500,000	52,500,000
Deepwater:	478,000,000	500,000,000	530,000,000
Aircraft .....		67,700,000	97,700,000
Surface ships .....		230,400,000	230,400,000
C4ISR .....		80,400,000	80,400,000
Logistics .....		45,400,000	45,400,000
Systems engineering and integration .....		42,100,000	42,100,000
Government program management .....		34,000,000	34,000,000
Aircraft .....	4,000,000	0	0
Other equipment:	121,300,000	138,500,000	138,500,000
Defense messaging system (DMS) implementation .....		4,500,000	4,500,000
National distress & response system modernization project .....		134,000,000	134,000,000
Shore facilities and aids to navigation .....	50,200,000	0	0
Personnel and related support: .....	63,000,000	70,000,000	70,000,000
Core acquisition costs .....		500,000	500,000
Direct personnel cost .....		69,500,000	69,500,000



## INTEGRATED DEEPWATER SYSTEMS PROGRAM

The Committee recommends \$530,000,000 for the Integrated Deepwater Systems program, \$30,000,000 above the budget estimate. The additional funding shall be used to design, test, and evaluate the Eagle Eye unmanned aerial vehicle (UAV). Under the current Deepwater program, delivery of the first 8 UAVs is scheduled for 2006; however, limited funding has been provided for this effort to date.

## COLLISION AVOIDANCE

The Committee directs the Coast Guard to evaluate collision avoidance technology, and the costs to install such technology on helicopters. As part of this evaluation, the Coast Guard should report to the Committee on the number of incidents and accidents that might have been avoided if such a system were installed in Coast Guard helicopters.

## CAPITAL INVESTMENT PLAN

The bill maintains the requirement for the Coast Guard to submit a five-year capital investment plan with initial submission of the President's budget request. This Congressional requirement was first established in fiscal year 2002.

## DISPOSAL OF REAL PROPERTY

The bill maintains the provision enacted in fiscal year 2002 crediting to this appropriation proceeds from the sale or lease of the Coast Guard's surplus real property, and providing that such receipts are available for obligation in fiscal year 2004 only for the Rescue 21 project.

## ALTERATION OF BRIDGES

Appropriation, fiscal year 2003 .....	\$17,088,000
Budget estimate, fiscal year 2004 .....	.....
Recommended in the bill .....	19,500,000
Bill compared with:	
Appropriation, fiscal year 2003 .....	+2,412,000
Budget estimate, fiscal year 2004 .....	+19,500,000

## MISSION

This account funds the alteration of bridges deemed a hazard to marine navigation pursuant to the Truman-Hobbs Act. The purpose of altering these bridges is to improve the safety of marine navigation under the bridge, not to improve surface transportation on the bridge itself.

## RECOMMENDATION

The Committee recommends \$19,500,000 for Alteration of Bridges. The Committee directs that, of the funds provided, \$3,500,000 shall be allocated to the Fourteen Mile Bridge over the Mobile River in Mobile, Alabama; \$4,000,000 shall be allocated to the Burlington Northern Santa Fe Bridge in Burlington, Iowa; \$1,500,000 shall be allocated to the Canadian Pacific Railroad Bridge in LaCrosse, Wisconsin; \$2,000,000 shall be allocated to the

Chelsea Street Bridge in Chelsea, Massachusetts; and \$8,500,000 shall be allocated to the Florida Avenue railroad/highway combination bridge in New Orleans, Louisiana. With this funding, the commitment to the Florida Avenue Bridge will be completed.

#### RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Appropriation, fiscal year 2003 .....	\$21,857,000
Budget estimate, fiscal year 2004 <sup>1</sup> .....	.....
Recommended in the bill .....	22,000,000
Bill compared with:	
Appropriation, fiscal year 2003 .....	+143,000
Budget estimate, fiscal year 2004 .....	+22,000,000

<sup>1</sup> Budget requested \$22,000,000 under a new capital acquisitions category.

#### MISSION

This appropriation provides funds for applied scientific research and development, test and evaluation projects necessary to maintain and expand the technology required for the Coast Guard's operational and regulatory missions.

#### RECOMMENDATION

The Committee recommends \$22,000,000 for research, development, test, and evaluation activities. Of the total amount, \$3,500,000 is to be derived from the oil spill liability trust fund. The Committee anticipates that funding will be allocated as follows: \$1,885,000 for marine safety; \$1,013,000 for maritime mobility; \$1,545,000 for protection of natural resources; \$6,241,000 for homeland security; \$5,571,000 for technology investments; and \$5,745,000 for research and development support and operations.

#### COASTAL OCEAN DYNAMICS APPLICATION RADAR

The Coast Guard is currently developing models in coastal regions, out to 100 nautical miles from shore, to measure high-resolution hourly maps of coastal ocean surface currents for various purposes using the coastal ocean dynamics application radar (CODAR). Funding is included in fiscal year 2004 for this effort because it will be particularly useful in aiding search and rescue missions. The Coast Guard is encouraged to continue its work in this area and should consider expanding research efforts with the CODAR system to include homeland security measures. For example, CODAR could be used to track high-interest vessels in conjunction with other ocean observing systems, such as one operational in the Gulf of Maine.

#### RETIRED PAY

Appropriation, fiscal year 2003 .....	\$889,000,000
Budget estimate, fiscal year 2004 .....	1,020,000,000
Recommended in the bill .....	1,020,000,000
Bill compared with:	
Appropriation, fiscal year 2003 .....	+131,000,000
Budget estimate, fiscal year 2004 .....	.....

#### MISSION

This appropriation provides for the retired pay of military personnel of the Coast Guard and the Coast Guard Reserve, including

career status bonuses for active duty personnel. Also included are payments to members of the former Lighthouse Service and beneficiaries pursuant to the retired serviceman's family protection plan and survivor benefit plan, as well as payments for medical care of retired personnel and their dependents under the Dependents Medical Care Act.

RECOMMENDATION

The bill provides \$1,020,000,000, the same as the budget estimate. This is scored as a mandatory appropriation in the Congressional budget process.

INFORMATION ANALYSIS AND INFRASTRUCTURE PROTECTION

OPERATING EXPENSES

Appropriation, fiscal year 2003 .....	\$185,149,000
Budget estimate, fiscal year 2004 .....	829,000,000
Recommended in the bill .....	776,000,000
Bill compared with:	
Appropriation, fiscal year 2003 .....	+590,851,000
Budget estimate, fiscal year 2004 .....	-53,000,000

MISSION

The Information Analysis and Infrastructure Protection (IAIP) program will coordinate the national effort to protect critical infrastructures and key assets from terrorist attack. The program analyzes information on threats, vulnerabilities, and consequences to develop national-level risk assessments, and then develops, coordinates, and implements appropriate protective actions. This involves developing timely, integrated, and accurate assessments of terrorist threats facing the United States; issuing advisories and alerts to senior leaders in government, infrastructure owners and operators, and the general public; and developing a critical infrastructure protection program that catalogues national critical infrastructure and key assets, assesses infrastructure vulnerabilities and interdependencies, and examines those vulnerabilities in both the physical and cyber dimensions.

RECOMMENDATION

The Committee recommends an appropriation of \$776,000,000 for Information Analysis and Infrastructure Protection, a decrease of \$53,000,000 from the budget request. Funds shall remain available for obligation until September 30, 2005. A detailed funding table is included at the end of this section.

INFORMATION SHARING AND SECURITY CLEARANCES

The Committee continues to hear that state and local officials are denied access to key information due to their lack of security clearances. While lack of security clearances is just one aspect of the communication and information sharing problems that exist between federal, state, and local agencies, it is one that should be addressed promptly. Lack of security clearances also impacts the private sector entities that own and operate 85 percent of the nation's

critical infrastructure and key assets, and the workload and timeliness of the Department's intelligence warning and advisory system since all information must be reviewed and declassified before being distributed to the appropriate entities. The Committee directs the Department to review the current regulations governing security clearances; explore administrative and legislative actions to facilitate the clearance process; determine whether the Department of Homeland Security needs the ability to issue security clearances for state and local public safety officials and private sector entities, and identify the number of state, local, and private sector individuals who would need appropriate security clearances to receive classified information. This report should be submitted to the Committee by ten days after enactment of this Act.

#### SPECIAL HIRING AUTHORITY

Recruiting and hiring personnel for the IAIP programs may be particularly difficult due to the specialized nature and specific expertise required for many of the positions. The shortage of experienced intelligence analysts and information assurance and cyber security specialists is a particular concern. The Department is to report to the Committee by August 1, 2003, on any special hiring authority that may be needed to address this issue.

#### THREAT DETERMINATION AND ASSESSMENT

The Committee recommends \$28,400,000, a reduction of \$3,600,000 from the budget request, for the Threat Determination and Assessment program. This program will support efforts to detect and identify threats of terrorism against the United States; assess the nature and scope of terrorist threats; and understand terrorist threats in light of actual potential vulnerabilities within critical infrastructures and/or key assets. Funding of \$3,600,000 for the salaries and expenses of federal employees has been transferred to a separate account.

The Committee is concerned that the current arrangement that established the Terrorist Threat Integration Center (TTIC) as the focus for information sharing and intelligence regarding domestic terrorism will not fully meet the needs of the Department. While the Department will have an intelligence analysis function, it will not have access to the intelligence community's raw data. The TTIC will be staffed mostly with FBI and CIA analysts who may not talk to the front line DHS agencies such as Customs, Border Patrol, and the Coast Guard to fully understand the information that DHS needs.

Another concern is the way in which the information is to be shared with state, local, and private sector entities. While the TTIC will share information through the FBI offices to the local law enforcement agencies, the Department also has to share information with the state and local public safety agencies as well as private sector entities responsible for protecting much of the nation's infrastructure. The Department is to provide to the Committee, by January 15, 2004, an analysis of whether the TTIC is fully meeting the Department's intelligence needs, and a determination as to the adequacy of the process for information sharing among federal, state and local, and private sector entities.

## INFORMATION AND WARNING ADVISORIES

The Committee recommends \$47,300,000, a reduction of \$22,400,000 from the budget request of \$69,700,000, for the Information and Warning Advisories program. One of the most visible aspects of the Department is the Information and Warning Advisories program which provides for management and administration of the Homeland Security Advisory System, communication of threat alert status to the general public, and continuous monitoring of potential terrorist threats. Funding of \$22,400,000 for the salaries and expenses of federal employees has been transferred to a separate account.

The Committee has been disappointed in the lack of advance Congressional notification when the threat alert status is changed. This same concern has been expressed by state and local entities that need to respond to the new alert status. The Department should report to the Committee, by October 15, 2003, on steps that will be taken to ensure that the appropriate Congressional Committees are notified on a timely basis when there is a proposed alert status change.

The Committee is aware of the capabilities of the National Oceanic and Atmospheric Administration (NOAA) nationwide radio network. Managed by the National Weather Service, the weather radio network covers 95 percent of the population, operates in 50 states, and is linked to the emergency alert system where alerts of impending hazards are broadcast over commercial radio and television on a voluntary basis. It appears this system could be used by the Department as a warning system to communicate with the general public during threat alerts. The Department should report to the Committee by December 15, 2003, on the potential of using the NOAA weather radio network as a key component of the warning system.

## INFRASTRUCTURE VULNERABILITY AND RISK ASSESSMENT

The Committee recommends \$84,200,000, a reduction of \$10,800,000 from the budget request of \$95,000,000, for the Infrastructure Vulnerability and Risk Assessment program. In conducting comprehensive assessments of the vulnerabilities of the critical infrastructure and key assets of the United States, IAIP will serve as the focal point for coordination between the federal government, critical infrastructure owners and operators, and state and local government for sharing information and planning for response to crisis events affecting infrastructures. The program will also develop comprehensive risk analyses on a national scale that will be cross-sector in nature and focus on problems affecting multiple infrastructures. Funding of \$10,800,000 for the salaries and expenses of federal employees has been transferred to a separate account.

The Committee directs the Department to provide a detailed program plan outlining the proposed scope, total estimated cost, and schedule for completing the comprehensive risk analysis and assessments of vulnerabilities of the critical infrastructure. This plan is to be provided to the Committee by December 15, 2003.

## REMEDICATION AND PROTECTIVE ACTIONS

The Committee recommends \$311,600,000, a decrease of \$72,300,000 from the budget request of \$383,900,000, for the Remediation and Protective Actions program. The Remediation and Protective Actions program seeks to identify the best and most-cost-effective protective strategies for "at risk" infrastructure and facilities. An essential first step is a national program focused on identifying critical infrastructure and assets and assessing potential risks to those assets. Funding will also be targeted to conduct and coordinate specialized vulnerability field assessments for the highest priority critical infrastructure and assets. This program also includes security efforts to protect infrastructure and assets from cyber attacks.

Many of the agencies transferred to the Department of Homeland Security have been involved in the critical infrastructure program for several years, but there still appears to be no adequate catalogue of critical infrastructure and assets. The Committee expects the Department to identify the critical infrastructure and assets, document the baseline security standard, and determine the appropriate security level based on the threat assessments. The next step will be to identify any gaps between the baseline and the appropriate level of security and determine how to address it on a national basis. The Committee directs the Department to provide a detailed program plan outlining the proposed scope, total estimated cost, cost by year, and schedule with significant milestones for completing these activities. This plan is to be provided to the Committee by December 15, 2003.

The Department plans to conduct several critical infrastructure vulnerability field assessments during fiscal year 2004. The Committee directs the Department to provide a detailed program plan outlining the proposed scope, total estimated cost, cost by year, and schedule with significant milestones for completing these vulnerability field assessments. This plan is to be provided to the Committee by December 15, 2003.

The funding reduction of \$72,300,000 reflects the reduction of \$38,000,000 that was fully funded in the fiscal year 2003 Supplemental Appropriation and \$34,300,000 for the salaries and expenses of federal employees that has been transferred to a separate account.

## NATIONAL COMMUNICATIONS SYSTEM

The Committee recommends \$141,000,000, a reduction of \$14,000,000 from the budget request of \$155,000,000, for the National Communications System to support the national security and emergency preparedness communications of the federal government, state and local governments, and private industry. Funding of \$14,000,000 for the salaries and expenses of federal employees has been transferred to a separate account.

## COMPETITIVE ANALYSIS AND EVALUATION

The Committee recommends \$18,900,000, a reduction of \$1,100,000 from the budget request of \$20,000,000, for the Competitive Analysis and Evaluation program. This program will fund

an independent analysis and evaluation of the risk assessments and other products developed by the IAIP program and provide for “red teaming” and tabletop exercises to validate risk assessments for critical infrastructure. Funding of \$1,100,000 for the salaries and expenses of federal employees has been transferred to a separate account.

#### NATIONAL PLANS AND STRATEGIES

The Committee recommends \$3,500,000, a reduction of \$1,500,000 from the budget request of \$5,000,000, for National Plans and Strategies. Funds are provided to update, coordinate the development, and monitor the implementation of three major national strategy documents: The President’s National Strategy for Homeland Security, the National Strategy for Cyberspace Security, and the National Strategy for Physical Protection of Critical Infrastructure and Key Assets. Funding of \$1,500,000 for the salaries and expenses of federal employees has been transferred to a separate account.

#### OUTREACH AND PARTNERSHIPS

The Committee recommends \$40,900,000, a reduction of \$19,100,000 from the budget request of \$60,000,000, for Outreach and Partnerships with state and local governments, the private sector, the international community, and academia. The broad nature of the Department’s mission requires interactions with a wide array of stakeholders, each with unique interests and equities—the intelligence community, private industry, state and local governments. Also, the private sector and state and local governments own and operate more than 90 percent of the nation’s critical infrastructure and key assets. The Committee has reduced program funding by \$15,000,000 due to insufficient information on proposed expenditures in fiscal year 2004. Funding of \$4,100,000 for the salaries and expenses of federal employees has been transferred to a separate account.

#### OFFICE OF THE UNDER SECRETARY

Funding of \$8,400,000 requested for the Office of the Undersecretary for IAIP has been transferred to the salaries and expenses account.

#### SALARIES AND EXPENSES

The Committee recommends \$100,200,000 for salaries and associated expenses for the federal employees funded in the Information Analysis and Infrastructure Protection program. This includes \$91,800,000 transferred from the individual program accounts and \$8,400,000 transferred from the Office of the Under Secretary for IAIP. The budget request incorporated funds for salaries and expenses within each program area, but the Committee prefers to maintain a separate account for these expenses. These funds will be used to support 692 full-time federal employees.

The Committee does not believe that IAIP is hiring enough intelligence analysts responsible for terrorist assessment, cybersecurity threat analysis, and biowarfare threat assessment. This is not due

to lack of authorized positions or full funding for salaries and expenses that is provided in this bill. The Committee wants to ensure that all available positions are used to meet this critical intelligence need and directs the Department to report to the Committee by August 30, 2003, with a manpower plan showing the current number of intelligence analysts in IAIP, those assigned to the Terrorist Threat Integration Center, and those assigned to the individual DHS components. The report should also include the estimated number of intelligence analysts in each category at the end of fiscal years 2003 and 2004, and a schedule for hiring intelligence analysts in IAIP.

#### INFORMATION ANALYSIS AND INFRASTRUCTURE PROTECTION

	Budget estimate	Recommendation
Operating Expenses .....		
Threat Determination and Assessment .....	32,000,000	28,400,000
Information and Warning Advisories .....	69,700,000	47,300,000
Infrastructure Vulnerability and Risk Assessment .....	95,000,000	84,200,000
Remediation and Protective Actions .....	383,900,000	311,600,000
National Communications System .....	155,000,000	141,000,000
Competitive Analysis and Evaluation .....	20,000,000	18,900,000
National Planning and Strategies .....	5,000,000	3,500,000
Outreach and Partnerships .....	60,000,000	40,900,000
Under Secretary for IAIP .....	8,400,000	
Salaries and Expenses .....		100,200,000
<b>Total, Information Analysis and Infrastructure Protection .....</b>	<b>829,000,000</b>	<b>776,000,000</b>

#### SCIENCE AND TECHNOLOGY

##### RESEARCH, DEVELOPMENT, ACQUISITION, AND OPERATIONS

Appropriation, fiscal year 2003 .....	\$551,925,000
Budget estimate, fiscal year 2004 .....	803,360,000
Recommended in the bill .....	900,360,000
Bill compared with:	
Appropriation, fiscal year 2003 .....	+348,435,000
Budget estimate, fiscal year 2004 .....	+97,000,000

##### MISSION

The mission of Science and Technology is to develop and deploy cutting edge technologies and new capabilities to secure our homeland. The program will conduct, stimulate and enable research, development, test, evaluation, and timely transition of homeland security capabilities to federal, state, and local operational end-users. This includes investments in both evolutionary and revolutionary capabilities with high payoff potential, early deployment of off-the-shelf technologies to provide initial defense capability and near-term utilization of emerging technologies to counter today's terrorist threats, and development of new capabilities to thwart future and emerging threats.

As part of the Science and Technology program, the Homeland Security Advanced Research Projects Agency (HSARPA) will have an essential role in engaging the private sector, the academic community, and others in innovative technology development, rapid prototyping, and prototype systems engineering and development of



new homeland security technologies. A Homeland Security Institute will also be established for studies and analysis.

#### RECOMMENDATION

The Committee recommends an appropriation of \$900,360,000 for Science and Technology, an increase of \$97,000,000 over the budget request. The Committee has provided funding for several additional projects described below. Funds shall remain available for obligation until September 30, 2006. A detailed funding table is included at the end of this section.

#### DEPLOYMENT OF RADIATION DETECTION TECHNOLOGIES

The Committee applauds the fact that the Department is proceeding with a number of deployments of radiation detection technologies. These include monitors at the borders, issuance of radiation pagers to federal agents, grants to state and local agencies for portal monitors and radiation pagers, and testbed activities with the Port Authority of New York and New Jersey. There is concern, however, that insufficient attention has been paid to the systems engineering associated with these technologies at each diverse operational, pilot, and test location, and that inconsistencies may occur as these technologies are deployed in various settings. The Homeland Security Act clearly vests the Under Secretary of Science and Technology with the responsibility for directing, funding, and conducting national research, development, test and evaluation, and procurement of technology and systems for radiation detection technology, for the development of standards for these technologies, for maintaining the systems engineering expertise needed to deploy these technologies in a cost effective manner, and for transferring these technologies to the user. Thus, the Committee directs that no funds be obligated or expended for the purpose of procurement and/or deployment of these technologies to federal, state, and local agencies without certification from the Under Secretary of Science and Technology (or designee within the Science and Technology Directorate) that: (1) well-defined protocols have been defined for management of alarms from these technologies at each setting, and that these be as consistently applied as is practical; (2) appropriate training in their use has been conducted, and adequate training standards have been defined and implemented; (3) extant standards for these technologies have been adhered to; (4) technologies appropriate to the setting have been procured and system engineering discipline has been consistently applied to their deployment at each site; and (5) the data from these deployments is systematically and collectively analyzed by the Science and Technology Directorate for lessons learned, and for guiding subsequent research, development, standards-setting, procurement, and deployment activities. The Committee further directs the Under Secretary for Science and Technology to develop or enhance (as appropriate) and issue, as expeditiously as is practical, standards for these technologies and for training in their use.

## INTEROPERABLE PUBLIC SAFETY COMMUNICATIONS

There are approximately 53,000 state and local public safety agencies and 100 federal law enforcement agencies that depend on interoperable wireless communications. The Office of Management and Budget recently launched 24 electronic government initiatives directed at improving government services. The Wireless Public SAFETY Interoperability COMmunications (SAFECOM) Program, considered one of the top three electronic government initiatives, is the umbrella initiative to coordinate all federal, state, local, and tribal users to achieve national wireless communications interoperability. It has a dual mission: federal-to-federal interoperability and improvements to state and local interoperability, with ultimate connectivity between state and federal agencies.

While interoperable communications systems are a top priority for federal, state, and local public safety and wireless users, the current manner in which federal grants and procurements are awarded continues to support incompatible communication systems. The recent placement of the SAFECOM program in the Office of Science and Technology provides it access to the full range of expertise and resources needed to help the nation achieve true public safety interoperability. The Committee directs the Office of Science and Technology to provide a report to the Committee by December 15, 2003, on the current state of the government's response to federal, state, and local interoperability efforts, including the current total estimated cost, scope, and schedule of the SAFECOM program and to outline the necessary steps to improve response and coordination.

Additionally, when Congress directed federal law enforcement agencies to adopt "narrowbanding" as a key strategy in increasing the usefulness of existing public safety spectrum, the technologies that then existed made that a logical choice. However, technology has advanced so much since then that the rationale supporting that narrowbanding mandate may no longer be relevant. The Committee therefore directs the Office of Science and Technology to conduct a review and report to the Committee, no later than one year from the date of enactment of this Act, on whether narrowbanding is still a necessary, viable, or best use of existing federal spectrum.

The Committee is aware of numerous federal programs addressing interoperability through planning, building, upgrading, replacing, maintaining, managing, or training personnel to use public safety communication systems. To better coordinate the government's efforts, the Committee encourages these programs to use the guidelines outlined by SAFECOM. However, the Committee directs that all programs within the Department of Homeland Security that issue grants for the above listed purposes incorporate the SAFECOM grant guidance and coordinate with the SAFECOM program when awarding funding.

## SCIENCE AND TECHNOLOGY ACTIVITIES

The Department is directed to provide a report to the Committee by December 15, 2003, identifying all research, development, test and evaluation, and standards development work being performed

by Departmental elements other than the Office of Science and Technology. The report should provide a brief description of the work being performed, the total estimated cost, the annual cost, the schedule for completion; and an explanation of why this work is not being funded in the Science and Technology program.

#### PUBLIC SAFETY TECHNOLOGY TRANSFER CENTERS

The Committee is aware that a critical mission of the Office of Science and Technology is to identify, research, develop, test and evaluate, and facilitate the transfer of technologies to enhance the nation's security. To accomplish this, Science and Technology will establish a number of centers and institutes to provide these services. The Committee is also aware there are numerous organizations, agencies, universities, and others that have the capability to provide a variety of these services. The Committee encourages Science and Technology to work with a public safety institute with experience in establishing and working with public safety-oriented technology centers to serve as a "hub" for this network and to assist the Department in establishing the architecture and coordination of the Department's network of centers.

#### COORDINATION WITH OTHER FEDERAL AGENCIES

The Science and Technology program funds nuclear, chemical, and biological countermeasures, but most of the funding for research and development in these areas is appropriated to other federal agencies. The Homeland Security Act requires the Department to "collaborate and coordinate" with other federal agencies that have funding for nuclear, chemical, and biological research that is important to homeland security, but gives the Department no direct control over any of the other agencies' spending to ensure essential research meets homeland security needs. Achieving balance among competing agency research and development priorities presents unique challenges. The Committee expects the Department to ensure that collaboration among federal agencies occurs; other agencies focus research and development efforts on critical homeland security needs; and unmet needs are identified on a timely basis.

#### BIOLOGICAL COUNTERMEASURES

The Committee recommends \$293,235,000, a decrease of \$71,500,000 from the budget request of \$364,735,000, for Biological Countermeasures. The Biological Countermeasures program develops and implements an integrated systems approach to reducing the probability and potential consequences of a biological attack on this nation's civilian population, infrastructure, or agricultural system.

Funding for biological countermeasures includes an increase of \$15,000,000 to the urban monitoring program to continue to develop and deploy operational "detect-to-warn" capability for aerosolized bio-threats for several large metropolitan areas (also referred to as the "Biowatch" program). Program funding also includes a reduction of \$68,000,000 for prior year unobligated funds that will remain available for use in fiscal year 2004, and the

transfer of \$18,500,000 for the salaries and expenses of federal employees to a separate account.

With the increased focus on the possibility of agricultural terrorism, the Committee expects the Office of Science and Technology to work with the U.S. Department of Agriculture (USDA) to identify high-priority research opportunities. The Department's budget request includes \$14,000,000 within the biological countermeasures program for agro-terrorism research. To ensure appropriate coordination and collaboration between the two agencies, the Department is directed to work with USDA to prepare a comprehensive strategy for combating agro-terrorism. The report should identify ongoing research being conducted by USDA, and any gaps in the current research portfolio that could be funded by the Department. This report is due to the Committee by January 15, 2004.

Funding of \$90,000,000, the same as the budget request, is provided to initiate construction of a National Biodefense Analysis and Countermeasures Center that is to be the principal DHS component of the Fort Detrick Interagency Biodefense Campus in Maryland.

#### NUCLEAR AND RADIOLOGICAL COUNTERMEASURES

The Committee recommends \$129,625,000, a reduction of \$7,000,000 from the budget request of \$136,625,000, for Nuclear and Radiological Countermeasures. The Nuclear and Radiological Countermeasures program will focus on providing appropriate and effective detection and interdiction technologies to prohibit the importation or transportation and subsequent detonation of a nuclear or radiological device in the United States. Funding of \$7,000,000 for the salaries and expenses of federal employees has been transferred to a separate account.

#### CHEMICAL AND HIGH EXPLOSIVES COUNTERMEASURES

The Committee recommends \$52,000,000 for Chemical Countermeasures, a reduction of \$3,000,000 from the budget request of \$55,000,000, and \$9,500,000 for High Explosives Countermeasures, a reduction of \$500,000, from the budget request of \$10,000,000. The Chemical and High Explosives Countermeasures programs are responsible for developing an integrated systems approach to reducing the nation's vulnerability to chemical attacks on the civilian population and infrastructure. These programs will address chemical warfare agents, toxic industrial chemicals, and high explosives. Funding of \$3,000,000 from Chemical Countermeasures and \$500,000 from High Explosives Countermeasures for the salaries and expenses of federal employees has been transferred to a separate account.

#### THREAT AND VULNERABILITY, TESTING AND ASSESSMENT

The Committee recommends \$85,500,000, a reduction of \$4,500,000 from the budget request of \$90,000,000, for the Threat and Vulnerability, Testing and Assessment program. This program creates advanced modeling, information, and analysis capabilities that will be used to enhance the Department's ability to evaluate extensive amounts of data and information from diverse sources.

Funding of \$4,500,000 for the salaries and expenses of federal employees has been transferred to a separate account.

#### CONVENTIONAL MISSIONS IN SUPPORT OF THE DEPARTMENT

The Committee recommends \$112,000,000, an increase of \$57,000,000 over the budget request of \$55,000,000, for Conventional Missions in Support of the Department of Homeland Security. Funding of \$3,000,000 for the salaries and expenses of federal employees has been transferred to a separate account.

Additional funding of \$60,000,000 has been provided for research, development, testing, and evaluation of an antimissile device for commercial aircraft consistent with the program plan submitted by the Department at the request of Congress. The Department will solicit industry to design, develop, and demonstrate a prototype antimissile device, as well as prepare a detailed operating and support procedures and costs plan. Contingent on the analytic, design and development efforts conducted in fiscal year 2004, fiscal year 2005 activities could include completion of the test articles and integration onto a single airframe type to validate performance assumptions.

The Committee is aware that enhanced X-ray and scanning technology holds the potential to improve screening capabilities in a variety of settings and to limit the use of more invasive protocols, and therefore encourages Science and Technology to support such research on next generation X-ray technology.

#### RAPID PROTOTYPING PROGRAM/TECHNICAL SUPPORT WORKING GROUP

The Committee recommends \$80,000,000, an increase of \$50,000,000 over the budget request of \$30,000,000, for the Rapid Prototyping Program. Working in partnership with the Technical Support Working Group, the Department will access the capabilities of private industry for rapid development and prototyping of technologies. The Committee strongly supports this effort and has provided an additional \$50,000,000 to encourage and support innovative solutions to enhance homeland security and engage the private sector in rapid prototyping of homeland security technologies.

The Committee has received numerous requests for funding homeland security research projects and technologies proposed by universities, national laboratories, not-for-profit institutions, and private companies. The Committee expects the Department to identify areas of importance for new homeland security products and technologies and issue competitive solicitations to provide additional opportunities for participation by a wide variety of interested participants.

The Committee believes that distance learning technologies can be of great benefit to local first responders, especially rural communities that may otherwise have difficulties receiving important information and training. The Committee is aware that the department is already using distance learning technologies in its agency field offices and encourages the Department to use this important tool.

## STANDARDS/STATE AND LOCAL PROGRAM

The Committee recommends \$39,000,000, an increase of \$14,000,000 over the budget request of \$25,000,000, for the Standards/State and Local Program. This program will develop standards for homeland security related equipment and systems in collaboration with operational end-users. Working with the private sector, the program will also establish a network of homeland security certification laboratories to provide a consistent level of assurance in the effectiveness of detection and other operational equipment. Funding of \$1,000,000 for the salaries and expenses of federal employees has been transferred to a separate account.

The recommendation includes the transfer of \$15,000,000 from the budget request of the Office for Domestic Preparedness for development of standards. The Committee expects all standards development to be done by the Office of Science and Technology.

The Committee recognizes that search and rescue efforts following catastrophic events are often hampered by limited access and potential human interaction with hazardous materials. To address this issue, the Committee encourages the Department to develop standards and criteria for search and rescue robotics certification and to support efforts to develop and deploy long endurance robotics for search and rescue.

## EMERGING THREATS

The Committee recommends \$21,000,000, a reduction of \$1,000,000 from the budget request of \$22,000,000, for the Emerging Threat program to explore innovative, cross-cutting, out-of-the-box approaches for anticipating and responding to new and emerging threats. It will also establish and support studies and analyses to be conducted by the new Homeland Security Institute. Funding of \$1,000,000 for the salaries and expenses of federal employees has been transferred to a separate account.

## CRITICAL INFRASTRUCTURE PROTECTION

The Committee recommends \$4,500,000, a reduction of \$500,000 from the budget request of \$5,000,000, for the Critical Infrastructure Protection program. A systems modeling, simulation, and analysis approach will be used to conduct vulnerability, consequence, and risk analysis to allow priorities to be established based on a rational process and resources to be invested with the highest payoff in terms of risk reduction and damage mitigation. Funding of \$500,000 for the salaries and expenses of federal employees has been transferred to a separate account.

## UNIVERSITY PROGRAMS/FELLOWSHIP PROGRAMS

The Committee recommends \$35,000,000, an increase of \$25,000,000 over the budget request, for University Program/Fellowship Programs. The Committee has provided an additional \$25,000,000 for university-based centers of excellence. There has been intense interest from universities with proposals to perform homeland security activities. This additional funding will allow the Department to evaluate and fund more university proposals in fiscal year 2004. In addition to this program, universities will also

have access to specific project funding in each of the other program areas on a competitive basis.

Not all funding for universities is included in this account. Funding for the National Domestic Preparedness Consortium and the Centers for Emergency Preparedness is provided in the Office for Domestic Preparedness. The Committee expects the Department to coordinate the university activities conducted by the Office for Domestic Preparedness with the university centers of excellence in the Science and Technology program. The Department should report to the Committee on how these university programs will be coordinated within the Department to prevent duplication, leverage existing academic resources, and provide maximum benefit to meet homeland security needs.

#### SALARIES AND EXPENSES

The Committee recommends \$39,000,000 for salaries and expenses for the federal employees funded in the Science and Technology program. The budget request incorporated funds for salaries and expenses within each program area, but the Committee prefers to maintain a separate account for these expenses. These funds will be used to support 140 full-time federal employees.

#### SCIENCE AND TECHNOLOGY

	Budget estimate	Recommendation
Research, Development, Acquisition, and Operations .....		
Biological Countermeasures .....	364,735,000	293,235,000
Nuclear and Radiological Countermeasures .....	136,625,000	129,625,000
Chemical Countermeasures .....	55,000,000	52,000,000
High Explosives Countermeasures .....	10,000,000	9,500,000
Threat and Vulnerability Testing and Assessments .....	90,000,000	85,500,000
Conventional Missions in Support of DHS .....	55,000,000	112,000,000
Rapid Prototyping Program/Technical Support Working Group .....	30,000,000	80,000,000
Standards/ State and Local Program .....	25,000,000	39,000,000
Emerging Threats .....	22,000,000	21,000,000
Critical Infrastructure Protection .....	5,000,000	4,500,000
University Programs/Homeland Security Fellowship Program .....	10,000,000	35,000,000
Salaries and Expenses .....		39,000,000
<b>Total, Science and Technology .....</b>	<b>803,360,000</b>	<b>911,360,000</b>

### UNITED STATES SECRET SERVICE

#### SALARIES AND EXPENSES

Appropriation, fiscal year 2003 .....	\$1,045,506,000
Budget estimate, fiscal year 2004 .....	1,120,372,000
Recommended in the bill .....	1,148,700,000
Bill compared with:	
Appropriation, fiscal year 2003 .....	+103,194,000
Budget estimate, fiscal year 2004 .....	+28,328,000

#### MISSION

The Secret Service is responsible for the security of the President, the Vice President, and other dignitaries and designated individuals; for enforcement of laws relating to obligations and securities of the United States and financial crimes such as financial institution fraud and other fraud; and for protection of the White

House and other buildings within the Washington DC area. It also has responsibility to direct the security planning for National Special Security Events, as designated by the President.

#### RECOMMENDATION

The Committee recommends an appropriation of \$1,148,700,000 for the U.S. Secret Service, \$28,328,000 above the President's request. The change from the President's request includes an increase of \$15,824,000 to restore unspecified administrative savings cuts; \$10,730,000 to annualize hiring and pay increases; and an increase of \$1,774,000 for the National Center for Missing and Exploited Children.

#### WHITE HOUSE MAIL PROCESSING

Included in the President's request is \$33,000,000 to sustain off-site mail processing operations for the White House complex to support research and development aimed at producing a generic full-scale mail screening capability, and begin defining requirements for an ultimate full-scale facility. The funding will also support research and analysis of mail screening needs of other high-risk government agencies. The Committee supports this endeavor and urges the Department to sustain this effort, but also to look at what the future role of the Secret Service should be in this project.

#### UNIFORMED DIVISION STAFFING

The Committee continues to be concerned that Uniformed Division (UD) staffing levels are not commensurate with their expanded responsibilities related to the protection of the White House complex, the United States Naval Observatory, and Foreign Missions in the Washington, DC area. The Committee supports staffing levels that will enable the UD to fulfill its protective mission without relying on continuously high rates of overtime that negatively impact the quality of life of UD personnel and can contribute to high rates of attrition. The Committee directs the Secret Service to provide, no later than September 30, 2003, a detailed, multi-year hiring plan for UD that describes: (1) what has changed, in terms of security requirements, that would justify increases in UD staffing, (2) the numbers and types of positions needed to achieve necessary staffing levels, (3) the associated costs, by fiscal year, and (4) what steps would be taken to recruit, hire, and train new UD officers should such funds be made available.

#### ELECTRONIC AND FINANCIAL CRIMES INVESTIGATIONS

The Committee strongly encourages the Secret Service to continue to apply adequate attention and resources to all of its non-homeland security missions, particularly the expansion of the Electronic Crime Task Force initiative to cities and regions across the country, as mandated by the USA PATRIOT Act. The Committee fully expects the Secret Service to continue its unique mission of partnering with local law enforcement, the private sector and academia to investigate electronic and financial crimes, and to work in a partnership approach to safeguard our financial and critical



infrastructures. The Committee believes that the Secret Service's Electronic Crimes Special Agent Program (ECSAP) will continue to be the cornerstone of these efforts, as is evidenced by the heavy demands placed on the Secret Service to make available its ECSAP agents and related forensic resources. The Committee directs the Secret Service to provide, no later than January 31, 2004, a detailed report on the status of ECSAP that addresses staffing, training, and resource issues, to include plans for maintaining and refining the program.

OVERSEAS COUNTERFEITING

The Committee continues to be pleased with the results of the Secret Service's anti-counterfeiting efforts overseas, particularly in South America. Given the ongoing threat posed by counterfeiting operations run by organized criminal enterprises in Colombia, the risk of increased counterfeiting in recently "dollarized" countries such as Ecuador and Panama, as well as the possibility that counterfeiting could be used to finance terrorist organizations, the Committee believes that there may be a need for an increased presence of Secret Service personnel in the region. The Committee therefore directs the Secret Service to provide, no later than September 30, 2003, a detailed report on its recommendations for staffing its foreign offices in the region to investigate and shut down such counterfeiting operations.

ACQUISITION, CONSTRUCTION, IMPROVEMENTS, AND RELATED EXPENSES

Appropriation, fiscal year 2003 .....	\$3,496,000
Budget estimate, fiscal year 2004 .....	3,579,000
Recommended in the bill .....	3,579,000
Bill compared with:	
Appropriation, fiscal year 2003 .....	+83,000
Budget estimate, fiscal year 2004 .....	.....

MISSION

This account supports the acquisition, construction, improvement, equipment, furnishing and related cost for maintenance and support of Secret Service facilities, including the Secret Service Headquarters Building and the James J. Rowley Training Center.

RECOMMENDATION

The Committee recommends an appropriation of \$3,579,000 for Acquisition, Construction, Improvements, and Related Expenses, the same as the President's request.

JAMES J. ROWLEY TRAINING CENTER

The Committee is concerned that because of a lack of emphasis on long-term planning, the Secret Service is not achieving the maximum possible benefit from its James J. Rowley Training Center (JJRTC) in Beltsville, Maryland. Accordingly, the Committee directs the Secret Service to provide, no later than January 31, 2004, a five-year master plan for the JJRTC that includes a detailed assessment of current needs and challenges, and specific proposals

for enhancing the curriculum and facilities to meet future training requirements.

#### TITLE V—GENERAL PROVISIONS—THIS ACT

Section 501. The Committee includes a provision limiting the expenditure of funds to the current year unless expressly provided in this Act.

##### (TRANSFERS OF UNEXPENDED BALANCES)

Section 502. The Committee includes a provision allowing the transfer of unexpended balances of prior appropriations to appropriation accounts for such activities established pursuant to this Act, subject to the reprogramming and transfer guidelines.

##### (INCLUDING TRANSFER OF FUNDS)

Section 503. The Committee includes a provision requiring the Department of Homeland Security to promptly and fully inform the House and Senate Committees on Appropriations when a change in program execution and funding is required during the fiscal year. The following guidance is provided for reprogrammings and transfers during fiscal year 2004.

A reprogramming shall be submitted for any action that (1) creates a new program; (2) eliminates a program, project, or activity; (3) increases funds for any program, project, or activity for which funds have been denied or restricted by Congress; or (4) proposes to use funds directed for a specific activity in an appropriations Act or accompanying reports of the House and Senate Committees on Appropriations, or accompanying conference reports and joint explanatory statements of the committee of conference, for a different purpose.

A reprogramming shall be submitted when any Departmental action results in the movement of funds to or from any program, project, or activity in excess of \$5,000,000 or 10 percent, whichever is less, that: (1) augments existing programs, projects, or activities; (2) reduces by 10 percent funding for any existing program, project, or activity, or numbers of personnel by 10 percent as approved by Congress; or (3) results from any general savings from a reduction in personnel which would result in a change in existing programs, projects, or activities, as approved by Congress.

Transfers of not to exceed 5 percent of any appropriation made available for the current fiscal year to the Department of Homeland Security may be transferred between appropriations, but no such appropriation, except as otherwise specifically provided, may be increased by more than 10 percent by any such transfers.

The Department must notify the House and Senate Committees on Appropriations 15 days in advance of such reprogrammings or transfers. The Department must also notify the Committees at the end of each quarter during the fiscal year of all reprogramming actions that have been completed during that quarter involving less than \$5,000,000 or 10 percent.

Clearly stated and detailed documentation presenting justification for the reprogramming or transfer shall accompany each request. Additionally, each request shall include a declaration that,

as of the date of the request, none of the funds included in the request have been obligated, and none will be obligated, until the Committees on Appropriations have approved the request.

For purposes of this section, the term “program, project, and activity” shall mean any item for which a dollar amount is contained in an appropriations Act (including joint resolutions providing continuing appropriations) or accompanying reports of the House and Senate Committees on Appropriations, or accompanying conference reports and joint explanatory statements of the committee of conference.

Section 504. The Committee includes a provision providing that fifty percent of unobligated balances may remain available for certain purposes.

Section 505. The Committee includes a provision permitting the hire and purchase of motor vehicles.

Section 506. The Committee includes a provision converting the Federal Emergency Management Agency “Working Capital Fund” to the “Department of Homeland Security Working Capital Fund.”

Section 507. The Committee includes a provision converting the Federal Emergency Management Agency “Bequests and Gifts” account to the “Department of Homeland Security, Gifts and Donations” account.

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Section 516. The Committee includes a provision providing that none of the funds may be used for any activity or to pay the salary of any government employee if it would result in a policy that would prohibit enforcement of section 307 of the Tariff Act of 1930.

Section 517. The Committee includes a provision providing that none of the funds may be used to import goods produced by forced or indentured child labor.

Section 518. The Committee includes a provision allowing the purchase of insurance for official motor vehicles operated in foreign countries; the purchase of motor vehicles without regard to the general purchase price limitations for vehicles purchased and used overseas; and the provision of health and medical services for employees in foreign countries.

Section 519. The Committee includes a provision providing that none of the funds may be used for expenses of any construction, repair, alteration, and acquisition project for which a prospectus, if required by the Public Buildings Act of 1959, as amended, has not been approved, except that necessary funds may be expended for each project for required expenses for the development of a proposed prospectus.

Section 520. The Committee includes a provision providing that none of the funds may be used to pursue or adopt guidelines or regulations requiring airport sponsors to provide the Transportation Security Administration without cost building construction, maintenance, utilities and expenses, or space in airport sponsor-owned buildings for services relating to aviation security.

Section 521. The Committee includes a provision amending section 835 of the Homeland Security Act of 2002 to clarify the prohibition on contracting with foreign incorporated entities.

Section 522. The Committee includes a provision providing that none of the funds may be obligated for testing (other than simulations), deployment, or implementation of CAPPS2, the Computer Assisted Passenger Prescreening System that the Transportation Security Administration plans to use to screen aviation passengers, until the General Accounting Office reports to the Committee on several issues pertaining to the system.

#### APPROPRIATIONS CAN BE USED ONLY FOR THE PURPOSES FOR WHICH MADE

Title 31 of the United States Code makes clear that appropriations can be used only for the purposes for which they were appropriated as follows:

Section 1301. Application.

(a) Appropriations shall be applied only to the objects for which the appropriations were made except as otherwise provided by law.

#### HOUSE OF REPRESENTATIVES REPORT REQUIREMENTS

The following items are included in accordance with various requirements of the Rules of the House of Representatives.

TRANSFER OF FUNDS

Pursuant to clause 3(f)(2), rule XIII of the Rules of the House of Representatives, the following is submitted describing the transfer of funds provided in the accompanying bill.

The table shows, by title, department and agency, the appropriations affected by such transfers:

APPROPRIATION TRANSFERS RECOMMENDED IN THE BILL

APPROPRIATION TRANSFERS RECOMMENDED IN THE BILL

Account to which transfer is to be made	Amount	Account from which transfer is to be made	Amount
Title I:			
Office of the Inspector General .....	\$22,000,000	Emergency Preparedness and Response Disaster Relief Fund.	\$22,000,000
Title II:			
Bureau of Customs and Border Protection, Salaries and Expenses.	3,000,000	Harbor Maintenance Trust Fund .....	3,000,000
Federal Protective Service .....	424,211,000	General Services Administration, Federal Building Fund.	424,211,000
Title III:			
Preparedness, Mitigation, Response, and Recovery.	( <sup>1</sup> )	Firefighter Assistance Grants .....	( <sup>1</sup> )
Grant Programs .....	20,000,000	National Flood Insurance Fund .....	20,000,000

<sup>1</sup> Up to 5 percent of Firefighter Assistance Grants.

RESCISSION OF FUNDS

In compliance with clause 3(f)(2) of rule XIII of the Rules of the House of Representatives, the Committee reports that it recommends no rescissions in the bill.

CONSTITUTIONAL AUTHORITY

Clause 3(d)(1) of rule XIII of the Rules of the House of Representatives states that:

“Each report of a committee on a bill or joint resolution of a public character, shall include a statement citing the specific powers granted to the Congress in the Constitution to enact the law proposed by the bill or joint resolution.”

The Committee on Appropriations bases its authority to report this legislation from Clause 7 of Section 9 of Article I of the Constitution of the United States of America that states:

“No money shall be drawn from the Treasury but in consequence of Appropriations made by law \* \* \*”

Appropriations contained in this Act are made pursuant to this specific power granted by the Constitution.

COMPLIANCE WITH RULE XIII, CL. 3(e) (RAMSEYER RULE)

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in italic and existing law in which no change is proposed is shown in roman):

## SECTION 114 OF TITLE 49, UNITED STATES CODE

## § 114. Transportation Security Administration

(a) \* \* \*

\* \* \* \* \*

(t) *FEE AUTHORITY FOR TRANSPORTATION CREDENTIALS.*—

(1) *Subject to the provisions of this subsection, the Secretary of Homeland Security may impose reasonable fees and charges on an individual or an individual's employer, where such an individual requires a credential or background records check under Federal law for an activity in the field of transportation, to cover the costs of providing the credential or performing the backgrounds records check, including—*

(A) *conducting or obtaining a criminal history records check and a review of available law enforcement databases and records of other governmental and international agencies;*

(B) *review and adjudication of requests for waivers and appeals of agency decisions with respect to providing the credential, performing the background records check, and denials of requests for waiver and appeals; and*

(C) *any other costs of the Transportation Security Administration related to providing the credential or performing the backgrounds records check.*

(2) *The Secretary shall ensure that the fees are reasonably related to the costs of the Transportation Security Administration for providing services rendered. The amount of costs imposed under this subsection shall be determined by the Secretary and shall not be subject to judicial review.*

(3) *Notwithstanding section 9701 of title 31 and the procedural requirements of section 553 of title 5, the Secretary may impose a fee under this subsection through the publication of notice in the Federal Register.*

(4) *Notwithstanding section 3302 of title 31, any fee collected under this section—*

(A) *shall be credited as an offsetting collection to the account in the Treasury from which the expenses were incurred and are available to the Secretary for these expenses; and*

(B) *shall remain available until expended.*

## SECTION 835 OF THE HOMELAND SECURITY ACT OF 2002

## SEC. 835. PROHIBITION ON CONTRACTS WITH CORPORATE EXPATRIATES.

(a) *IN GENERAL.*—The Secretary may not enter into any contract with a foreign incorporated entity which is treated as an inverted domestic corporation under subsection (b), or any subsidiary of such an entity.

(b) *INVERTED DOMESTIC CORPORATION.*—For purposes of this section, a foreign incorporated entity shall be treated as an inverted domestic corporation if, pursuant to a plan (or a series of related transactions)—

(1) the entity completes *before, on, or after* the date of enactment of this Act, the direct or indirect acquisition of substantially all of the properties held directly or indirectly by a domestic corporation or substantially all of the properties constituting a trade or business of a domestic partnership;

\* \* \* \* \*

(c) DEFINITIONS AND SPECIAL RULES.—

(1) RULES FOR APPLICATION OF SUBSECTION (b).—In applying subsection (b) for purposes of subsection (a), the following rules shall apply:

(A) \* \* \*

(B) PLAN DEEMED IN CERTAIN CASES.—If a foreign incorporated entity acquires directly or indirectly substantially all of the properties of a domestic corporation or partnership during the 4-year period beginning on the date [which is after the date of enactment of this Act and] which is 2 years before the ownership requirements of subsection (b)(2) are met, such actions shall be treated as pursuant to a plan.

\* \* \* \* \*

(d) WAIVERS.—The Secretary shall waive subsection (a) with respect to any specific contract if the Secretary determines that the waiver is required in the interest of [homeland] *national* security.

FINANCIAL ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

In accordance with section 308(a)(1)(C) of the Congressional Budget Act of 1974 (Public Law 93–344), as amended, the financial assistance to state and local governments is as follows:

FY 2004 new budget authority .....	5,356
2004 outlays resulting therefrom .....	1,582

COMPARISON WITH BUDGET RESOLUTION

Clause 3(c)(2) of rule XIII of the Rules of the House of Representatives requires an explanation of compliance with section 308(a)(1)(A) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93–344), as amended, which requires that the report accompanying a bill providing new budget authority contain a statement detailing how the authority compares with the reports submitted under section 302 of the Act for the most recently agreed to concurrent resolution on the budget for the fiscal year from the Committee’s section 302(a) allocation. This information follows:

[In millions of dollars]

	302(b) allocation		This bill	
	Budget authority	Outlays	Budget authority	Outlays
Discretionary .....	29,411	30,506	29,411	30,506
Mandatory .....	831	847	831	847

Note.—Pursuant to section 404 of H. Con. Res. 95, increases to the Committee’s section 302(a) allocation are authorized for funding in the reported bill for Biodefense Countermeasures. After the

bill is reported to the House, the Chairman of the Committee on the Budget will provide an increased section 302(a) allocation consistent with the funding provided in the bill.

#### STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the following is a statement of general performance goals and objectives for which this measure authorizes funding:

The Committee on Appropriations considers program performance, including a program's success in developing and attaining outcome-related goals and objectives, in developing funding recommendations.

#### FIVE-YEAR OUTLAY PROJECTIONS

In compliance with section 308(a)(1)(B) of the Congressional Budget Act of 1974 (Public Law 93-344), as amended, the following table contains five-year projections associated with the budget authority provided in the accompanying bill:

	<i>Millions</i>
Outlays:	
Fiscal year 2004 .....	18,588
Fiscal year 2005 .....	6,518
Fiscal year 2006 .....	2,977
Fiscal year 2007 .....	1,203
Fiscal year 2008 and future years .....	743

#### COMPLIANCE WITH RULE XIII, CLAUSE 3(f)(1)

Pursuant to clause 3(f)(1) of rule XIII of the Rules of the House of Representatives, the Committee has inserted at the appropriate place in the report a description of the effects of provisions proposed in the accompanying bill which may be considered, under certain circumstances, to change the application of existing law, either directly or indirectly.

The bill provides, in some instances, for funding of agencies and activities where legislation has not yet been finalized. In addition, the bill carries language, in some instances, permitting activities not authorized by law. Additionally, the Committee includes a number of general provisions.

#### TITLE I—DEPARTMENTAL MANAGEMENT AND OPERATIONS

##### DEPARTMENTAL ADMINISTRATION

The Committee includes language providing funds for unforeseen emergencies of a confidential nature and for reception and representation expenses.

##### COUNTERTERRORISM FUND

The Committee includes language to authorize the Secretary of Homeland Security to reimburse Federal agencies for the costs of providing support to counter, investigate, or prosecute unexpected threats or acts of terrorism, including payment of rewards in connection with these activities.



## DEPARTMENT-WIDE TECHNOLOGY INVESTMENTS

The Committee includes language providing funds for the development and acquisition of information technology equipment, software, services and related activities and prohibits the use of funds to augment other automated systems.

## OFFICE OF THE INSPECTOR GENERAL

The Committee includes language providing funds for unforeseen emergencies.

## TITLE II—BORDER AND TRANSPORTATION SECURITY

## CUSTOMS AND BORDER PROTECTION

## SALARIES AND EXPENSES

The Committee includes language making funds available for border security, immigration, customs, and agricultural inspections and regulatory activities; planning, construction, and related activities of building, and facilities; official representation allowances; the procurement of inspection technology; uniforms; Harbor Maintenance Fee collections; and contractual or reimbursable agreements with state and local law enforcement. The Committee also includes a provision establishing an average overtime limitation.

## AUTOMATION MODERNIZATION

The Committee includes language making funds available until expended for automated systems and includes language requiring the submission of an expenditure plan prior to the obligation of funds.

## IMMIGRATION AND CUSTOMS ENFORCEMENT

## SALARIES AND EXPENSES

The Committee includes language making funds available for enforcement of immigration and customs laws, detention and removals of deportable aliens, investigations; planning, construction, and necessary related activities of buildings; official representation allowances and uniforms. The Committee includes a provision establishing an average overtime limitation.

## FEDERAL PROTECTIVE SERVICE

The Committee includes language making funds available for the operations of the Federal Protective Service, and provides that such funds shall be transferred from revenues and collections in the Federal Buildings Fund.

## AUTOMATION AND INFRASTRUCTURE MODERNIZATION

The Committee includes language making funds available until expended for automated systems and includes language requiring the submission of an expenditure plan prior to the obligation of funds.

## AIR AND MARINE INTERDICTION

The Committee includes language making funds available for the operation, maintenance and procurement of marine vessels and other equipment; travel; rental payments for facilities; and assistance to other law enforcement agencies and humanitarian efforts. The Committee includes language prohibiting the transfer of aircraft and related equipment out of the Bureau of Customs and Immigration Enforcement unless certain conditions are met.

## TRANSPORTATION SECURITY ADMINISTRATION

## AVIATION SECURITY

The Committee includes language making funds available until expended for civil aviation security; establishing conditions under which security fees are collected and credited. The Committee includes language establishing a staffing level for full time equivalents and makes funds available for both the installation and procurement of checked baggage explosive systems. The Committee also includes language on reception and representation expenses.

## MARITIME AND LAND SECURITY

The Committee includes language making funds available for port security grants.

## FEDERAL LAW ENFORCEMENT TRAINING CENTER

## SALARIES AND EXPENSES

The Committee includes language making funds available for official representation expenses; purchase of police type pursuit vehicles; student athletic and related recreational activities; conducting and participating in firearms matches; public awareness and community support; marketing; room and board; short term medical services; travel expenses; services authorized by 5 U.S.C. 3109; law enforcement accreditation; reimbursements for certain cell phone expenses. The Committee includes language authorizing the training of certain law enforcement personnel; authorizes the use of appropriations and reimbursements for such training and establishes a cap on total obligations. The Committee also includes language authorizing the acceptance of gifts; the harvesting of timber, including proceeds from timber sales; and establishes conditions for student housing.

## ACQUISITION, CONSTRUCTION, IMPROVEMENTS, AND RELATED EXPENSES

The Committee includes language making funds available until expended for real property and facilities and authorizes reimbursement from government agencies requesting construction of special use facilities. The Committee also includes language providing that all facilities remain under the control of the Federal Law Enforcement Training Center.

## OFFICE FOR DOMESTIC PREPAREDNESS

The Committee includes a provision identifying the amount of funds available for basic formula grants, law enforcement terrorism prevention grants, critical infrastructure grants, high-density, high-threat urban area grants, and grants for Centers for Emergency Preparedness. The Committee also includes language specifying the conditions under which both applications and grants are made and prohibits the application of Section 1014(c)(3) of Public Law 107-56 to certain grants made in the Act.

## TITLE III—EMERGENCY PREPAREDNESS AND RESPONSE

## ADMINISTRATIVE AND REGIONAL OPERATIONS

The Committee includes language making funds available for official representation expenses.

## PREPAREDNESS, MITIGATION, RESPONSE AND RECOVERY

The Committee includes a provision regarding charges assessed for the radiological emergency preparedness program, including conditions and methodology for the assessment and collection of fees, and a provision identifying the amount of funds available for emergency operations centers grants.

## PUBLIC HEALTH PROGRAMS

The Committee includes a provision identifying the amount of funds available for the Strategic National Stockpile.

## BIODEFENSE COUNTERMEASURES

The Committee includes a provision specifying the terms of availability of funds and establishes a limit on obligation of funds for fiscal years 2004 through 2008.

## GRANT PROGRAMS

The Committee includes language specifying conditions for grant awards.

## EMERGENCY FOOD AND SHELTER

The Committee includes a provision regarding administrative costs.

## FIREFIGHTER ASSISTANCE GRANTS

The Committee includes a provision authorizing the transfer of funds for program administration.

## DISASTER RELIEF

The Committee includes a provision authorizing the transfer of funds to the Office of Inspector General.

## FLOOD MAP MODERNIZATION FUND

The Committee includes language for non-Federal sums for cost-shared mapping activities.

## NATIONAL FLOOD INSURANCE PROGRAM

The Committee includes a provision authorizing the transfer of funds for flood mitigation, and a provision on limitations of operating expenses, agents' commission and taxes, and for interest on Treasury borrowings.

## DISASTER ASSISTANCE DIRECT LOAN PROGRAM ACCOUNT

The Committee includes a provision limiting gross obligations for direct loans; includes a provision regarding the cost of modifying loans; and provides for administrative expenses of the direct loan program.

## TITLE IV—OTHER DEPARTMENTAL ACTIVITIES

## CITIZENSHIP AND IMMIGRATION SERVICES

## OPERATING EXPENSES

The Committee includes language making funds available for citizenship and immigration services, including international services.

## UNITED STATES COAST GUARD

## OPERATING EXPENSES

The Committee includes a provision regarding passenger motor vehicles; prohibits the use of funds for certain administrative expenses; and prohibits the use of funds for yacht documentation except under certain circumstances. The Committee also includes language on reception and representation expenses.

## ENVIRONMENTAL COMPLIANCE AND RESTORATION

The Committee includes language providing funds for environmental compliance and restoration for the Coast Guard.

## RESERVE TRAINING

The Committee includes language providing funds for the Coast Guard reserve, including training, maintenance and operation of facilities, supplies, equipment and services.

## ACQUISITIONS, CONSTRUCTION, AND IMPROVEMENTS

The Committee includes a provision authorizing the disposal of surplus real property under certain conditions.

## ALTERATION OF BRIDGES

The Committee includes a provision specifying certain conditions for the availability of funds for bridge alteration projects.

## RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

The Committee includes a provision authorizing certain funds to be credited to this account.

## RETIRED PAY

The Committee includes language providing funds for retired pay and medical care for the Coast Guard's retired personnel and their dependents.

## INFORMATION ANALYSIS AND INFRASTRUCTURE PROTECTION

## OPERATING EXPENSES

The Committee includes a provision making funds available until September 30, 2005.

## SCIENCE AND TECHNOLOGY

## RESEARCH, DEVELOPMENT, ACQUISITION, AND OPERATIONS

The Committee includes a provision making funds available until September 30, 2006.

## UNITED STATES SECRET SERVICE

## SALARIES AND EXPENSES

The Committee includes language that provides funds for the purchase and replacement of vehicles; the hire of aircraft; purchase of motorcycles; services of expert witnesses; rental of certain buildings; improvements to buildings as may be necessary for protective missions; per diem and subsistence allowances; firearms matches; presentation of awards; protective travel; research and development; grants for behavioral research; official reception and representation expenses; technical assistance and equipment to foreign law enforcement organizations; advance payment for commercial accommodations; and uniforms. The Committee includes language making funds available for investigations of missing and exploited children, including grants; provides for two year availability of funds for protective travel; and authorizes law enforcement training for the US Postal Service, federal officers, State and local officers and private sector security. The Committee also authorizes the obligation of funds in anticipation of reimbursements for training, under certain conditions and authorizes short term medical services for students undergoing training.

## ACQUISITION, CONSTRUCTION, IMPROVEMENTS, AND RELATED EXPENSES

The Committee includes language providing funds for the acquisition, construction, improvement, and related expenses of Secret Service facilities.

## TITLE V—GENERAL PROVISIONS

Section 501. The Committee includes a provision limiting the expenditure of funds to the current year unless expressly provided in this Act.

Section 502. The Committee includes a provision allowing the transfer of unexpended balances of prior appropriations to appropriation accounts for such activities established pursuant to this Act, subject to the reprogramming and transfer guidelines.

Section 503. The Committee includes a provision requiring the Department of Homeland Security to promptly and fully inform the House and Senate Committees on Appropriations when a change in program execution and funding is required during the fiscal year and provides guidance for reprogrammings and transfers during fiscal year 2004.

Section 504. The Committee includes a provision providing that fifty percent of unobligated balances may remain available for certain purposes.

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Section 511. The Committee includes a provision requiring notification of the Committees on Appropriations three days before any grant allocation, discretionary grant award, or letter of intent totaling \$1,000,000 or more is announced by the Department.

Section 512. The Committee includes a provision providing that no agency shall purchase, construct, or lease any additional facilities to be used to conduct federal law enforcement training without advance approval of the Committee on Appropriations, except that the Federal Law Enforcement Training Center is authorized to obtain temporary use of additional facilities for training which cannot be accommodated in existing Center facilities.

Section 513. The Committee includes a provision directing the Federal Law Enforcement Training Center to ensure that all training centers under its control are operated at their highest potential capacity efficiency throughout the fiscal year.

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Section 515. The Committee includes a provision providing that none of the funds may be used to produce custom declarations that do not inquire whether a passenger has been in the proximity of livestock.

Section 516. The Committee includes a provision providing that none of the funds may be used for any activity or to pay the salary of any government employee if it would result in a policy that would prohibit enforcement of section 307 of the Tariff Act of 1930.

Section 517. The Committee includes a provision providing that none of the funds may be used to import goods produced by forced or indentured child labor.

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Section 519. The Committee includes a provision providing that none of the funds may be used for expenses of any construction, repair, alteration, and acquisition project for which a prospectus, if required by the Public Buildings Act of 1959, as amended, has not been approved, except that necessary funds may be expended for each project for required expenses for the development of a proposed prospectus.

Section 520. The Committee includes a provision providing that none of the funds may be used to pursue or adopt guidelines or regulations requiring airport sponsors to provide the Transportation Security Administration, without cost, building construction, maintenance, utilities and expenses, or space in airport sponsor-owned buildings for services relating to aviation security.

Section 521. The Committee includes a provision clarifying section 835 of the Homeland Security Act of 2002 regarding contracting with foreign incorporated entities.

Section 522. The Committee includes a provision prohibiting obligation of funds for CAPPS2, the Computer Assisted Passenger Prescreening System, until the General Accounting Office reports to the Committee on several issues pertaining to the system.

DETAILED EXPLANATIONS IN REPORT

It should be emphasized again that a more detailed statement describing the effect of the above provisions inserted by the Committee which directly or indirectly change the application of existing law may be found at the appropriate place in this report.

APPROPRIATIONS NOT AUTHORIZED BY LAW

Pursuant to clause 3(f)(1) of rule XIII of the House of Representatives, the following table lists the appropriations in the accompanying bill that are not authorized by law:

APPROPRIATIONS NOT AUTHORIZED BY LAW

[Dollars in thousands]

Agency/program	Last year of authorization	Authorization level	Appropriations in last year of authorization	Appropriations in this bill
Departmental Administration .....	NA	NA	NA	\$221,493
Counterterrorism Fund .....	NA	NA	NA	20,000
Department Wide Technology Investments .....	NA	NA	NA	206,000
Office of the Inspector General .....	NA	NA	NA	80,118

## APPROPRIATIONS NOT AUTHORIZED BY LAW—Continued

[Dollars in thousands]

Agency/program	Last year of authorization	Authorization level	Appropriations in last year of authorization	Appropriations in this bill
Bureau of Customs and Border Protection, Salaries and Expenses .....	<sup>1</sup> 2003	\$2,739,695	<sup>2</sup> \$3,195,094	4,587,600
Bureau of Customs and Border Protection, Salaries and Expenses .....	<sup>3</sup> 2002	( <sup>15</sup> )	730,710	4,587,600
Bureau of Immigration and Customs Enforcement, Salaries and Expenses .....	<sup>4</sup> 2003	2,739,695	<sup>5</sup> 3,032,094	2,030,000
Bureau of Immigration and Customs Enforcement, Automation and Infrastructure Modernization .....	<sup>6</sup> 2003	2,739,695	<sup>7</sup> 380,000	367,605
Grant Programs, Pre-Disaster Mitigation .....	<sup>8</sup> 2004	NA	200,000	200,000
Flood Map Modernization .....	<sup>8</sup> 2004	NA	200,000	200,000
National Flood Insurance Program (limitation on expenses) .....	<sup>8</sup> 2004	NA	110,570	110,570
Preparedness, Mitigation, Response and Recovery .....	<sup>9</sup> 2003	<sup>9</sup> 50,000	<sup>9</sup> 39,984	363,339
Preparedness, Mitigation, Response and Recovery .....	<sup>10</sup> 2003	<sup>10</sup> 21,585	<sup>10</sup> 16,778	363,339
Bureau of Citizenship and Immigration Services .....	<sup>11</sup> 2002	631,745	<sup>12</sup> 707,392	238,500
US Coast Guard, Operating Expenses .....	2003	4,327,456	<sup>13</sup> 4,503,152	4,703,530
US Coast Guard, Environmental Compliance and Restoration .....	2003	17,000	17,000	17,000
US Coast Guard, Reserve Training .....	2003	<sup>14</sup> NA	86,495	94,051
US Coast Guard, Acquisitions, Construction and Improvements .....	2003	725,000	742,100	805,000
US Coast Guard, Alteration of Bridges .....	2003	18,000	17,200	19,500
US Coast Guard, Research, Development, Test and Evaluation .....	2003	22,000	22,000	22,000
US Coast Guard Retired Pay .....	2003	889,000	889,000	1,020,000
Information Analysis and Infrastructure Protection, Operating Expenses .....	NA	NA	NA	776,000
Science and Technology, Research, Development, Acquisitions, and Operations .....	2003	( <sup>16</sup> )	NA	900,360

<sup>1</sup> Immigration and Naturalization Service—inspection, investigations, Border Patrol, detention and deportation only.

<sup>2</sup> Includes \$2,862,094,000 from the FY 2003 INS Salaries and Expenses appropriation, and \$333,000,000 included in the FY 2003 Wartime Supplemental Appropriations Act, PL 108–11.

<sup>3</sup> Agriculture Plant and Health Inspection Service only.

<sup>4</sup> Immigration and Naturalization Service—inspection, investigations, Border Patrol, detention and deportation only.

<sup>5</sup> Includes \$2,862,094,000 from the FY 2003 INS Salaries and Expenses appropriation, and \$170,000,000 included in the FY 2003 Wartime Supplemental Appropriations Act, PL 108–11.

<sup>6</sup> Immigration and Naturalization Service—inspection, investigations, Border Patrol, detention and deportation only.

<sup>7</sup> For Entry-Exit system.

<sup>8</sup> Authorized through December 31, 2003.

<sup>9</sup> Fire preparedness only.

<sup>10</sup> Earthquake mitigation only.

<sup>11</sup> INS Citizenship Services.

<sup>12</sup> Includes \$704,392,000 from FY 2003 INS Citizenship Service appropriations and \$3,000,000 in the FY 2003 Wartime Supplemental Appropriations Act, PL 108–11.

<sup>13</sup> Includes funding of \$228,000,000 in the Wartime Supplemental Appropriations Act, 2003.

<sup>14</sup> Reserve level is authorized under the National Defense Authorization Act; however, no appropriations level has been specified for reserve training.

<sup>15</sup> Such sums.

<sup>16</sup> Such sums as necessary for research, development, demonstrations, testing and evaluation.



## FULL COMMITTEE VOTES

Pursuant to the provisions of clause 3(b) of rule XII of the House of Representatives, the results of each rollcall vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

ROLLCALL NO. 1

Date: June 17, 2003.

Measure: Department of Homeland Security Appropriations Bill, FY 2004.

Motion by: Mr. Obey.

Description of motion: To increase funding for port security, border security, aviation security, maritime security and infrastructure security; increases are offset by a reduction to tax cuts for certain income groups.

Results: Rejected 25 yeas to 33 nays.

### *Members Voting Yea*

Mr. Berry  
Mr. Bishop  
Mr. Boyd  
Ms. DeLauro  
Mr. Dicks  
Mr. Edwards  
Mr. Farr  
Mr. Fattah  
Mr. Hinchey  
Mr. Hoyer  
Mr. Jackson  
Ms. Kaptur  
Mr. Kennedy  
Mrs. Lowey  
Mr. Mollohan  
Mr. Moran  
Mr. Obey  
Mr. Olver  
Mr. Pastor  
Mr. Price  
Mr. Rothman  
Ms. Roybal-Allard  
Mr. Sabo  
Mr. Serrano

### *Members Voting Nay*

Mr. Aderholt  
Mr. Bonilla  
Mr. Crenshaw  
Mr. Culberson  
Mr. Cunningham  
Mr. Doolittle  
Mrs. Emerson  
Mr. Frelinghuysen  
Mr. Goode  
Ms. Granger  
Mr. Hobson  
Mr. Istook  
Mr. Kingston  
Mr. Kirk  
Mr. Knollenberg  
Mr. Kolbe  
Mr. LaHood  
Mr. Lewis  
Mrs. Northup  
Mr. Peterson  
Mr. Regula  
Mr. Rogers  
Mr. Sherwood  
Mr. Simpson

Mr. Visclosky

Mr. Sweeney  
Mr. Taylor  
Mr. Tiahrt  
Mr. Vitter  
Mr. Wamp  
Mr. Weldon  
Mr. Wicker  
Mr. Wolf  
Mr. Young

BUDGET AUTHORITY FOR 2003 AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2004  
(Amounts in thousands)

	FY 2003 Enacted	FY 2004 Request	Bill	Bill vs. Enacted	Bill vs. Request
DEPARTMENT OF HOMELAND SECURITY					
TITLE I - DEPARTMENTAL MANAGEMENT AND OPERATIONS					
Departmental Administration, Salaries and expenses:	195,370	---	---	-195,370	---
Office of the Secretary and Executive Management:	---	2,340	2,340	+2,340	---
Immediate Office of the Secretary:	---	1,207	1,207	+1,207	---
Immediate Office of the Deputy Secretary:	---	20,025	20,025	+20,025	---
Security:	---	5,284	5,284	+5,284	---
Chief of Staff:	---	6,103	4,882	+4,882	-1,221
Executive Secretary:	---	4,777	3,822	+3,822	-955
Special Assistant to the Secy/Private Sector:	---	583	583	+583	---
NCR Coordinator:	---	3,698	2,959	+2,959	-739
State and Local Affairs:	---	1,384	1,108	+1,108	-276
International Affairs:	---	9,633	7,577	+7,577	-2,056
Public Affairs:	---	7,463	5,841	+5,841	-1,622
Legislative Affairs:	---	10,750	8,601	+8,601	-2,149
General Counsel:	---	14,885	11,908	+11,908	-2,977
Civil Rights and Liberties:	---	1,304	1,304	+1,304	---
Immigration Ombudsman:	---	767	767	+767	---
Homeland Security Advisory Committee:	---	767	767	+767	---
Privacy:	---	---	---	---	---
Subtotal:	195,370	90,970	78,975	-116,395	-11,995

BUDGET AUTHORITY FOR 2003 AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2004  
(Amounts in thousands)

	FY 2003 Enacted	FY 2004 Request	Bill	Bill vs. Enacted	Bill vs. Request
<b>Office of the Under Secretary for Management:</b>					
Under Secretary for Management.....	---	1,471	1,177	+1,177	-294
Strategic Initiatives.....	---	1,844	1,475	+1,475	-369
Chief Financial Officer.....	---	12,175	9,740	+9,740	-2,435
Procurement.....	---	7,134	5,707	+5,707	-1,427
Human Resources.....	---	7,824	6,259	+6,259	-1,565
Chief Information Officer.....	---	82,167	68,734	+68,734	-13,433
Administration.....	---	58,809	23,047	+23,047	-35,762
Subtotal.....	---	171,424	116,139	+116,139	-55,285
<b>Under Secretary for Border &amp; Transpo Security.....</b>					
Under Secretary for Information Analysis and Infrastructure Protection.....	---	10,132	8,106	+8,106	-2,026
Command Center.....	---	5,730	4,584	+4,584	-1,146
Under Secy for Emergency Preparedness & Response...	---	4,115	3,293	+3,293	-822
Under Secretary for Science and Technology.....	---	6,170	4,936	+4,936	-1,234
Total, salaries and expenses.....	195,370	294,000	221,493	+26,123	-72,507
Counterterrorism fund.....	9,935	40,000	20,000	+10,065	-20,000
Emergency Wartime Supplemental (PL 108-11).....	150,000	---	---	-150,000	---
Total, Counterterrorism fund.....	159,935	40,000	20,000	-139,935	-20,000
<b>Department-wide technology investments:</b>					
Information technology services.....	---	75,000	72,506	+72,506	-2,494
Security activities.....	---	31,000	31,000	+31,000	---
Wireless program.....	63,321	100,000	100,000	+36,679	---
Salaries and expenses.....	---	---	2,494	+2,494	+2,494
Total, Department-wide technology investments...	63,321	206,000	206,000	+142,679	---

BUDGET AUTHORITY FOR 2003 AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2004  
(Amounts in thousands)

	FY 2003 Enacted	FY 2004 Request	Bill	Bill vs. Enacted	Bill vs. Request
<b>Office of the Inspector General</b>					
Operating expenses.....	41,510	58,118	58,118	+16,608	---
Emergency Preparedness and Response Disaster Relief Fund (by transfer).....	(21,437)	(22,000)	(22,000)	(+563)	---
Total, Office of the Inspector General.....	(62,947)	(80,118)	(80,118)	(+17,171)	---
Appropriations.....	(41,510)	(58,118)	(58,118)	(+16,608)	---
(By transfer).....	(21,437)	(22,000)	(22,000)	(+563)	---
Total, Title I.....	460,136	598,118	505,611	+45,475	-92,507
(By transfer).....	(21,437)	(22,000)	(22,000)	(+563)	---
<b>TITLE II - BORDER AND TRANSPORTATION SECURITY</b>					
<b>Customs and border protection:</b>					
Salaries and expenses, Bureau of Customs and Border Protection.....	4,468,106	4,172,767	4,216,644	-251,462	+43,877
Inspection Technologies:					
Wireless PDA Access to Databases: equipment....	---	14,500	14,500	+14,500	---
Non-Intrusive Inspection Technology.....	---	57,800	67,800	+67,800	+10,000
Fiberoptic Scopes.....	---	6,800	6,800	+6,800	---
License Plate Readers.....	---	6,000	6,000	+6,000	---
Customs Automated Operations System (CAOS)....	---	9,700	9,700	+9,700	---
Explosive and Chemical Detector Canine programs	---	17,500	17,500	+17,500	---
Other, including Inspection Technology Staff....	---	6,700	6,700	+6,700	---
Subtotal.....	---	119,000	129,000	+129,000	+10,000
Container Security Initiative.....	---	61,754	61,754	+61,754	---
Reimbursable agreements with State and local law enforcement agencies.....	---	5,000	5,000	+5,000	---
Customs-Trade Partnership Against Terrorism.....	---	18,000	18,000	+18,000	---
Free and Secure Trade Initiative (FAST).....	---	3,900	3,900	+3,900	---
Agricultural Quarantine Inspection.....	---	42,000	42,000	+42,000	---

BUDGET AUTHORITY FOR 2003 AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2004  
(Amounts in thousands)

	FY 2003 Enacted	FY 2004 Request	Bill	Bill vs. Enacted	Bill vs. Request
Plum Island.....	---	8,000	8,000	+8,000	---
Textile Transshipment Enforcement.....	---	---	4,750	+4,750	+4,750
Construction:					
Border Patrol.....	---	43,385	43,385	+43,385	---
Other.....	---	52,167	52,167	+52,167	---
Subtotal.....	---	95,552	95,552	+95,552	---
Special operations.....	---	5,000	---	---	-5,000
U.S. Visitor and Immigrant Status Indicator Tech.....	---	444,300	---	---	-444,300
IT Transformation to Homeland Security Fund.....	---	30,210	---	---	-30,210
ATLAS/CHIMERA IT Connectivity.....	---	22,395	---	---	-22,395
Automated Commercial Environment/ International Trade Data System (ITDS).....	---	441,122	---	---	-441,122
Air and marine interdiction.....	---	175,000	---	---	-175,000
Harbor maintenance fee collection (trust fund).....	2,981	3,000	3,000	+19	---
Emergency Wartime Supplemental (P.L. 108-11).....	333,000	---	---	-333,000	---
Subtotal.....	4,804,087	5,647,000	4,587,600	-216,487	-1,059,400
Automation modernization.....	432,502	---	---	-432,502	---
Automated Commercial Environment/ International Trade Data System (ITDS).....	---	---	318,690	+318,690	+318,690
Automated Commercial System & Legacy IT Costs.....	---	---	122,432	+122,432	+122,432
IT Transformation to Homeland Security Fund.....	---	---	30,210	+30,210	+30,210
ATLAS/CHIMERA IT Connectivity.....	---	---	22,395	+22,395	+22,395
Subtotal.....	432,502	---	493,727	+61,225	+493,727

BUDGET AUTHORITY FOR 2003 AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2004  
(Amounts in thousands)

	FY 2003 Enacted	FY 2004 Request	Bill	Bill vs. Enacted	Bill vs. Request
<b>Fee accounts:</b>					
Immigration user fee.....	(519,000)	(509,000)	(509,000)	(-10,000)	---
Immigration examinations fund.....	(24,000)	(25,000)	(25,000)	(+1,000)	---
Immigration enforcement fines.....	(7,000)	(6,000)	(6,000)	(-1,000)	---
Land border inspection fund.....	(28,000)	(28,000)	(28,000)	---	---
COBRA.....	(239,000)	(253,000)	(253,000)	(+14,000)	---
Subtotal, Fee accounts.....	(817,000)	(821,000)	(821,000)	(+4,000)	---
<b>Subtotal, Customs and border protection.....</b>					
Appropriations.....	(6,053,589)	(6,468,000)	(5,902,327)	(-151,262)	(-565,673)
(Fee Accounts).....	(5,236,589)	(5,647,000)	(5,081,327)	(-155,262)	(-565,673)
	(817,000)	(821,000)	(821,000)	(+4,000)	---
<b>Immigration and customs enforcement:</b>					
Salaries and expenses, Bureau of Immigration and					
Customs Enforcement.....	1,685,431	175,564	180,819	-1,504,612	+5,255
Investigations and Protective Services.....	---	507,326	507,326	+507,326	---
Textile transshipment enforcement.....	---	---	4,750	+4,750	+4,750
Special operations.....	---	---	5,000	+5,000	+5,000
Child pornography tipline.....	---	---	100	+100	+100
Project Alert.....	---	---	200	+200	+200
Enforcement of laws against forced child labor.....	---	---	5,000	+5,000	+5,000
Intellectual Property Rights Center.....	---	6,400	6,400	+6,400	---
Subtotal.....	---	513,726	528,776	+528,776	+15,050
Detention and Removals.....	---	1,306,004	1,293,609	+1,293,609	-12,395
Construction:	---	---	---	---	---
Detention and Removals.....	---	21,000	21,000	+21,000	---
Other.....	---	5,796	5,796	+5,796	---
Subtotal.....	---	26,796	26,796	+26,796	---

BUDGET AUTHORITY FOR 2003 AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2004  
(Amounts in thousands)

	FY 2003 Enacted	FY 2004 Request	Bill	Bill vs. Enacted	Bill vs. Request
U.S. Visitor and Immigrant Status Indicator Tech. ATLAS/CHIMERA IT Connectivity.....	---	35,700	---	---	-35,700
Emergency Wartime Supplemental (P.L. 108-11).....	170,000	5,210	---	-170,000	-5,210
Subtotal.....	1,855,431	2,063,000	2,030,000	+174,569	-33,000
Federal Protective Service (GSA, Fed Bldgs Fund).. Automation and Infrastructure Modernization: U.S. Visitor & Immigrant Status Indicator Tech ATLAS/CHIMERA IT connectivity .....	408,031	424,211	424,211	+16,180	---
Subtotal.....	---	---	350,000	+350,000	+350,000
	---	---	17,605	+17,605	+17,605
Subtotal.....	---	---	367,605	+367,605	+367,605
Air and marine interdiction .....	180,647	---	175,000	-5,647	+175,000
Fee accounts: Immigration user fee.....	(135,000)	(132,000)	(132,000)	(-3,000)	---
Breached bond/detention fund.....	(171,000)	(116,000)	(116,000)	(-55,000)	---
COBRA.....	(49,000)	(49,000)	(49,000)	---	---
Subtotal, Fee accounts.....	(355,000)	(297,000)	(297,000)	(-58,000)	---
Subtotal, Immigration and customs enforcement....	2,799,109	2,784,211	3,293,816	+494,707	+509,605
Appropriations.....	2,444,109	2,487,211	2,986,816	+552,707	+509,605
(Fee Accounts).....	(355,000)	(297,000)	(297,000)	(-58,000)	---
Transportation Security Administration: Aviation Security.....	4,486,944	---	---	-4,486,944	---
Passenger screening: Personnel, compensation & benefits.....	---	1,319,600	1,185,400	+1,185,400	-134,200
Screening pilots (5 airports).....	---	112,000	125,000	+125,000	+13,000
Passenger screeners--others.....	---	42,300	42,300	+42,300	---
TSA human resource services.....	---	153,300	153,300	+153,300	---
Training.....	---	71,800	64,500	+64,500	-7,300
Checkpoint equipment.....	---	38,200	38,200	+38,200	---
Electronic surveillance.....	---	14,000	14,000	+14,000	---



BUDGET AUTHORITY FOR 2003 AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2004  
(Amounts in thousands)

	FY 2003 Enacted	FY 2004 Request	Bill	Bill vs. Enacted	Bill vs. Request
CAPPS II.....	---	35,000	35,000	+35,000	---
Maintenance for leased screening equipment	---	5,000	5,000	+5,000	---
Registered traveler program.....	---	5,000	5,000	+5,000	---
Gate screener initiative.....	---	5,000	5,000	+5,000	---
Subtotal.....	---	1,801,200	1,672,700	+1,672,700	-128,500
Baggage screening:					
Personnel, compensation & benefits.....	---	774,200	780,200	+780,200	+6,000
Checked bag screeners--other.....	---	24,000	24,000	+24,000	---
Baggage screener training contract.....	---	45,500	45,500	+45,500	---
EDS purchase.....	---	100,000	100,000	+100,000	+100,000
EDS installation.....	---	---	235,000	+235,000	+235,000
EDS/ETD maintenance.....	---	100,000	100,000	+100,000	---
Checked baggage data system.....	---	100	100	+100	---
Subtotal.....	---	943,800	1,284,800	+1,284,800	+341,000
Airport Security Direction and Enforcement:					
State and local enforcement.....	---	225,000	160,000	+160,000	-65,000
Law enforcement case management system....	---	2,300	2,300	+2,300	---
Airport management and staff.....	---	403,800	353,800	+353,800	-50,000
Airport rent and furniture.....	---	105,600	80,000	+80,000	-25,600
Airport parking and transit benefits.....	---	15,000	15,000	+15,000	---
Airport staff information technology.....	---	50,000	60,000	+60,000	+10,000
Transportation security coordination center	---	5,600	5,600	+5,600	---
Federal flight deck officer program.....	---	25,000	25,000	+25,000	---
Air cargo.....	---	20,000	20,000	+20,000	---
Subtotal.....	---	852,300	721,700	+721,700	-130,600
Emergency Wartime Supplemental (EL 108-11)....	645,000	---	---	-645,000	---
Subtotal.....	5,131,944	3,597,300	3,679,200	-1,452,744	+81,900

BUDGET AUTHORITY FOR 2003 AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2004  
(Amounts in thousands)

	FY 2003 Enacted	FY 2004 Request	Bill	Bill vs. Enacted	Bill vs. Request
Federal Air Marshals:					
Federal Air Marshals.....	---	600,000	615,100	+615,100	+15,100
K-9 units.....	---	17,000	17,000	+17,000	---
P, C&B for federal law enforcement officers....	---	2,500	2,500	+2,500	---
Subtotal.....	---	619,500	634,600	+634,600	+15,100
Maritime and land security.....	243,209	---	---	-243,209	---
Port security grants.....	---	---	100,000	+100,000	+100,000
Credentialed (TWIC).....	---	55,000	55,000	+55,000	---
Intercity bus security.....	---	10,000	10,000	+10,000	---
Operation Safe Commerce.....	---	2,500	2,500	+2,500	---
Highway and trucking security.....	---	22,000	22,000	+22,000	+22,000
Nuclear detection and monitoring.....	---	---	4,000	+4,000	+4,000
Transit security and training.....	---	---	10,000	+10,000	+10,000
Staffing and operations.....	---	28,000	28,200	+28,200	+200
Emergency Wartime Supplemental (PL 108-11)....	20,000	---	---	-20,000	---
Subtotal.....	263,209	85,500	231,700	-31,509	+146,200
Intelligence.....	---	13,600	13,700	+13,700	+100
Research and development.....	109,484	---	---	-109,484	---
Research & development at Tech Center.....	---	55,200	55,700	+55,700	+500
Next generation EDS and ETC.....	---	10,000	40,000	+40,000	+30,000
Air cargo.....	---	10,000	30,000	+30,000	+20,000
Subtotal.....	109,484	75,200	125,700	+16,216	+50,500
Administration.....	306,693	---	---	-306,693	---
Headquarters administration.....	---	141,100	162,000	+162,000	+20,900
Headquarters staff.....	---	21,800	21,800	+21,800	---
Headquarters rent.....	---	3,700	3,700	+3,700	---
Headquarters furniture.....	---	1,100	1,100	+1,100	---
Transit benefits and parking.....	---	167,700	188,600	+188,600	+20,900
Subtotal.....	---	167,700	188,600	+188,600	+20,900

BUDGET AUTHORITY FOR 2003 AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2004  
(Amounts in thousands)

	FY 2003 Enacted	FY 2004 Request	Bill	Bill vs. Enacted	Bill vs. Request
Field Admin: Mission support centers.....	---	40,000	45,200	+45,200	+5,200
Information technology:					
Information technology core	---	145,200	185,000	+185,000	+39,800
Time and attendance.....	---	15,000	15,000	+15,000	---
Performance & management system.....	---	5,000	5,000	+5,000	---
E-government management system.....	---	5,000	5,000	+5,000	---
Planet asset database.....	---	5,000	5,000	+5,000	---
TSA call center.....	---	1,900	1,900	+1,900	---
CFO/personnel systems.....	---	21,000	21,000	+21,000	---
Subtotal.....	---	198,100	237,900	+237,900	+39,800
Training.....	---	15,400	15,400	+15,400	---
Subtotal, Administration.....	306,693	421,200	487,100	+180,407	+65,900
Subtotal, TSA.....	5,811,330	4,812,300	5,172,000	-639,330	+359,700
DOT, FAA, Facilities & Equipment (reimbursement) ..	-143,000	---	---	+143,000	---
Offsetting collections.....	-2,650,000	-2,070,000	-2,070,000	+580,000	---
Grants to air carriers (Emerg Sup, PL 108-11).....	2,395,750	---	---	-2,395,750	---
Total, Transportation security administration...	5,414,080	2,742,300	3,102,000	-2,312,080	+359,700
Federal Law Enforcement Training Center:					
Operating expenses.....	132,122	122,379	136,629	+4,507	+14,250
Emergency Wartime Supplemental (PL 108-11).....	2,000	---	---	-2,000	---
Subtotal.....	134,122	122,379	136,629	+2,507	+14,250
Acquisition, const, improvements & rel. expenses..	35,766	23,679	32,323	-3,443	+8,644
Subtotal, Federal Law Enforcement Training Ctr..	169,888	146,058	168,952	-936	+22,894

BUDGET AUTHORITY FOR 2003 AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2004  
(Amounts in thousands)

	FY 2003 Enacted	FY 2004 Request	Bill	Bill vs. Enacted	Bill vs. Request
<b>Office for Domestic Preparedness</b>					
Office of Domestic Preparedness.....		2,558,000			-2,558,000
Basic formula grants.....	1,005,884		1,900,000	+894,116	+1,900,000
Emergency Wartime Supplemental (PL 108-11).....	1,330,000			-1,330,000	
State & local law enforcement terrorism prevention		500,000	500,000	+500,000	
Firefighter assistance grants.....		500,000			-500,000
Critical infrastructure.....			200,000	+200,000	+200,000
Emergency Wartime Supplemental (PL 108-11).....	200,000			-200,000	
High-threat High-density urban area.....			500,000	+500,000	+500,000
Emergency Wartime Supplemental (PL 108-11).....	700,000			-700,000	
Citizen Corps.....			45,000	+45,000	+45,000
Grant administration and planning.....			32,000	+32,000	+32,000
National domestic preparedness consortium.....			125,000	+125,000	+125,000
Centers for emergency preparedness.....			35,000	+35,000	+35,000
Technical assistance.....			67,000	+67,000	+67,000
National exercise program.....			50,000	+50,000	+50,000
Standards and testing.....			12,000	+12,000	+12,000
Pre-positioned equipment caches.....			5,000	+5,000	+5,000
Management and administration.....			21,000	+21,000	+21,000
Contractor support.....			11,000	+11,000	+11,000
Subtotal, Office of Domestic preparedness.....	3,235,884	3,558,000	3,503,000	+267,116	-55,000
<b>Total, Title II.....</b>					
Appropriations.....	16,500,550	14,580,569	14,852,095	-1,648,455	+271,526
	(16,500,550)	(14,580,569)	(14,852,095)	(-1,648,455)	(+271,526)

BUDGET AUTHORITY FOR 2003 AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2004  
(Amounts in thousands)

	FY 2003 Enacted	FY 2004 Request	Bill	Bill vs. Enacted	Bill vs. Request
<b>TITLE III - EMERGENCY PREPAREDNESS AND RESPONSE</b>					
<b>Operating expenses:</b>					
Salaries and expenses.....	224,523	---	---	-224,523	---
Emergency management planning and assistance.....	381,199	---	---	-381,199	---
Emergency Wartime Supplemental (PL 108-11).....	54,750	---	---	-54,750	---
Office of Cerro Grande Fire claims.....	89,415	---	---	-89,415	---
(Transfer from Disaster relief).....	(2,881)	---	---	(-2,881)	---
Emergency Wartime Supplemental (PL 108-11).....	45,000	---	---	-45,000	---
Subtotal.....	(797,768)	---	---	(-797,768)	---
Administration and Regional Operations.....	---	165,267	168,589	+168,589	+3,322
Preparedness, Mitigation, Response and Recovery.....	---	---	---	---	---
Radiological emergency preparedness program.....	---	1,000	---	---	-1,000
Radiological emergency preparedness fund.....	-1,000	---	---	+1,000	+1,000
Operating activities.....	---	163,000	170,339	+170,339	+7,339
Emergency management performance grants.....	---	---	168,000	+168,000	+168,000
Emergency operations centers.....	---	---	25,000	+25,000	+25,000
Subtotal (excl radiological emer pre progr).....	---	163,000	363,339	+363,339	+200,339
Public Health Programs.....	199,694	---	---	-199,694	---
Strategic national stockpile.....	298,050	400,000	400,000	+101,950	---
National disaster medical system.....	---	34,000	34,000	+34,000	---
Metropolitan medical response system.....	---	---	50,000	+50,000	+50,000
Subtotal.....	497,744	434,000	484,000	-13,744	+50,000
Biodefense countermeasures.....	---	890,000	890,000	+890,000	---
Advance appropriations.....	---	---	4,703,000	+4,703,000	+4,703,000

BUDGET AUTHORITY FOR 2003 AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2004  
(Amounts in thousands)

	FY 2003 Enacted	FY 2004 Request	Bill	Bill vs. Enacted	Bill vs. Request
Grant programs.....	149,025	280,000	180,000	+30,975	-100,000
National Flood Insurance Fund (by transfer).....	(19,870)	(20,000)	(20,000)	(+130)	---
Subtotal, Grant programs.....	(168,895)	(300,000)	(200,000)	(+31,105)	(-100,000)
Emergency food and shelter.....	152,005	153,000	153,000	+995	---
Firefighter assistance grants.....	745,125	750,000	750,000	+4,875	+750,000
Disaster relief.....	776,420	1,956,000	1,800,000	+1,023,580	-156,000
(Transfer to Office of the Inspector General).....	(-21,437)	(-22,000)	(-22,000)	(-563)	---
(Transfer to operating expenses).....	(-2,881)	---	---	(+2,881)	---
Subtotal, Disaster relief.....	(752,102)	(1,934,000)	(1,778,000)	(+1,025,898)	(-156,000)
Flood map modernization fund.....	149,025	200,000	200,000	+50,975	---
National Flood Insurance Fund: (Limitation on administrative expenses):	32,182	32,663	32,761	+579	+98
Salaries and expenses.....	77,161	77,809	77,809	+648	---
Flood mitigation.....	(-19,870)	(-20,000)	(-20,000)	(-130)	---
(Transfer to Grant programs).....	(89,473)	(90,472)	(90,570)	(+1,097)	(+98)
Subtotal, National Flood Insurance Fund.....	(24,837)	(25,000)	(25,000)	(+163)	---
Disaster assistance direct loan program account: (Limitation on direct loans).....	553	557	558	+5	+1
Administrative expenses.....	3,373,127	4,352,296	9,803,056	+6,429,929	+5,450,760
Total, Title III.....	(3,373,127)	(4,352,296)	(5,100,056)	(+1,726,929)	(+747,760)
Current year appropriations.....	---	---	(4,703,000)	(+4,703,000)	(+4,703,000)
Advance appropriations.....	(-44,188)	(-42,000)	(-42,000)	(+2,188)	---
(Transfer out).....	(22,751)	(20,000)	(20,000)	(-2,751)	---
(By transfer).....	(24,837)	(25,000)	(25,000)	(+163)	---
(Limitation on direct loans).....	---	---	---	---	---

BUDGET AUTHORITY FOR 2003 AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2004  
(Amounts in thousands)

	FY 2003 Enacted	FY 2004 Request	Bill	Bill vs. Enacted	Bill vs. Request
<b>TITLE IV - OTHER DEPARTMENTAL ACTIVITIES</b>					
<b>Citizenship and Immigration Services</b>					
Operating expenses.....	---	215,000	228,500	+228,500	+13,500
Backlog Elimination Initiative.....	---	20,000	20,000	+20,000	---
Immigration services.....	692,148	---	---	-692,148	---
Emergency Wartime Supplemental (PL 108-11).....	3,000	---	---	-3,000	---
Subtotal, Operating expenses.....	695,148	235,000	248,500	-446,648	+13,500
<b>Fee accounts:</b>					
Immigration user fee.....	(4,000)	(4,000)	(4,000)	---	---
Immigration examinations fund.....	(1,413,000)	(1,550,000)	(1,550,000)	(+137,000)	---
H-1b Visa fees.....	(10,000)	(10,000)	(10,000)	---	---
Subtotal, Fee accounts.....	(1,427,000)	(1,564,000)	(1,564,000)	(+137,000)	---
Total, Citizenship and immigration services.....	(2,122,148)	(1,799,000)	(1,812,500)	(-309,648)	(+13,500)
Appropriations.....	(695,148)	(235,000)	(248,500)	(-446,648)	(+13,500)
(Fee Accounts).....	(1,427,000)	(1,564,000)	(1,564,000)	(+137,000)	---
<b>United States Coast Guard</b>					
Operating expenses.....	3,937,362	4,498,000	---	-3,937,362	-4,498,000
Emergency Wartime Supplemental (PL 108-11).....	228,000	---	---	-228,000	---
Personnel resources	---	---	1,993,713	+1,993,713	+1,993,713
Military pay and allowances.....	---	---	381,246	+381,246	+381,246
Civilian health care.....	---	---	464,890	+464,890	+464,890
Military health care.....	---	---	105,184	+105,184	+105,184
Permanent change of stations	---	---	110,638	+110,638	+110,638
Training and education.....	---	---	20,702	+20,702	+20,702
Recruiting.....	---	---	4,420	+4,420	+4,420
FECA/UCX.....	---	---	---	---	---
Subtotal.....	---	---	4,703,530	+4,703,530	+4,703,530

BUDGET AUTHORITY FOR 2003 AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2004  
(Amounts in thousands)

	FY 2003 Enacted	FY 2004 Request	Bill	Bill vs. Enacted	Bill vs. Request
<b>Operating funds and unit level maintenance:</b>					
Atlantic command.....	--	--	145,714	+145,714	+145,714
Pacific command.....	--	--	161,540	+161,540	+161,540
1st District.....	--	--	38,708	+38,708	+38,708
7th District.....	--	--	54,498	+54,498	+54,498
8th District.....	--	--	39,150	+39,150	+39,150
9th District.....	--	--	20,860	+20,860	+20,860
13th District.....	--	--	16,050	+16,050	+16,050
14th District.....	--	--	11,522	+11,522	+11,522
17th District.....	--	--	21,052	+21,052	+21,052
Headquarters offices.....	--	--	414,913	+414,913	+414,913
Headquarters managed units.....	--	--	111,310	+111,310	+111,310
Other activities.....	--	--	2,290	+2,290	+2,290
DHS administrative services.....	--	--	-23,000	-23,000	-23,000
Travel.....	--	--	-8,077	-8,077	-8,077
Pay parity for civilians.....	--	--	4,099	+4,099	+4,099
Portable radiation search tools.....	--	--	3,000	+3,000	+3,000
Search and rescue.....	--	--	2,000	+2,000	+2,000
Subtotal.....	--	--	1,015,629	+1,015,629	+1,015,629
<b>Intermediate and depot level maintenance:</b>					
Aircraft maintenance.....	--	--	218,771	+218,771	+218,771
Electronic maintenance.....	--	--	89,889	+89,889	+89,889
Ocean engineer. & shore facilities maintenance	--	--	152,048	+152,048	+152,048
Vessel maintenance.....	--	--	146,400	+146,400	+146,400
Subtotal.....	--	--	--	--	--
Less adjustment for Defense function.....	--	--	-1,300,000	-1,300,000	-1,300,000
Defense function.....	337,790	340,000	1,300,000	+962,210	+960,000
Subtotal, Operating expenses.....	4,503,152	4,838,000	4,703,530	+200,378	-134,470



BUDGET AUTHORITY FOR 2003 AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2004  
(Amounts in thousands)

	FY 2003 Enacted	FY 2004 Request	Bill	Bill vs. Enacted	Bill vs. Request
Environmental compliance and restoration.....	16,889	---	17,000	+111	+17,000
Reserve training.....	85,933	---	94,051	+8,118	+94,051
Acquisition, Construction, and Improvements:					
Rescissions.....	-17,000	---	---	---	---
Vessels.....	25,434	---	---	+17,000	---
Great Lakes Icebreaker (GLIB) replacement.....		2,000	2,000	+2,000	---
41 foot UFB and NSB replacement project.....		12,000	12,000	+12,000	---
9 add'l coastal patrol boats to enforce securi		52,500	52,500	+52,500	---
Subtotal.....	25,434	66,500	66,500	+41,066	---
Aircraft.....	3,974	---	---	-3,974	---
Other equipment.....	120,512	---	---	-120,512	---
Defense messaging system (DMS).....	---	4,500	4,500	+4,500	---
National distress & response sys modernization	---	134,000	134,000	+134,000	---
Subtotal.....	120,512	138,500	138,500	+17,988	---
Shore facilities & aids to navigation facilities..	49,874	---	---	-49,874	---
Personnel compensation and benefits.....	62,590	---	---	-62,590	---
Core acquisition costs.....	---	500	500	+500	---
Direct personnel cost.....	---	69,500	69,500	+69,500	---
Subtotal.....	62,590	70,000	70,000	+7,410	---
Integrated deepwater systems.....	474,893	---	---	-474,893	---
Aircraft.....	---	67,700	97,700	+97,700	+30,000
Surface ships.....	---	230,400	230,400	+230,400	---
CAISR.....	---	80,400	80,400	+80,400	---
Logistics.....	---	45,400	45,400	+45,400	---
Systems engineering & integration.....	---	42,100	42,100	+42,100	---
Government program management.....	---	34,000	34,000	+34,000	---
Subtotal.....	474,893	500,000	530,000	+55,107	+30,000

BUDGET AUTHORITY FOR 2003 AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL, FOR 2004  
(Amounts in thousands)

	FY 2003 Enacted	FY 2004 Request	Bill	Bill vs. Enacted	Bill vs. Request
Research, development, test, and evaluation.....	---	22,000	---	---	-22,000
Subtotal, AC&I.....	737,277	797,000	805,000	+67,723	+8,000
Rescissions.....	-17,000	---	---	+17,000	---
Alteration of bridges.....	17,088	---	19,500	+2,412	+19,500
Research, development, test, and evaluation.....	21,857	---	22,000	+143	+22,000
Subtotal, U.S. Coast Guard discretionary.....	5,365,196	5,635,000	5,661,081	+295,885	+26,081
Retired pay (mandatory).....	889,000	1,020,000	1,020,000	+131,000	---
Total, United States Coast Guard.....	6,254,196	6,655,000	6,681,081	+426,885	+26,081
Appropriations.....	(6,271,196)	(6,655,000)	(6,681,081)	(+409,885)	(+26,081)
Rescissions.....	(-17,000)	---	---	(-17,000)	---
(Mandatory).....	889,000	1,020,000	1,020,000	+131,000	---
Information Analysis and Infrastructure Protection					
Operating expenses.....	185,149	---	---	-185,149	---
Threat determination and assessment.....	---	32,000	28,400	+28,400	-3,600
Information and warning advisories.....	---	69,700	47,300	+47,300	-22,400
Infrastructure vulnerability and risk assessment.....	---	95,000	84,200	+84,200	-10,800
Remediation and protective actions.....	---	383,900	311,600	+311,600	-72,300
National communications system.....	---	155,000	141,000	+141,000	-14,000
Competitive analysis and evaluation.....	---	20,000	18,900	+18,900	-1,100
National plans and strategies.....	---	5,000	3,500	+3,500	-1,500
Outreach and partnerships.....	---	60,000	40,900	+40,900	-19,100
Office of the Under Secretary for IAI.....	---	8,400	---	---	-8,400
Salaries and expenses.....	---	---	100,200	+100,200	+100,200
Total, Info Analysis & Infrastructure Protection	185,149	829,000	776,000	+590,851	-53,000

BUDGET AUTHORITY FOR 2003 AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2004  
(Amounts in thousands)

	FY 2003 Enacted	FY 2004 Request	Bill	Bill vs. Enacted	Bill vs. Request
Science and Technology					
Research, development, acquisition and operations.....	551,925	---	---	-551,925	---
Biological countermeasures.....	---	---	---	---	---
Operating expenses.....	---	274,735	203,235	+203,235	-71,500
Construction.....	---	90,000	90,000	+90,000	---
Subtotal.....	---	364,735	293,235	+293,235	-71,500
Nuclear and radiological countermeasures.....	---	136,625	129,625	+129,625	-7,000
Chemical countermeasures.....	---	55,000	52,000	+52,000	-3,000
High explosives countermeasures.....	---	10,000	9,500	+9,500	-500
Threat and vulnerability, testing and assessment.....	---	90,000	85,500	+85,500	-4,500
Conventional missions in support of DHS.....	---	55,000	112,000	+112,000	+57,000
Rapid prototyping prog/technical support working group	---	30,000	80,000	+80,000	+50,000
Standards/State and local program.....	---	25,000	39,000	+39,000	+14,000
Emerging threats.....	---	22,000	21,000	+21,000	-1,000
Critical infrastructure protection.....	---	5,000	4,500	+4,500	-500
University programs/Homeland security fellowship.....	---	10,000	35,000	+35,000	+25,000
Salaries and expenses.....	---	---	39,000	+39,000	+39,000
Total, Science and Technology.....	551,925	803,360	900,360	+348,435	+97,000

BUDGET AUTHORITY FOR 2003 AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2004  
(Amounts in thousands)

	FY 2003 Enacted	FY 2004 Request	Bill	Bill vs. Enacted	Bill vs. Request
<b>United States Secret Service</b>					
Salaries and expenses.....	1,015,506	---	---	-1,015,506	---
Emergency Wartime Supplemental (P.D. 108-11).....	30,000	---	---	-30,000	---
Protective, Investigative, & Uniformed Activities:					
Other Prot., Investigative & Unif. Activities:		1,017,790	1,044,389	+1,044,389	+26,599
White House Mail Screening and Processing.....	---	33,000	33,000	+33,000	---
Investigations of Missing & Exploited Children					
Support.....	---	1,633	1,633	+1,633	---
Grants.....	---	3,009	4,738	+4,738	+1,729
Presidential Candidate Protective Activities.....	---	64,940	64,940	+64,940	---
Subtotal.....	1,045,506	1,120,372	1,148,700	+103,194	+28,328
Acquisition, construction, improvements & related exp.	3,496	3,579	3,579	+83	---
Total, United States Secret Service.....	1,049,002	1,123,951	1,152,279	+103,277	+28,328
Total, Title IV.....	8,735,420	9,646,311	9,758,220	+1,022,800	+111,909
Appropriations.....	(8,752,420)	(9,646,311)	(9,758,220)	(+1,005,800)	(+111,909)
Rescissions.....	(-17,000)	---	---	(+17,000)	---
Total, Department of Homeland Security.....	29,069,233	29,177,294	34,918,982	+5,849,749	+5,741,688

BUDGET AUTHORITY FOR 2003 AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2004  
(Amounts in thousands)

	FY 2003 Enacted	FY 2004 Request	Bill	Bill vs. Enacted	Bill vs. Request
CONGRESSIONAL BUDGET RECAP					
Scorekeeping and discretionary adjustments:					
Emergency Wartime Supplemental (PL 108-11):					
Security fees suspension.....	570,000	---	---	-570,000	---
Aviation unemployment compensation extension..	125,000	---	---	-125,000	---
Airline bailout.....	---	215,000	215,000	+215,000	---
Security fees.....	---	---	34,000	+34,000	+34,000
Offsetting collections.....	---	---	-34,000	-34,000	-34,000
Subtotal, scorekeeping adjustments.....	695,000	215,000	215,000	-480,000	---
Less advance appropriations for subsequent years	---	---	-4,703,000	-4,703,000	-4,703,000
Total, adjustments.....	695,000	215,000	-4,488,000	-5,183,000	-4,703,000
Total (including adjustments).....	29,764,233	29,392,294	30,430,982	+666,749	+1,038,688
Amount in this bill.....	(29,069,233)	(29,177,294)	(34,918,982)	(+5,849,749)	(+5,741,688)
Scorekeeping adjustments.....	(695,000)	(215,000)	(215,000)	(-480,000)	---
Total mandatory and discretionary.....	29,764,233	29,392,294	30,430,982	+666,749	+1,038,688
Mandatory.....	(889,000)	(1,020,000)	(1,020,000)	(+131,000)	---
Discretionary.....	(28,875,233)	(28,372,294)	(29,410,982)	(+535,749)	(+1,038,688)

## ADDITIONAL VIEWS OF DAVID OBEY AND MARTIN OLAV SABO

Experts are in almost universal agreement that the United States continues to be a target for terrorist attacks that may be more devastating than the attacks of September 11, 2001.

It is for that reason that the Congress passed legislation last year creating a Department of Homeland Security. Moving the bureaucratic boxes on a sheet of paper, however, will not make the American people safer.

Our skies, ports, borders and infrastructure will only be safe if we apply careful planning and the resources necessary to implement those plans. The legislation accompanying this report is supposed to do that. Unfortunately it represents a stark failure to move forward in any meaningful way toward the challenge of reducing the terrorist threat.

### INFORMATION GAPS INHIBIT LEGISLATIVE EFFORTS

The legislation fails in large part because of the failure of the executive branch to provide necessary information.

- Budget justifications for many important activities within the Department were not submitted for months after the President's budget was released.

- Hearings could not even be arranged for four of the largest and most important of the Department's eleven major agencies. Those four agencies constitute \$9 billion or 31% of the Department's total budget.

- Witnesses that did appear before the committee were sometimes unprepared and unable to discuss major activities within their jurisdiction.

- Budget numbers that were transmitted to the committee were presented based on comparisons with the President's fiscal year 2003 request rather than the levels actually appropriated for fiscal year 2003. The Department to date has failed to respond to the Committee's request for comparisons based on actual 2003 appropriated levels. As a result, a complete understanding of the resources now being used for specific activities within the Department or the amounts that would be needed to reach specific goals is not possible.

In short, no subcommittee could have put together a responsible allocation of resources based on the huge information gaps that existed at the time the bill was reported. Standard budget documents, like those provided in 2003, required for making sensible decisions on any agency budget were not used in preparing this legislation.

Beyond that, the Department has failed to develop a useful roadmap of the security goals that the Department deems important; a time frame in which it hopes to achieve such goals or the cost

associated in meeting a specific goal within a specific time frame. If anyone at the Department has a strategy for objectives such as securing the northern border, tracking all vessels entering American waters or insuring that airline cargo is effectively screened, no one has been willing to share that information with the relevant committees of the Congress and in particular, the subcommittee charged with writing the Department's budget.

As a result, many of the windows of opportunity for terrorist organizations such as al Qaeda are nearly as widely open today as they were a year and a half ago and we seem to be stalled in terms of putting in place a program that will close those windows.

#### STANDSTILL BUDGET

Overall this bill provides \$29.4 billion in discretionary funding for fiscal year 2004. That is only about 1.8% above the overall funding level provided to agencies and activities within the Department for fiscal year 2003. CBO forecasts that prices will increase during the current fiscal year by 2.3%. As a result the bill actually provides funding for the coming year that in real dollar terms is about \$150 million below current levels.

Because of the lack of comparable budget information for most activities within the Department it is hard to state exactly what priorities this proposed level of funding is sacrificing. We have attempted to make a few extrapolations based on the scarce information that is available to address a few of these issues.

#### MISSING THE PATRIOT ACT GOAL ON NORTHERN BORDER STAFFING

When the Patriot Act was passed in the fall of 2001, it called for the tripling of staffing on the northern border. The risks posed by that border are not merely a matter of conjecture. Al Qaeda operatives have crossed the border carrying explosives. It is 5500 miles in length and until early 2002 it was protected at some border crossings only with traffic cones when agents were available to operate at crossing positions.

Tripling would require that the level of staff be increased from roughly 2300 on the border in the fall of 2001 to 6900 by the end of 2004. Thus far the Department has refused to provide the Committee with an operating plan for using funds provided in the FY03 omnibus and the FY03 supplemental for expanding staff and activities on the northern border. It has indicated, however, that it expects 4183 staff to be in place by September 30th and 5000 by the end of Fiscal 2004. That would mean that the Department will be about 10% behind its staffing goal for the northern border by this September and 28% behind by the end of the fiscal year for which this legislation provides funding.

Also disturbing is the fact that it appears that the Department may actually be deliberately slowing down the recruitment and hiring of agents at the present time in order to save funds to meet the anticipated plan for hiring next year. The overall spending level for Immigration and Naturalization Officers, Customs Agents and Agriculture Inspectors in this bill is only 0.3% higher than the amounts we provided these activities for the current fiscal year. Therefore, any increase in these activities in FY 2004 is likely to come from monies unspent and carried forward from FY 2003.

While the administration has failed to openly address whether or not it deems the goal of 6900 agents on the northern border is reasonable it has clearly decided it does not wish to spend the money to meet that goal within the time frame established under the act. At the recruitment rate proposed in the budget and recommended in the Committee's bill we will not have 6900 inspectors on the northern border until early in fiscal 2007.

#### TWENTY YEARS BEFORE WE SECURE OUR PORTS?

Another example of the failure of this bill to move forward in closing security gaps is the funds made available for port security. There are several discrete aspects to port security. One is controlling maritime traffic into and within the port area. Another is the inspection of people and cargo coming through the port. There is no evidence that the funds contained in this bill will bring about improvements in either of those activities. Neither the bill nor the request provided any initiatives for improved tracking of vessels, or interdiction of vessels that may pose a threat to life or property. There is also no increase in funds for personnel or equipment to increase the current portion of containers inspected or our capacity to target such inspections.

The Committee did provide \$100 million in funds not requested by the President for a third aspect of port security, securing and protecting the docks and dockside storage areas of our nation's ports. The Coast Guard has estimated that the overall cost of providing the fencing, cameras and other security measures to keep terrorists from gaining easy access to these areas is about \$4.4 billion. So far we have provided about \$450 million or 10% of the amount needed. If the federal government were to split the cost of securing these facilities with the local port authorities (although there is no evidence that the port authorities have the capacity to generate the revenue required to pay the other half) it would cost each \$2 billion. If the Congress sustains the funding level contained in the Committee bill it will require exactly 20 years to secure all docks and dockside storage areas.

These are only two examples where federal actions to improve security have all but stalled and where terrorists will find that America presents a fatter target than our plans and rhetoric after September 11th would have permitted. There can be little doubt that whatever the Administration and the majority party in Congress may profess about the priority that they attach to homeland security, it is clearly taking a back seat to their tax policy.

Just this year, legislation has been signed into law giving \$330 billion in new tax breaks. The 200,000 most well off taxpayers in the country, people whose annual income exceeds \$1,000,000 will get \$88,000 each this year as a result of those tax cuts. That adds up to more than \$17 billion in lost revenue just for the tax cuts going to those 200,000 taxpayers. Only a small fraction of that money could make a world of difference in the speed at which we close security gaps on our borders and in our ports.

#### A MODEST AMENDMENT

In Committee we offered an amendment that would have scaled back the tax cut going to those high-income individuals by \$5000



for one year. That means their tax break would have been \$83,000 instead of \$88,000. That produced \$1 billion in revenue that we proposed to use to make the country and coincidentally the property of these high-income taxpayers safer. Additional funds were provided in the following areas:

*Secure port facilities*

The amendment would have provided an additional \$500 million above the \$100 million included in the bill for port security grants. The Coast Guard estimates that \$4.4 billion is needed for port facility security improvements. The amendment would bring to 25% the Federal contribution to port facility security needs—a modest one compared to the impact of an attack at one of our ports. If we were to stay with the \$100 million contained in the bill, it would take close to 20 years to make half of the port facility security improvements the Coast Guard says are needed.

The amendment would also have provided \$100 million for the Coast Guard to effectively implement the Maritime Transportation Security Act (MTSA) passed last November. That Act calls for the Coast Guard to improve and analyze vessel threat information, to develop and implement a long-range automated vessel tracking system, and to determine if foreign ports maintain effective antiterrorism measures.

The Coast Guard has acknowledged substantial requirements for personnel and funding in fiscal years 2003 and 2004 to fully implement the new MTSA responsibilities. The Committee bill includes no additional funding for this purpose.

*Develop comprehensive plan to secure our northern border*

The amendment would have provided an additional \$200 million to improve northern border security. These funds could be used in either of two ways or in some combination of both. The additional \$200 million would allow the administration to reach the Patriot Act goal of staffing the northern border with 6900 agents by the end of fiscal 2004. As stated earlier the Administration currently has no means to monitor long, unguarded stretches of the 5,500-mile northern border.

Many experts believe that air and marine interdiction operations should be a high priority for improving the security of that border. During Operation Liberty Shield, when the northern border was patrolled by air for 30 days, 10 aircraft came across the border without clearance. Any one of these could have been carrying weapons of mass destruction. Possible cost of year-round air and marine interdiction would be in the neighborhood of \$200 million.

*End sabotage threat of overseas aircraft and secure the backsides of airports*

The amendment would also have provided \$150 million for aviation security improvements—for problems identified in the past but not addressed in this legislation because of the Transportation Security Administration's focus on screening. These items include grants to airports to improve perimeter security and TSA funding to secure overseas maintenance facilities for U.S. aircraft.

*Secure critical infrastructure*

Finally, the amendment would have increased funding to the Information Analysis and Infrastructure Protection (IAIP) program by \$50 million, restoring the reduction below the President's request that is contained in the Committee bill. The Department must work as quickly as possible to perform vulnerability assessments of our nation's high-risk critical assets and make needed security improvements. Funding should be added for this purpose, not reduced.

## CONCLUSION

It is highly unfortunate that the Committee elected to proceed with legislation for funding this Department in the absence of adequate information showing the unmet security needs facing the country or how the amounts that would be available either under the President's request or the Committee's proposed appropriation level compared to current year spending levels for specific programs. It would probably be in the best interest of the country if action on this legislation were withheld until those questions could be answered.

It is also difficult to know what funds should be provided the Department based on continuing evidence of bureaucratic chaos and mismanagement. Based on the best information the committee has been able to obtain, the Department still does not have a printed phone directory and appears to lack many of the other tools that mark a functioning organization. As a result, a number of areas where more resources might be desirable in the interest of national security are areas where there is no assurance that the funds could be used in a wise or effective manner.

The items contained in the amendment discussed above are all things that we feel could be accomplished despite the current chaos troubling the Department. They are certainly the very minimum that we should be doing, given events taking place throughout the world today.

DAVE OBEY.  
MARTIN OLAV SABO.

