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108TH CONGRESS, 2d Session | HOUSE OF REPRESENTATIVES | REPORT 108–541

DEPARTMENT OF HOMELAND SECURITY APPROPRIATIONS BILL, 2005

JUNE 15, 2004.—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. 4567]

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, 2005.

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The accompanying bill contains recommendations for new budget (obligational) authority for fiscal year 2005 for the Department of Homeland Security. The following table summarizes these recommendations and reflects comparisons with the budget, as amended, and with amounts appropriated to date for fiscal year 2004:

[In thousands of dollars]

Title	New budget (obligation) authority fiscal year 2004 enacted to date	Budget estimates of (obligational) authority, fiscal year 2005	Recommended in the bill	Bill compared with . . .	
				New budget authority fiscal year 2004	Budget estimate, fiscal year 2005
Departmental Management and Operations	452,629	713,604	634,223	+181,594	−79,381
Security Enforcement and Investigations	19,047,991	20,029,618	20,582,018	+1,534,027	+552,400
Preparedness and Recovery	13,374,351	9,206,471	9,500,298	−3,873,423	+294,457
Research and Development, Training, Assessments, and Services	2,173,475	2,240,232	2,368,232	+194,757	+128,000
Total	35,048,446	32,189,925	33,085,401	−1,963,045	+895,476

SUMMARY OF MAJOR RECOMMENDATIONS IN THE BILL

The Committee recommends $31,999,941,000 in discretionary resources for the Department of Homeland Security, $895,475,000 above the amounts proposed by the President and $2,757,678,000 above fiscal year 2004 enacted levels. Major increases above fiscal year 2004 enacted levels include $2,500,000,000 for Biodefense Countermeasures, as requested by the President.

TITLE I—DEPARTMENTAL MANAGEMENT AND OPERATIONS

OFFICE OF THE SECRETARY AND EXECUTIVE MANAGEMENT

Appropriation, fiscal year 2004	$80,317,000
Budget request, fiscal year 2005	102,623,000
Recommended in the bill	80,227,000
Bill compared with:	
Appropriation, fiscal year 2004	−90,000
Budget request, fiscal year 2005	−22,396,000

MISSION

The mission of management operations is to provide efficient services to the Department of Homeland Security and to support the Department in its achievement of its 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.

RECOMMENDATION

The Committee recommends $80,227,000 for the Office of the Secretary and Executive Management, $22,396,000 below the President's budget request and $90,000 below the amounts pro-

vided in fiscal year 2004. The request for a consolidated appropriation for the salaries and expenses of various offices within Departmental Operations has been denied due to inadequate budget justification documents, including insufficient detail on proposed appropriations and new personnel for each office within the Office of the Secretary and Executive Management. In order to adequately oversee expenditures in each office, the Committee has provided separate funding recommendations as detailed in the following table:

	Budget estimate	Recommended
Immediate Office of the Secretary	$2,388,000	$2,216,000
Immediate Office of the Deputy Secretary	1,112,000	1,112,000
Office of Security	21,044,000	21,824,000
Chief of Staff	5,240,000	5,240,000
Executive Secretary	5,190,000	5,190,000
Special Assistant to the Secretary/Private Sector	3,781,000	3,781,000
Office of National Capital Region Coordinator	1,323,000	811,000
Office of State and Local Government Coordination	3,546,000	.....
Office of International Affairs	1,318,000	1,200,000
Office of Public Affairs	10,669,000	8,120,000
Office of Legislative Affairs	6,627,000	.....
Office of General Counsel	10,821,000	8,645,000
Office of Civil Rights and Liberties	15,025,000	14,827,000
Citizenship and Immigration Services Ombudsman	5,858,000	1,985,000
Homeland Security Advisory Committee	1,414,000	1,350,000
Privacy Officer	3,774,000	2,270,000
Regions	3,493,000	1,746,000
Total	102,623,000	80,227,000

STAFFING ADJUSTMENTS

The President requested 71 new full-time equivalents (FTEs) under the Office of the Secretary and Executive Management, including: eight FTEs for the Office of Security, one FTE for the Executive Secretary, five FTEs for the National Capital Region, eight FTEs for Public Affairs, 16 FTEs for the Immigration Ombudsman, eight FTEs for the Privacy Office, one FTE for the Homeland Security Advisory Committee, and 24 FTEs for anticipated regional structures. Funding for all new FTEs was requested for the full fiscal year. However, the Office of the Secretary and Executive Management has over a 30 percent vacancy rate and it is increasingly apparent that the Department will not be fully staffed by the start of the fiscal year. The Committee recommendation acknowledges these vacancy rates and denies full year funding for any new FTEs. Instead, half year funding is provided for new FTEs with two exceptions: eight new FTEs for Public Affairs and one new FTE for the Executive Secretary, which are denied. Because these offices have a large number of vacancies (44 and 58 percent respectively), new personnel are not justified at this time.

The Committee also transfers and merges the Office of State and Local Government Coordination with the Office for Domestic Preparedness pursuant to Secretarial action. The Committee includes $3,077,000 for activities related to this office under Title III, under the heading Office for State and Local Government Coordination and Preparedness, Salaries and Expenses.

OFFICE OF SECURITY

The Committee recommends $21,824,000 for the Office of Security, $780,000 above the President's request. The additional funding will permit the office to hire six new FTEs to process adjudications associated with DHS background investigations outlined in Section 520 of this Act.

BACKGROUND INVESTIGATIONS

The Committee remains concerned by delays in personnel security and suitability background investigations, update investigations and periodic reinvestigations for Departmental employees and, in particular for competitive service positions within the Information Analysis and Infrastructure Protection (IAIP) directorate.

Under current law, the Office of Personnel Management (OPM) may grant delegations of authority for background investigations; this delegation currently exists for U.S. Customs and Border Protection (CBP) and the United States Secret Service. However, OPM will not delegate this authority to other DHS components. The Committee is extremely disappointed by OPM's position and includes a new provision (Section 520) providing DHS with the authority to conduct these investigations during fiscal year 2005. The Committee directs that this authority be used to expeditiously process background investigations, including updates and reinvestigations, as necessary, for competitive service positions within the IAIP directorate. The transfer of authority under this section shall be subject to terms and conditions comparable to those included in the Memorandum of Understanding between OPM's Center for Investigations Services and CBP, which took effect in November 2003 (including provisions relating to the use of contract investigators). Additionally, the Committee directs that this transfer of authority shall not affect that Memorandum of Understanding or any other arrangement in effect on the date of the enactment of this Act that involves the authority to conduct background or other investigations with respect to applicants for, or appointees in, positions within any component of the Department, and shall not extend to any positions subject to a Memorandum of Understanding or other arrangement which is in effect on the date of the enactment of this Act, while such Memorandum of Understanding or other arrangement remains in effect.

The Committee is aware of innovative proposals to expedite processing of background investigations, including updates and reinvestigations, such as "Fly" or "SWAT" teams. The Committee directs DHS to review the suitability of these proposals to expedite processing and alleviate backlogs and to utilize these concepts, as appropriate.

OFFICE OF LEGISLATIVE AFFAIRS

The Committee recommends no funding for the Office of Legislative Affairs. Over the past 16 months, the Committee has been extremely disappointed with the work of this Office. On a recurrent basis, this Office has been both unresponsive and unavailable to Members and staff. Specifically, the Office of Legislative Affairs fails to provide timely and comprehensive information to Members and staff regarding the Department's legislative strategy; fails to

return phone calls; fails to be available during critical stages of the legislative process for both authorization and appropriations matters; and fails to follow up on requests for information and meetings. The Committee is also disappointed that this Office remains critically understaffed, despite adequate funding, with only 23 of the 45 full time staff on board.

In March of this year, the Office of Legislative Affairs was directed to submit a management plan establishing standard operating procedures to correct these deficiencies. The Office was also directed to submit a hiring and retention plan in order to fill critical vacancies. Once again, the Office failed to meet deadlines for the submission of both plans. In short, the Office continues to show complete disregard for the legislative branch of government.

The Committee is aware that most of the Department's component agencies include their own legislative affairs offices; it has been the Committee's experience that these offices are both responsive and available on all legislative matters. The Committee believes that funding a central Office of Legislative Affairs is redundant and wasteful.

BUDGET JUSTIFICATIONS

In fiscal year 2006, the Committee directs that the Congressional budget justification for the Office of the Secretary and Executive Management be submitted in the same level of detail as the table contained in the back of this report. All funding and staffing changes for each individual office must be highlighted and explained. The Committee expects this level of detail to include separate discussions for personnel, compensation, and benefits; travel; training; and other services.

TRANSPORTATION OF HAZARDOUS MATERIAL

The Committee is concerned that there does not exist a clear authority to implement security precautions for the movement of hazardous material in the event of a heightened threat scenario. As such, the Committee directs the Secretary of Homeland Security, in conjunction with the Secretary of Transportation, to establish a transportation security directive to clarify the role and responsibility of the Department of Homeland Security and the Department of Transportation to implement effective security precautions for all modes of transportation in the movement of hazardous material.

GENERAL AVIATION ACCESS TO RONALD REAGAN WASHINGTON NATIONAL AIRPORT

Ronald Reagan Washington National Airport (DCA) has been closed to charter and general aviation (GA) aircraft for almost three years. Because the possibility of terrorists using an aircraft as a means of launching an attack on Washington, DC still exists, adequate security measures must be in place before access to DCA is restored for any charter and GA aircraft. However, the Committee believes that it is time to move forward with the process of restoring access to DCA for those GA operators willing to comply with what the Transportation Security Administration (TSA) determines to be appropriate security requirements.

The Committee therefore directs the Secretary of Homeland Security, in conjunction with TSA and the Secret Service, to develop and implement a reasonable and effective security plan restoring access to DCA for security qualified charter and GA operators by November 30, 2004. Security procedures for charter and GA flights arriving at or departing from DCA could include but not be limited to: (1) the vetting and certification of the GA operator's subject flight and ground crews, (2) advance clearing of passenger manifests by TSA, (3) physical screening of all passengers and luggage following TSA specified standards and procedures, (4) securing and physical inspection of the subject aircraft, (5) compliance with the "30 minute rule", (6) compliance with established special flight procedures, and (7) only allowing flights arriving at DCA to depart from a limited number of "gateway" airports. Any additional measures that could lead to the reopening of DCA must ensure that the unique security needs of the National Capital Region are adequately addressed.

IMPLEMENTATION OF CONGRESSIONAL INTENT

The Committee is concerned that agencies of the Department are not complying with Congressional intent, particularly in carrying out homeland security missions and priorities. The Committee directs that neither the Secretary nor any other employee of the Department prescribe any policy, procedure or regulation that would be contrary to or frustrate the intent of Congress as expressed in law.

HOMELAND SECURITY MISSION PRIORITY

The Committee is concerned that DHS agencies are not placing top priority on their homeland security missions set forth in the Homeland Security Act, but are in some cases giving more weight to less urgent, legacy activities. It is the duty of each officer and employee of each element of the Department to protect the homeland of the United States, including by ensuring that potential terrorist and criminal aliens do not enter the United States. The Committee therefore directs the Secretary to ensure that the policies and procedures of U.S. Citizenship and Immigration Services, of U.S. Immigration and Customs Enforcement, and every other element of the Department of Homeland Security are consistent with this duty, and that such requirements are made clear to each officer and employee of the Department.

OFFICE OF THE UNDER SECRETARY FOR MANAGEMENT

Appropriation, fiscal year 2004	$130,210,000
Budget request, fiscal year 2005	302,664,000
Recommended in the bill	179,806,000
Bill compared with:	
Appropriation, fiscal year 2004	+49,596,000
Budget request, fiscal year 2005	−122,858,000

MISSION

The Office of the Under Secretary for Management's primary mission is to deliver quality administrative support services such as human resources and personnel; facilities, property, equipment and other material resources management; safety, health and envi-

ronment; and identification and tracking of performance measurements relating to the responsibility of the Department. This office is also in charge of implementing a new mission support structure for the Department of Homeland Security to deliver administrative services while eliminating redundancies and reducing support costs.

RECOMMENDATION

The Committee recommends $179,806,000 for the Office of the Under Secretary for Management, $122,858,000 below the President's request and $49,596,000 above the amounts provided in fiscal year 2004. The request for a consolidated appropriation for the salaries and expenses of various offices within Departmental Operations has been denied due to inadequate budget justification documents, including insufficient detail on proposed appropriations and new personnel for each office within the Office of the Under Secretary for Management. In order to adequately oversee expenditures in each office, the Committee has provided separate funding recommendations as detailed in the following table:

	Budget estimate	Recommended
Under Secretary for Management	$1,434,000	$1,434,000
Business Transformation Office	1,832,000	920,000
Office of the Chief Financial Officer	12,275,000	.....
Office of Procurement	7,024,000	.....
Office of Human Resources	7,706,000	6,703,000
Office of the Chief Information Officer	68,396,000	.....
Secure communications for the Secretary	747,000	.....
Office of Administration	27,271,000	27,270,000
Immigration statistics	5,898,000	5,898,000
Headquarters	65,081,000	65,081,000
Human resource system	102,500,000	70,000,000
Investment review board	2,500,000	2,500,000
Total	302,664,000	179,806,000

STAFFING ADJUSTMENTS

The President requested full funding for 39 new FTEs under the offices of the Office of the Under Secretary for Management, including five new FTEs for the Business Transformation Office, four new FTEs for secure communications, and 30 new FTEs for Immigration Statistics. However, Departmental Offices currently have a very high vacancy rate. The Committee's recommendation acknowledges these vacancy rates and includes half year funding for the five new FTEs in the new Business Transformation Office, instead of full year funding as requested. The Committee has denied funding for four FTEs for secure communications; these functions are currently the responsibility of the Secretary's security detail and additional staff are unnecessary.

The Committee has transferred the offices of the Chief Financial Officer, Chief Procurement Officer, and the Chief Information Officer out of the Office of the Under Secretary for Management, and has provided separate appropriations for each office. In addition, a general provision (Section 515) has been included requiring these three offices to report directly to the Secretary of Homeland Security.

HUMAN RESOURCE SYSTEM

The Department is in the process of designing and deploying a new human resource system to replace the 140 legacy human resource information systems that currently support all the agencies within DHS. Because of delays in finalizing the regulations on this new human resource system, the Committee recommends $70,000,000 to support the design, detailed program development, and deployment of this system instead of $102,500,000 as requested by the President. An additional $21,000,000 has been provided within the Department's technology investment account for information technology requirements.

BUDGET JUSTIFICATIONS

In fiscal year 2006, the Committee expects the Congressional budget justification for the Office of the Under Secretary for Management be submitted in the same level of detail as the 2005 funding table. All funding and staffing changes for each individual office must be highlighted and explained. The Committee expects this level of detail to include separate discussions for personnel, compensation, and benefits; travel; training; and other services.

NEBRASKA AVENUE COMPLEX

The Committee recommends $65,081,000 for construction and related activities of the Nebraska Avenue Complex (NAC), the same as the amount requested by the President and $45,199,000 above amounts provided in fiscal year 2004. The Department is directed to submit, no later than October 15, 2004, a NAC facilities improvement and housing plan including: total cost of renovations and improvements for each DHS occupied building within the NAC complex; by fiscal year, and including all out year costs, the total cost for site and design, security upgrades and improvements, tenant improvements, and relocation costs; and by building, a list of tenants including the total number of current and projected tenants.

WORKING CAPITAL FUND

The Department has established a Working Capital Fund (WCF) for selected services, activities, and programs that benefit more than one Departmental organization. The WCF will also be used to consolidate funding for government-wide mandated initiatives assessed to the Department by central management agencies, and DHS crosscutting initiatives identified by the Secretary. The initial capitalization for the WCF is $90,400,000.

A report identifying all services, activities, programs, government-wide and Secretarial initiatives supported through the WCF in fiscal years 2004 and 2005 must be provided to the Committee by October 1, 2004. This is to include a brief description of each activity, the basis for the pricing policy, the estimated cost for fiscal years 2004 and 2005, (if the activity is a multi-year project with a defined cost, scope, and schedule for completion, also provide the total estimated cost of the activity by fiscal year and the estimated date for completion), the number of full-time federal employees funded in each activity, a list of each Departmental organization that is allocating funds to the activity, and the funding the organi-

zation is providing in fiscal years 2004 and 2005. The report should also identify any cross-cutting initiatives or activities that benefit more than one organization that are not included in the WCF and explain the omission.

The Committee expects all cross-cutting initiatives funded by multiple organizations to be included in the WCF and is to be promptly notified of any additions, deletions, or changes that are made to the WCF during the fiscal year. Taxing Departmental organizations for cross-cutting initiatives outside the WCF will not be approved by the Committee.

For fiscal year 2006, the same level of detailed information on the WCF is to be provided in the budget justification document submitted for the Departmental Operations account and the corresponding information contained in the salaries and expenses accounts for each organization that is funding the WCF. The Department should work with the Committee to ensure that the budget justification documents provide all necessary information at the appropriate level of detail.

OFFICE OF THE CHIEF FINANCIAL OFFICER

Appropriation, fiscal year 2004 [1]	($10,530,000)
Budget request, fiscal year 2005 [1]	(12,275,000)
Recommended in the bill	13,000,000
Bill compared with:	
Appropriation, fiscal year 2004	+2,470,000
Budget request, fiscal year 2005	+725,000

[1] Funding for the Office of the Chief Financial Officer was appropriated and requested under the Under Secretary for Management in fiscal years 2004 and 2005.

MISSION

The primary responsibilities and functions of the Office of the Chief Financial Officer include budget execution and oversight, performance analysis and evaluation, oversight of the Department's financial management system, oversight of the Department's business and resource management systems across all agencies and directorates, and credit card programs and audit liaisons.

RECOMMENDATION

The Committee recommends $13,000,000 for the Office of the Chief Financial Officer (CFO), $725,000 above the President's request and $2,470,000 above the amounts provided in fiscal year 2004. Additional funding has been provided to allow the CFO office to hire additional budget and program analysts; an assistant appropriations liaison staff; and a Deputy CFO. The Committee is concerned that, without additional staff, this office will remain overworked and not be as responsive as necessary to Congressional and Departmental needs.

Because of the importance of this office, the Committee has included bill language (Section 515) that modifies the Homeland Security Act to require the Chief Financial Officer to report directly to the Secretary of Homeland Security instead of joint reporting with the Secretary and Under Secretary for Management. Without an additional layer of review, the Committee expects financial and budgetary decisions to be made more expeditiously.

APPROPRIATIONS LIAISON OFFICE

The Committee is pleased that the Secretary concurred with the creation of the Appropriations Liaison Office in the Office of the Chief Financial Officer. Since its creation, the staff of the Appropriations Liaison Office has improved the Department's relationship with the Committee and provided for a greater information exchange on the Department's policies, programs, initiatives and budget requests. While the Committee will continue to call upon any office within the Department to obtain information, it is the Committee's intent that the Appropriations Liaison Office will permanently serve as the principal conduit of information between the Department and the Committee. The Committee includes funds for four FTEs for this office, including one administrative position.

CONGRESSIONAL BUDGET JUSTIFICATIONS

The Committee directs the Department to submit all of its fiscal year 2006 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 2005 and 2006. The Committee directs the CFO to ensure that adequate justification is given to each increase, decrease, and staffing change proposed in the fiscal year 2006 budget, particularly within the Departmental operations and management accounts. The budget justifications submitted for fiscal year 2005 were inadequate in many instances, as discussed throughout this report.

The Committee expects the Department to submit, as part of the fiscal year 2006 budget justification, a table identifying the last year that authorizing legislation was provided by Congress for each program, project, or activity; the amount of the authorization; and the appropriation in the last year of the authorization.

CLASSIFIED BUDGET JUSTIFICATIONS

Several components of the Department have classified programs that require preparation and submission of a separate classified budget justification document. These classified budget justification documents must be submitted to the House and Senate Committees on Appropriations at the same time the unclassified budget justifications are transmitted.

MONTHLY REPORTING REQUIREMENTS

The Department is directed to continue submitting 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, and ending unexpended obligations. This budget execution information is to be provided at the level of detail shown in the tables displayed at the end of this report for each Departmental component.

OFFICE OF THE CHIEF PROCUREMENT OFFICER

Appropriation, fiscal year 2004 [1]	($6,135,000)
Budget request, fiscal year 2005 [1]	(7,024,000)
Recommended in the bill	7,734,000
Bill compared with:	
Appropriation, fiscal year 2004	+1,599,000
Budget request, fiscal year 2005	+710,000

[1] Funding for the Office of the Chief Procurement Officer was appropriated and requested under the Under Secretary for Management in fiscal years 2004 and 2005.

MISSION

The Office of the Chief Procurement Officer is responsible for overall management, administration, and oversight of Department-wide acquisitions, financial assistance, strategic sourcing, and competitive sourcing programs.

RECOMMENDATION

The Committee recommends $7,734,000 for the Office of the Chief Procurement Officer, $710,000 above the President's request and $1,599,000 above the amounts provided in fiscal year 2004. This additional funding shall be used to hire nine additional procurement analysts for acquisition oversight and strategic outsourcing. Currently there is only one FTE devoted part-time to departmental oversight responsibilities despite recent and significant findings by the General Accounting Office and the Inspector General. The Committee also notes that there are two FTEs devoted to strategic sourcing. Without additional staff, long delays in acquisition and procurements will continue and deficiencies in these programs may not be uncovered in a timely fashion. The Committee directs that these new staff be onboard by January 30, 2005.

Because of the importance of this office, the Committee has included bill language (Section 515) that modifies the Homeland Security Act to require the Chief Procurement Officer to directly report to the Secretary of Homeland Security. With this change, the Committee expects procurement decisions to be made more expeditiously.

OFFICE OF THE CHIEF INFORMATION OFFICER

Appropriation, fiscal year 2004 [1]	($60,139,000)
Budget request, fiscal year 2005 [1]	(68,396,000)
Recommended in the bill	60,139,000
Bill compared with:	
Appropriation, fiscal year 2004	.....
Budget request, fiscal year 2005	−8,257,000

[1] Funding for the Office of the Chief Information Officer was appropriated and requested under the Under Secretary for Management in fiscal years 2004 and 2005.

MISSION

The Chief Information Officer (CIO) has oversight of all information technology projects in the Department. For projects that are estimated to cost over $5,000,000, the Office of the CIO is consulted, participates in the evaluation of proposals, and provides recommendations. The Chief Information Officer also has input into the development and execution of each directorate's information technology budgets.

RECOMMENDATION

The Committee recommends $60,139,000 for the Office of the Chief Information Officer, $8,257,000 below the President's request and the same as amounts provided in fiscal year 2004. High vacancy rates within this office prevent the Committee from supporting the budget increases requested for fiscal year 2005.

Because of the importance of this office, the Committee has included bill language (Section 515) that modifies the Homeland Security Act to require the Chief Information Officer to directly report to the Secretary of Homeland Security instead of joint reporting with the Secretary and Under Secretary for Management. Without an additional layer of review, the Committee expects information technology decisions to be made more expeditiously.

DEPARTMENT-WIDE TECHNOLOGY INVESTMENTS

Appropriation, fiscal year 2004	$183,784,000
Budget estimate, fiscal year 2005	226,000,000
Recommended in the bill	211,000,000
Bill compared with:	
Appropriation, fiscal year 2004	+27,216,000
Budget Estimate, fiscal year 2005	−15,000,000

MISSION

The Department-wide Technology Investments account 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, increase the efficiency of business processes, and centralize technological improvements.

RECOMMENDATION

The Committee recommends $211,000,000 for Department-wide Technology Investments, $15,000,000 below the President's request and $27,216,000 above the amounts provided in fiscal year 2004. Funding of $11,000,000 for Project SAFECOM has been transferred to the Science and Technology Directorate. The Committee continues statutory language prohibiting the use of funds in this account to support or supplement the appropriations for the U.S. Visitor and Immigrant Status Indicator Technology and the Automated Commercial Environment. The following table highlights funding levels by program, project and activity:

	Budget estimate	Recommended
Information technology services	$92,000,000	$88,000,000
Security activities	31,000,000	31,000,000
Wireless programs	100,000,000	89,000,000
Salaries and expenses	3,000,000	3,000,000
Total	226,000,000	211,000,000

INFORMATION TECHNOLOGY SERVICES

The Committee recommends $88,000,000 for Information Technology Services, $4,000,000 below the President's request, identified as program savings in the E-merge program. A major function of this program is to design and help implement a Department en-

terprise architecture that will guide investment in and use of information technology across the Department. Other activities include optimizing and integrating management systems, such as financial and human resources systems.

GEOSPATIAL INFORMATION MANAGEMENT

The Committee supports the Department's request of $5,000,000 to create a Department-wide Geographic Information System (E-GIS) capability under the direction of the Chief Information Officer. The Department does not currently have coordination of geographic information and related spatial data activities. Clear and concise policy direction is needed for geospatial information and technology efforts. The Department is directed to report to the Committee, by December 1, 2004, on the Department's homeland security-related geospatial information needs. This report should also identify the geospatial technologies currently under use, including information, data, systems hardware, and software; and provide a plan as to how oversight of all geospatial information systems management, procurement and interoperability issues at the Department will be managed.

SECURITY ACTIVITIES

The Committee recommends $31,000,000 for Security Activities, the same as the budget request. Activities funded under this program include support for enhancing connectivity to federal watch lists, and support to the DHS InfoNet, which 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.

The Committee directs the Department to provide a report by December 1, 2004, on the DHS internal and external information networks underway in this account. The report should describe the scope, annual and total project cost for implementation, identify the users, and the timing of implementation for the systems.

WIRELESS PROGRAMS

The Committee recommends $89,000,000 for Wireless Programs, $11,000,000 below the President's request. The reduction is due to the transfer of SAFECOM project funding to the Science and Technology Directorate.

The Homeland Security Data Network, funded within this account, will provide a secure Department-wide information network connecting all DHS bureaus and components, resulting in the phasing out of legacy systems. The Committee directs the Department to provide a project implementation plan for the Homeland Security Data Network by December 1, 2004. The plan should include the scope of the network, total estimated cost of implementing the network, and annual project costs until completion. The users of the system, and the sources of funding for the project should also be included.

SALARIES AND EXPENSES

The Committee recommends $3,000,000, the same as the budget request, for salaries and associated expenses for the federal em-

ployees funded in the Department-wide Technology Investments program. These funds will support 15 full-time federal employees.

OFFICE OF INSPECTOR GENERAL

Appropriation, fiscal year 2004 [1]	$80,318,000
Budget request, fiscal year 2005	82,317,000
Recommended in the bill	82,317,000
Bill compared with:	
Appropriation, fiscal year 2004	+1,999,000
Budget request, fiscal year 2005	

[1] Includes $22,000,000 by transfer from the Emergency Preparedness and Response Directorate.

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 concurrently to the Secretary of Homeland Security and to the Congress.

RECOMMENDATION

The Committee recommends $82,317,000 for the Office of Inspector General (OIG), the same as the budget request and $1,999,000 above the amounts provided in fiscal year 2004. Within this amount, the Inspector General should continue to fund a portion of the costs associated with the Department's yearly financial audit, at the same level as provided in fiscal year 2003.

AUDIT REPORTS

The Committee directs the Inspector General to forward copies of all audit reports to the Committee immediately after they are issued and to 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 OIG 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. While the Committee requested this information last year, it does not appear that this Congressional directive was followed on a routine and consistent basis.

TITLE II—SECURITY, ENFORCEMENT, AND INVESTIGATIONS

OFFICE OF THE UNDER SECRETARY FOR BORDER AND TRANSPORTATION SECURITY

SALARIES AND EXPENSES

Appropriation, fiscal year 2004	$8,058,000
Budget estimate, fiscal year 2005	10,371,000
Recommended in the bill	10,371,000
Bill compared with:	
Appropriation, fiscal year 2004	+2,313,000
Budget Estimate, fiscal year 2005	

MISSION

The Office of the Under Secretary for Border and Transportation Security (BTS) administers the directorate responsible for securing our nation's borders, including 350 official ports of entry, 7,500 miles of land border with Canada and Mexico, 12,000 miles of coastline, and a 3.4 million square mile exclusive economic zone. BTS oversees the security of the nation's transportation systems and enforcement of immigration and customs laws, and manages and coordinates the activities of five major components: U.S. Customs and Border Protection (CBP), U.S. Immigration and Customs Enforcement (ICE), the Transportation Security Administration (TSA), the Federal Law Enforcement Training Center, and the US–VISIT program.

RECOMMENDATION

The Committee recommends $10,371,000 for Salaries and Expenses, the same as the budget request and $2,313,000 above the amounts provided in fiscal year 2004. This includes $332,000 for additional travel, in recognition of the significant role BTS and its agencies play in international operations and initiatives affecting homeland security.

RATIONALIZATION AND MODERNIZATION OF PASSENGER AND TRAVELER PROCESSING SYSTEMS

BTS has inherited complex, stovepiped systems, run by numerous legacy agencies, for controlling the flow of individuals entering and leaving the United States, and is developing passenger registration and control systems to ensure safety in domestic travel. The Committee is aware that Inspector General report (OIG–04–25) identified needs for coordinating and rationalizing the approach to the multiple programs that rely on such systems. According to that report, BTS plans to carry out a business reengineering of federal operations to clear passengers into and out of the United States, and will use the outcome of that exercise to develop a coordinated Departmental acquisition strategy for passenger information technology systems. The Committee directs the Under Secretary for Border and Transportation Security to submit a report on the results of its re-engineering and its progress in achieving a streamlined acquisition strategy, including any legislative or funding requirements, with its fiscal year 2006 budget request.

COORDINATION OF AVIATION AND MARINE OPERATIONS AND PLANNING

The Committee is disappointed that it has not received the modernization plan for Air and Marine Operations (AMO) promised by the Department last year. While the report on AMO submitted to Congress in response to last year's direction covered some areas specified by the conferees, it did not address procurement milestones and, in particular, the resources required to achieve a multi-year plan. It is clear that efficiencies can be gained by co-location, shared maintenance and supply contracts, or consolidating staffing. BTS has responsibility for both AMO and the air and marine resources of the Border Patrol. The potential cost of upgrading and modernizing both of these fleets could run into hundreds of millions of dollars in coming years. It is critical that a clear blueprint be produced that spells out the mission, plan, and associated costs and implementation schedule for these assets and organizations.

The Committee is aware that DHS commissioned and has received an assessment of departmental aviation operations and support, and has subsequently tasked a Joint Requirements Council (JRC) and Aviation Management Council (AMC) to identify departmental aviation missions, requirements, and opportunities for strategic sourcing, as well as to examine organization and operational policies and coordination. DHS has testified that it will submit the findings of the AMC and JRC.

In the meantime, the Committee directs the Under Secretary for Border and Transportation Security, in consultation with the U.S. Interdiction Coordinator, to submit, not later than 30 days after enactment of this Act, a status report on specific actions being taken or planned to rationalize the air and marine assets of BTS, consistent with their critical homeland security and interdiction missions. The Committee also directs BTS and the Department to submit, as soon as they become available, and no later than 90 days after the enactment of this Act, the results of the Departmental review of aviation assets.

AIR AND MARINE OPERATIONS ORGANIZATION

The Committee is actively reviewing the appropriate organizational location for the Air and Marine Operations (AMO) program, currently under the jurisdiction of the Assistant Secretary for Immigration and Customs Enforcement (ICE). AMO had traditionally reported up through the Office of Investigations in the former U.S. Customs Service. In its present structure, AMO missions continue to include interdiction of smugglers and potential terrorists crossing our borders, traffickers operating in the source, transit and arrival zones of the Western Hemisphere, providing airspace security for the nation's capital and for National Special Security Events (NSSEs), and providing support for investigative and law enforcement operations. The rationale for AMO being part of ICE appears partially justified by the service it provides in such enforcement support, which includes surveillance, transportation and undercover operations.

However, as AMO has evolved, a substantial part of its mission remains tied to the borders. In its longer term planning, new or expanded basing will be located along borders, and most of its assets are and will continue to be based in a posture that supports border

integrity, interdiction and airspace security missions. This seems congruent with the focus of CBP. In addition, CBP has a fleet of aircraft and marine vessels under the U.S. Border Patrol, and the planning, acquisition, staffing and deployment of both those assets and those of AMO should be closely coordinated. There seems to be compelling logic, both in mission alignment and potential economies, in bringing AMO under the umbrella of the BTS Directorate and aligning its operations with the border security and interdiction missions of CBP.

A third option would be for AMO to report directly to the Under Secretary. This might help avoid arbitrary, bureaucratic barriers between interdiction and enforcement missions, and reflect that AMO is to be an operational asset at the disposal of all DHS agencies, as well as possessing unique mission responsibilities for airspace security that fall neatly into neither ICE nor CBP. On the other hand, BTS is not equipped with the organizational infrastructure such as personnel, financial management and procurement systems to support AMO, which would likely have to rely on other agencies for such services.

For now, the Committee reserves its position on the optimal location of AMO within BTS, but will examine this in the context of the full scope of AMO missions. The Committee will take into account the recommendations of the aviation program review being undertaken by the Joint Requirement Council (JRC) and Aviation Management Council (AMC). Further issues should be assessed, such as (1) the need to reconcile different investigative and enforcement capabilities and utilization of AMO officers and special agents; (2) the gap between growing airspace security mandates and funding and staffing levels; and (3) the roles and relationship of AMO and Border Patrol air and marine operations. Ultimately, the Committee wishes to identify potential efficiencies and areas of improved mission effectiveness across the aviation and marine entities of the BTS Directorate, but will wait until BTS completes its review and reports its findings before taking any action to move AMO.

IDENT—IAFIS INTEROPERABILITY

The Committee is extremely concerned about the pace of progress in linking the Automated Biometrics Identification System (IDENT), the fingerprint database managed by CBP and US–VISIT, with criminal records data contained in the FBI's Integrated Automated Fingerprint Identification System (IAFIS) system. The delays in achieving interoperability continue to leave a gap in security on our border, making it possible for individuals who may have criminal records to pass through our border if their records do not exist in DHS databases or watchlists. The Department has testified that this interoperability would be in place before the end of calendar year 2004. However, the Committee now understands that this will apply only to air and sea ports, and the largest and busiest Border Patrol locations and land ports of entry, but that remaining CBP and ICE locations will not be completed until the end of calendar year 2005. This capability will permit individuals being checked against the IDENT database to simultaneously be compared against the IAFIS database.

The Committee directs the Department to fully fund its cost to implement this capability, and directs the Under Secretary for Border and Transportation Security to report, not later than January 1, 2005, on the status of this effort, including to what extent IDENT and IAFIS data are shared and accessible in real time when border identity checks are made. The report should also discuss what technical and policy issues surround the sharing of IDENT information with State and local law enforcement, or with U.S. Citizenship and Immigration Services (CIS), which makes extensive use of fingerprints for background checks.

ARIZONA BORDER CONTROL INITIATIVE

The Committee strongly supports the Arizona Border Control (ABC) initiative being undertaken by the Department, with particular engagement by BTS agencies. The need to reduce a significant vulnerability to intrusion that exists on the Arizona border and stop the escalating violence associated with traffickers; the cost and danger such conditions impose on area residents; and the significant humanitarian interest in reducing loss of life in the region's isolated terrain, are compelling. However, the Committee is disappointed in the apparent lack of progress since the inception of the ABC initiative in March 2004. The Committee directs the Secretary to expedite the implementation of all aspects of the Arizona Border Control Initiative, including the Unmanned Aerial Vehicles program and the transfer of personnel to Arizona. The Committee also directs the Under Secretary for Border and Transportation Security to report to the Committee not later than 90 days after enactment of this Act on the results of this initiative, and to submit recommended enhancements to programs based on those results as part of its fiscal year 2006 request.

DETENTION STATISTICS

The number of individuals in detention at any given time in the United States who are awaiting deportation hearings, adjudication, or removal, has been estimated to be as high as 24,000. In order to understand the size of this population and the length of detentions involved, the Committee directs the Under Secretary for Border and Transportation Security to submit, not later than 90 days after enactment of this Act, a report on the number of people held on U.S. immigration violations in fiscal years 2003 and 2004, and the length of time individuals were held without having a hearing.

IMPROVEMENTS IN VISA PROCESSING

The Committee is concerned over the negative impact to the U.S. of increasing delays and related problems in the processing of visas for foreign visitors, students, researchers and tourists. Several recent studies have documented the adverse effect such delays have on U.S. businesses, the travel and tourism industry, and the scientific and educational communities.

Under the Homeland Security Act, DHS sets most visa policy guidance, DHS performs security reviews of visas, the State Department processes and issues visas, and the Justice Department is involved in adjudication. The Committee understands that the Secretary has established a working group to examine ways to im-

prove all aspects of visa processing, and looks forward to hearing of the results of this work. The Committee therefore urges the Department to continue to work on an interagency basis and with interested non-governmental stakeholders to strengthen the security of the visa process while improving its efficiency and working to alleviate problems that are creating unnecessary barriers or delays to legitimate travel to the United States.

UNITED STATES VISITOR AND IMMIGRANT STATUS INDICATOR TECHNOLOGY

Appropriation, fiscal year 2004	$328,053,000
Budget estimate, fiscal year 2005	340,000,000
Recommended in the bill	340,000,000
Bill compared with:	
Appropriation, fiscal year 2004	+11,947,000
Budget Estimate, fiscal year 2005	.....

MISSION

The mission of the United States Visitor and Immigrant Status Indicator Technology (US–VISIT) program is to enhance the security of U.S. citizens and visitors, facilitate legitimate travel and trade, ensure the integrity of the immigration system, and to improve and standardize the processes, policies, and systems utilized to collect information on foreign nationals who apply for visas at an embassy or consulate overseas, attempt to enter the country at established ports of entry (POE), request benefits such as change of status or adjustment of status, or depart the United States.

RECOMMENDATION

The Committee recommends $340,000,000 for US–VISIT, the same as the budget request and $11,947,000 above the amounts provided in fiscal year 2004.

US–VISIT IMPLEMENTATION

The Committee recognizes the significant accomplishment represented in making the January 5, 2004 deadline for having an entry capability in place at all international airports and seaports. At the same time, there remain significant challenges for the US–VISIT program in achieving statutory deadlines for exit processing and for land ports of entry. In addition, US–VISIT will need to fully assess new biometric technology as it becomes available, and potentially address significant infrastructure requirements. The Committee remains concerned that this project has not been fully staffed to meet the demands of a growing procurement project and to oversee the ongoing system operations.

In order to ensure that program management is not disrupted by the various reporting requirements, the Committee has provided that $86,000,000 for program management and operations, including associated personnel costs and benefits for program management office (PMO) staff, will be made available upon enactment of this Act. However, the Committee continues to require a detailed expenditure plan, and expects it to display detail greater than was provided for fiscal years 2003–2004. Such plans must reflect clear benefit-cost analyses associated with the increments being proposed for funding. In addition, the Committee directs that US–

VISIT adhere to the most stringent standards in developing and testing its system plans prior to their being deployed or made operational. The Committee also directs US–VISIT to ensure that the contractors it selects to perform independent verification and validation tasks are genuinely independent and neutral with regard to whatever prime integrator or other vendors are participating in the project. Finally, the Committee also directs US–VISIT to continue to submit monthly deployment status reports.

IMPACT OF POLICY CHANGES ON US–VISIT

The US–VISIT program is inherently subject to a great deal of uncertainty. One key area relates to the impact of international agreements and practices for the control of travel and the sharing of information. Decisions regarding the waiver of visa or passport requirements for residents of certain countries, or the availability of partnerships to share lookout information, such as those being developed with Mexico and Canada, can affect the strategic context in which US–VISIT is designed and operates. The Committee directs the Under Secretary for Border and Transportation Security to notify the Committee of major administrative or policy changes that could materially affect the mission and operations of US–VISIT, U.S. Customs and Border Protection, or other BTS agencies with responsibilities for controlling or monitoring movement of individuals across our borders. The Committee also expects such changes in policy or practice to be addressed directly in US–VISIT expenditure plans, if such changes affect the underlying requirements for US–VISIT and associated programs.

UNITED STATES CUSTOMS AND BORDER PROTECTION

SALARIES AND EXPENSES

Appropriation, fiscal year 2004 to date	$4,370,430,000
Budget estimate, fiscal year 2005	4,580,491,000
Recommended in the bill	4,611,991,000
Bill compared with:	
Appropriation, fiscal year 2004	+241,561,000
Budget Estimate, fiscal year 2005	+31,500,000

MISSION

The mission of U.S. Customs and Border Protection (CBP) is to protect the borders of the United States by preventing, preempting and deterring threats against the United States through ports of entry and to interdict illegal crossing between ports of entry. CBP's mission integrates homeland security, safety, and border management in an effort to ensure that all goods and persons crossing the borders of the United States do so in accordance with applicable laws and regulations, while posing no threat to the United States. Specifically, the priority of CBP is to prevent terrorists and terrorist weapons from entering the United States. CBP is also responsible for apprehending individuals attempting to enter the United States illegally; stemming the flow of illegal drugs and other contraband; protecting our agricultural and economic interests from harmful pests and diseases; protecting American businesses from theft of their intellectual property; and regulating and facilitating international trade, collecting import duties, and enforcing U.S. trade laws. CBP has a workforce of over 40,000, including

inspectors, canine enforcement officers, Border Patrol agents, trade specialists, and mission support staff.

RECOMMENDATION

The Committee recommends $4,611,991,000, including $3,000,000 for the collection of the Harbor Maintenance Fee. This represents an increase of $31,500,000 above the President's request and $241,561,000 above the amounts provided in fiscal year 2004. This fully funds the President's request except for a reduction of $23,000,000 to reflect the transfer of the Charleston Training Center to FLETC, and includes an additional $50,000,000 for radiation detection and inspection technology; $3,000,000 for the Immigration Security Initiative, $1,000,000 for a program to monitor in-bond cargo containers, and $500,000 to continue steel tariff enforcement training.

The Committee includes bill language making $176,162,000 available for two fiscal years, comprising $100,000,000 for procurement of inspection and detection technology, $64,162,000 for border surveillance technology investment, $10,000,000 for unmanned aerial vehicles, and $2,000,000 for equipment for the Container Security Initiative.

BIOMETRIC VERIFICATION SYSTEMS

The Committee is aware that adjustments were necessary in fiscal year 2004 to realign funding between the US–VISIT program and CBP in order to fully fund the installation and deployment of biometric verification systems (BVS) that had been acquired with $10,550,000 of prior year funding and are necessary to read the more than 6,000,000 Mexican border crossing cards in circulation. The Committee strongly supports deployment of these systems to as many border crossings as possible, and therefore directs CBP to move rapidly to complete the integration of these systems with other systems in use at primary and secondary inspection locations. The Committee directs CBP to report not later than 30 days after enactment of this Act on the status of deployment of the BVS systems, their integration into operations at the borders, including, specifically, the relationship with US–VISIT screening and processing.

APPROPRIATIONS ACCOUNT STRUCTURE

The Committee has been seeking to improve the way in which program and budget information is presented and tracked, particularly for very large and undifferentiated categories of spending such as the Salaries and Expenses appropriation. This is necessary so the Committee can better understand the real operational impact of funding for CBP on core mission and program activities, and to improve the transparency in CBP budget justifications. In the course of this effort, the Committee has received useful advice from CBP and the Department, and recognizes that additional changes in account structure will occur as programs change and functions and missions are aligned. The Committee, for example, agrees with the effort to unify CBP and supports the concept of "one face at the border," and therefore has decided to show funding for headquarters administration as a single category for the agen-

cy. While the agency has expressed some concerns about the capacity of existing accounting systems to accommodate this structure, or possible operational impacts of reprogramming delays, the Committee strongly supports additional detail and clarity in the budget presentation, and will continue to promptly review and respond to reprogramming requests that arise.

The categories that the Committee therefore recommends for fiscal year 2005 funding for Salaries and Expenses are as follows:

Salaries and expenses	Amount
Headquarters Management and Administration	$1,366,146,000
Border Security Inspections and Trade Facilitation:	
Inspections, Trade, and Travel Facilitation at Ports of Entry	1,242,800,000
Harbor Maintenance Fee Collection (Trust Fund)	3,000,000
Container Security Initiative	126,096,000
Other international programs	58,300,000
Customs Trade Partnership Against Terrorism/FAST	37,828,000
Inspection and Detection Technology Investments	165,159,000
Automated Targeting Systems	29,800,000
National Targeting Center	16,100,000
Other Technology Investments, including information technology	1,000,000
Training	18,800,000
Subtotal, Border Security Inspections and Trade Facilitation	1,698,883,000
Border Security and Control between Ports of Entry:	
Border Security and Control between Ports of Entry	1,413,800,000
Air Program Operations	37,300,000
Unmanned Aerial Vehicles	10,000,000
Integrated Surveillance and Intelligence System Procurement	64,162,000
Training	21,700,000
Subtotal, Border Security and Control between POEs	1,546,962,000
Total, Salaries and Expenses	4,611,991,000

SUPPLY CHAIN AND CONTAINER SECURITY

The Committee strongly supports efforts by CBP to improve security for international trade and commerce, and protect the supply chain on which the U.S. economy depends. To further support these promising efforts, the Committee fully funds the request for $25,000,000 to expand the capacity of the Container Security Initiative (CSI), to reach important ports in such locations as Central America and the Caribbean, and a $15,200,000 increase to expand the Customs-Trade Partnership Against Terrorism (C–TPAT), adding 120 supply chain officers to work with shippers and manufacturers to establish and certify security within their own operations and facilities.

The Container Security Initiative (CSI) is an intelligence and technology-based program to identify and target cargo containers that pose a risk for use by terrorists as a vehicle to deliver weapons or material to cause mass destruction and disrupt U.S. and international trade. Under CSI, CBP inspectors and analysts, as well as special agents from U.S. Immigration and Customs Enforcement (ICE), pre-screen containers at ports of departure before they arrive at U.S. ports. From its inception in 2002 CSI has grown to encompass 18 countries and 38 ports in various stages of implementation. In order to understand the management, coordination and

communication of this program, the Committee directs the Commissioner to submit a detailed implementation report and plan in two parts. Part one, due to the Committee no later than 30 days after enactment of this Act, should include CSI obligations to date; current on-board permanent and temporary staffing at each CSI site; identification and deployment status of required inspection equipment; and a description of the division of labor between CBP and ICE personnel. Part two, due no later than 90 days after enactment of this Act, should cover fiscal years 2005–2009 and include detailed spending estimates, the planned billet structure of each CSI location, detailed plans for the procurement and deployment of required inspection equipment; and details on how CSI data will be integrated into other CBP and DHS information and communication networks, such as the Automated Commercial Environment, and in particular how CSI data and analysis will be made available to CBP ports of entry, field offices and the National Targeting Center.

As the Department continues to invest in research and development into next-generation inspection technologies and intrusion sensors, the Committee encourages testing of an integrated network approach where all relevant route, inspection, shipment, and intrusion data can be analyzed and disseminated in real time. The Committee believes creation of such a world-wide cargo container data sharing network would enhance the current inspection system and provide valuable information for shippers and federal law enforcement officials.

JOINT RISK ASSESSMENTS

Initiatives such as the Container Security Initiative and similar efforts capitalize on information that is collected or in the custody of CBP or DHS entities. However, there is also a potential benefit in sharing, in a limited form, information about shipments of interest with governments from which the shipment originates. A foreign government possesses far more information about individual companies and shippers based in its country than CBP will have access to, and may be willing to share its unique perspective or insight with CBP. In order to enhance screening of persons who export goods to the United States, the Subcommittee encourages DHS and CBP to explore and test, with appropriate authorities in countries that export to the United States, the use of joint risk assessments on common information.

CONTAINER SENSORS AND IN-BOND SHIPMENTS

The Committee is concerned about the potential risk posed by "in-bond" shipments that transit the United States. Such shipments, by definition, should pose a lower risk of terrorist threat, drug trafficking or trade law violation. As a result, such shipments are also less likely to be inspected when they arrive and can be diverted while in transit. Tests have been conducted on tracking systems to monitor such shipments while in transit, using devices such as electronic seals, but the Committee wishes to see a more detailed examination of control mechanisms to guarantee secure in-transit shipments.

The Committee has therefore included $1,000,000 to support the acquisition, deployment, and testing by CBP of sensor and tracking

technology to enable CBP officials to track in-transit shipments from their arrival point in the U.S. to their final U.S. destination. The Committee understands that such sensor technology is readily available "off the shelf," is used already in commercial and military settings, and has been tested in the maritime environment under Operation Safe Commerce. Such sensors could not only provide information about the location of a container using global positioning technology, but could contain manifest or other information about the container and its shipments.

Such a capability would permit inspectors to attach sensors upon the arrival of a container into the United States, and be able to track its route and location. CBP could then be alerted if the container is diverted or delayed in its transit to either an internal destination or an outbound port. Such a test should incorporate experience gained in ongoing CBP efforts to develop "smart containers" and should be coordinated with the Science and Technology Directorate. The Committee directs CBP to submit an interim report on its experience in using this technology not later than April 1, 2005, to be followed by a final report to be submitted not later than January 1, 2006.

TARGETING SYSTEM DEVELOPMENT

Technology investments have dramatically improved the ability to screen and inspect shipments and vehicles that cross our borders. These technologies allow CBP to inspect more intensively; to target high risk shipments, vehicles, vessels or passengers; and to detect the presence of radiation. The development of the Automated Targeting System (ATS) to apply sophisticated targeting rules to identify risk in cargo and passengers is also essential in the face of enormous volumes of information. The Committee believes technologies such as these are essential to cargo and container security and fully funds the request of $20,623,000 to enhance ATS and expand the National Targeting Center, which develops and uses ATS. In addition, GAO recently found that the targeting systems and strategies used by CBP to identify suspicious containers need to improve risk management and modeling practices. It also identified implementation issues relating to tracking systems, staff certification and constraints on the use of inspection equipment at seaports. The Committee directs CBP to report by November 1, 2004 on its plans to improve this critical targeting system, and include specific milestones and timeframes.

NON-INTRUSIVE INSPECTION AND RADIATION DETECTION

While many U.S. ports are now equipped with radiation detection capability, there are still substantial requirements for such systems, particularly for radiation portal monitors (RPMs) and radiation isotope identification devices (RIIDs). The President's request includes an additional 165 RPMs, and the Committee is aware of a need for over 1,000 more. Furthermore, the request would fund operations and maintenance of existing inspection systems, but not support replacement or additional systems. The Committee therefore includes an additional $50,000,000 for detection and inspection technologies for a total of $165,159,000. In keeping with prior practice, and to ensure that CBP coordinates its investments with other components of the Department, the Committee

directs CBP to submit a revised non-intrusive inspection and detection technology plan for acquisition and deployment before releasing any funding for such technology, but in no case later than 90 days after enactment of this Act.

IMMIGRATION SECURITY INITIATIVE

Based upon a program originally developed by the former Immigration and Naturalization Service, CBP has developed a pilot effort called the Immigration Security Initiative (ISI). This program would place CBP inspectors at foreign airports to prevent people who are identified as national security threats from traveling to the United States. During a five month period in fiscal year 2003, the program was estimated to have resulted in thousands of intercepts, including hundreds of smuggling cases, and the saving of nearly $50,000,000 to the U.S. Government in avoided removal and processing costs. Such a program has the potential of saving substantial costs for airlines as well, by helping avoid the cost of fines and foregone fares when individuals are denied entry into U.S. ports of entry. The Committee is aware that CBP will be deploying CBP Officers at one foreign airport this year. Because this project has the potential for such significant security benefits and cost savings, the Committee includes an additional $3,000,000 to support this program, which should cover approximately four to five additional locations. CBP is directed to report not later than January 1, 2005, on its experience to date with ISI pilot efforts, including the numbers and types of interceptions made and associated cost savings. In addition, the report should include the plans for implementing the ISI, identifying proposed locations and estimating costs for staffing and operations.

TEXTILE TRANSSHIPMENT ENFORCEMENT

CBP commits significant resources to enforce U.S. law regarding transshipment of textile products, including dedicating 255 import specialists to this work at major importation ports of entry, and through intensified review and scrutiny of the textile and wearing apparel industry, employing such measures as Textile Production Verification Team visits to key countries of interest. Other steps include specific shipment detention actions, seizures, enforcement training of foreign customs agencies, and developing interactive training materials for CBP personnel on textile manufacturing and transshipment. The Committee strongly supports this effort, and directs CBP to maintain its efforts at the level authorized by Section 352 of the Trade Act of 2002. The Committee also directs that CBP submit a report not later than January 1, 2005 on its textile transshipment enforcement actions in fiscal year 2004 and the impact of such actions.

BORDER PATROL VEHICLES

The Committee is aware of the Border Patrol's need for Severe Off-Road Vehicles (SORVs) and the development of CBP's Terrain-Based Off-Road Vehicle Program to address this need. Given the unique operational capabilities required of these vehicles, the size of the Border Patrol's vehicle fleet and the magnitude of its investment in vehicles, it is essential to have a clear and systematic

planning and investment process in place. To allow the Committee to adequately understand the requirements of CBP and the Border Patrol, the Committee directs CBP to submit a detailed report, no later than 90 days after enactment of this Act, that provides a comprehensive vehicle acquisition and fleet management plan showing the baseline for the Border Patrol fleet in fiscal year 2004, and planned investments for fiscal years 2005–2009 by vehicle type. The report should include a detailed fleet management strategy that establishes terrain-based requirements and addresses vehicle replacement, driver training, and maintenance support.

The Committee further directs that detail on the number and types of vehicles planned for acquisition or replacement, in accordance with this plan, be submitted with the fiscal year 2006 budget request.

BORDER PATROL CHECKPOINTS

The Committee is concerned about the continued high level of illegal immigration within the Tucson Sector. While the Arizona Border Control initiative is devoting considerable resources to this problem, the Committee wants to enable CBP to conduct its border control operations with greater effectiveness. The Committee therefore directs CBP to conduct a study of locations for permanent checkpoints within the Tucson Sector and provide its recommendations to the Committee no later than 120 days after enactment of this Act. This study should include detailed assessments of traffic congestion, environmental impact, and all associated costs. The Committee expects CBP to continue its rigorous border patrol operations to include roving patrols, nonpermanent checkpoints, aerial surveillance; deployment of sensor technology such as fixed lighting, motion and heat sensors, cameras, and signage systems that supplement established, tactical checkpoint locations, sensor technology and other means to discourage and stop illegal immigration through the sector. To facilitate such operations, the Committee has included restrictions that tactical checkpoints must be relocated at least an average of once every fourteen days. The Committee continues a restriction that funds may not be used for the construction of permanent checkpoints in the Tucson sector.

SURVEILLANCE AND SENSOR TECHNOLOGY

The Committee strongly supports the use of technology to enhance security of our nation's borders, particularly in the vast expanses between ports of entry. Investments made by the Border Patrol in remote video surveillance (RVS) and intelligent computer assisted detection (ICAD) are being linked through the Integrated Surveillance Intelligence System (ISIS). The Committee is aware, however, that there are significant gaps in integration of these systems, which should be capable of detecting border intrusions, interpreting surveillance data, alerting to signals of concern, and transmitting such information in real-time to Border Patrol, CBP, and DHS operations and analysis centers. The Committee includes the $64,162,000 increase requested for ISIS, bringing total ISIS funding to $87,162,000, but believes that more investment is necessary. The Committee strongly urges CBP, in coordination with the DHS Chief Information Officer and the Science and Technology Directorate, to complete work necessary to fully align investments in

ISIS and associated technology with CBP and DHS enterprise architecture and technology standards. The Department is directed to report not later than 90 days after enactment of this Act on the status of this effort. In addition, the Committee directs CBP to submit a five year capital acquisition plan for ISIS and associated surveillance and sensor technology with its fiscal year 2006 budget request.

FORWARD DEPLOYMENT OF BORDER PATROL HELICOPTERS

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

TRAINING TO ENFORCE U.S. STEEL IMPORT TRADE LAWS

The Committee supports continued CBP enforcement of U.S. trade laws related to hundreds of complex antidumping and countervailing duty orders, and the need to counter fraud and tactics to circumvent U.S. law at the expense of U.S. manufacturers. Identification and classification of steel imports is technically complex, and the steel industry has been providing assistance to CBP under its Steel Training Program. The Committee includes $500,000 to continue this program.

BALLISTICS IMAGING TECHNOLOGY

The Committee is aware that the Border Patrol confiscates a significant number of weapons at the borders. Because there is a strong probability that many of these weapons have been used in a crime or obtained illegally, it would be useful to have the capability to make such a determination. The Committee therefore directs CBP to explore the potential value of providing Border Patrol stations on the Northern and Southwestern borders access to ballistic imaging and identifying technology, notably the National Integrated Ballistic Imaging Network managed by the Bureau of Alcohol, Tobacco, Firearms and Explosives.

STAFFING PLAN AND BORDER STAFFING

The Committee continues to advocate a comprehensive approach to border security, comprising both people and technology. It has funded significant increases in investment for inspection and detection technology; sophisticated systems such as US–VISIT and advanced targeting systems to improve the ability to process and analyze information about individuals and cargo crossing our borders; expanded sensor and remote video capability between ports of entry on both borders; and new air branches on the Northern Border. The Committee has funded additional Northern Border staffing, bringing U.S. Border Patrol levels to those authorized in the USA PATRIOT Act, and significantly increasing levels of inspection and related personnel.

The Committee strongly endorses the CBP unified approach to border enforcement with its application of a "one face at the border" philosophy to its 40,000 former Customs, INS, and Agriculture employees. These employees are an essential element of border security. In order to assess the adequacy of Northern and Southwest Border staffing in a comprehensive context, the Committee directs CBP to submit, not later than 90 days after enactment of this Act,

a detailed staffing plan. The plan shall include: actual on-board personnel for fiscal year 2004; projected staffing for fiscal year 2005; positions authorized but vacant; full-time, part-time, and temporary positions funded through direct appropriations; full-time, part-time and temporary fee-funded positions; and staffing, by position, at each port of entry, Border Patrol station, or other border area location. The report should identify any new positions funded under this Act, should be consistent with staffing assumptions included in the forthcoming CBP construction master plan, and should indicate how its staffing allocation methodology factors in the deployment of complementary technology.

AUTOMATION MODERNIZATION

Appropriation, fiscal year 2004	$438,520,000
Budget estimate, fiscal year 2005	449,909,000
Recommended in the bill	449,909,000
Bill compared with:	
Appropriation, fiscal year 2004	+11,389,000
Budget Estimate, fiscal year 2005	.....

MISSION

The Automation Modernization Account includes funding for major information technology projects for U.S. Customs and Border Protection (CBP). 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 of Homeland Security.

RECOMMENDATION

The Committee recommends $449,909,000, the same as the budget request and $11,389,000 above the amounts provided in fiscal year 2004. This includes $321,690,000 for the Automated Commercial Environment (ACE) and International Trade Data System (ITDS), reflecting an increase of $5,000,000 to expand ITDS.

AUTOMATED COMMERCIAL ENVIRONMENT (ACE)

The Committee commends CBP on its progress in deploying releases 1 and 2 of ACE, and supports moving forward as quickly as possible on additional releases. The Committee will continue to track progress of this project so that best practices are followed and to ensure that the ACE schedule reflects cost controls and that ACE aligns with DHS enterprise architecture. This is especially important as ACE seeks to avoid delays in delivering its releases and to manage the significant software development that remains to be completed. The Committee believes that ACE and CBP modernization should be integrated with, if not form the core of, DHS information system and border security technology, the Container Security Initiative and Automated Targeting Systems. The Committee directs CBP to address such issues in its quarterly reports on ACE implementation progress.

CONSTRUCTION

Appropriation, fiscal year 2004	$89,830,000
Budget estimate, fiscal year 2005	91,718,000
Recommended in the bill	91,718,000
Bill compared with:	
Appropriation, fiscal year 2004	+1,888,000
Budget Estimate, fiscal year 2005	

MISSION

The Construction account funds the planning, design, and assembly of U.S. Border Patrol infrastructure, including border stations, checkpoints, temporary detention facilities, mission support facilities, and tactical infrastructure such as fencing, vehicle barriers, lighting, and road improvements at the border.

RECOMMENDATION

The Committee recommends $91,718,000, the same as the budget request and $1,888,000 above the amounts provided in fiscal year 2004. The Committee has included bill language in the Salaries and Expenses appropriation that prohibits funding for construction of permanent checkpoints in the Tucson Sector. The Committee requires a detailed cost benefit plan on permanent checkpoints to be provided to the Committee and permits more flexible use of tactical checkpoints. The Committee directs CBP to provide a plan for tactical and other facility construction, by sector, type of construction, and facility, for fiscal years 2005–2009, not later than 120 days after enactment of this Act.

OFFSETTING FEE COLLECTIONS

The Committee continues to be concerned about the accuracy of estimates supporting CBP operations, particularly for the Immigration User Fee, which has resulted in significantly lower than expected collections in recent years. The Committee directs CBP to ensure that fee revenues are used first to fully fund base operations and adjustments, as supported by justification materials provided to Congress, before undertaking any new initiatives. The Committee also directs DHS and CBP to inform the Committee in a timely manner of potential short-term operational or programmatic impacts from reduced fee collections.

UNITED STATES IMMIGRATION AND CUSTOMS ENFORCEMENT

SALARIES AND EXPENSES

Appropriation, fiscal year 2004	$2,138,358,000
Budget estimate, fiscal year 2005	2,370,906,000
Recommended in the bill	2,377,006,000
Bill compared with:	
Appropriation, fiscal year 2004	+238,648,000
Budget Estimate, fiscal year 2005	+6,100,000

MISSION

U.S. Immigration and Customs Enforcement (ICE) is the lead agency responsible for enforcing immigration and customs laws in the United States, as well as investigation into fraud, forced labor,

trade agreement noncompliance, moneylaundering, smuggling and illegal transshipment, strategic trade, and cargo tampering and theft. Enforcement includes the expeditious detention and removal of deportable or inadmissible aliens, interdiction of smuggled contraband, detection of violations of laws, and strategic and tactical intelligence and communications. ICE consists of more than 15,000 employees who focus on the enforcement of immigration and customs laws, the protection of specified federal buildings, and air and marine security and enforcement.

RECOMMENDATION

The Committee recommends $2,377,006,000 for ICE Salaries and Expenses, $6,100,000 above the President's request and $238,648,000 above the amounts provided in fiscal year 2004. The Committee fully funds the President's budget, reduced by $5,000,000 to reflect the restoration of the grant funding to the National Center for Missing and Exploited Children through the Secret Service Salaries and Expenses appropriation, and by $7,400,000 for Worksite Enforcement. Since the Temporary Worker Program is not yet operational, the Committee believes that full funding for this activity is premature. The Committee includes additional funding as follows: $5,000,000 for alternatives to detention, $5,000,000 for additional bed space, and $3,500,000 for equipment, services and support for the Cyber Crimes Center.

APPROPRIATIONS ACCOUNT STRUCTURE

The Committee has been seeking to improve the way in which program and budget information is presented and tracked, particularly for very large and undifferentiated categories of spending such as the Salaries and Expenses appropriation. This is necessary in order that the Committee can better understand the real operational impact of funding for ICE on core mission and program activities, and to improve the transparency in ICE budget justifications. In the course of this effort, the Committee has received useful advice from ICE and the Department, and recognizes that additional changes in account structure will occur as programs change and functions and missions are aligned. While the agency has expressed some concerns about the capacity of existing accounting systems to accommodate this structure, or possible operational impacts of reprogramming delays, the Committee strongly supports additional detail and clarity in the budget presentation, and will continue to promptly review and respond to reprogramming requests that arise.

The categories that the Committee therefore recommends for fiscal year 2005 funding for Salaries and Expenses as follows:

Salaries and expenses	Amount
Headquarters Management and Administration (non-Detention and Removal Operations):	
Personnel Compensation and Benefits, service and other costs	$45,676,000
Headquarters Managed IT Investment	120,119,000
Subtotal, Headquarters Management and Administration	165,795,000
Investigations:	
Operations	926,447,000

Salaries and expenses	Amount
Training	15,671,000
Subtotal, Investigations	942,118,000
Intelligence:	
Headquarters Reporting Center	4,882,000
Operations	51,130,000
Subtotal, Intelligence	56,012,000
Detention and Removal Operations:	
Custody Management	487,721,000
Case Management	192,269,000
Fugitive Operations	35,242,000
Institutional Removal Program	33,719,000
Alternatives to Detention	19,202,000
Transportation and Removal Program	311,492,000
Subtotal, Detention and Removal Operations	1,079,645,000
Air and Marine Operations, Personnel Compensation and Benefits	133,436,000
Rescissions	– – –
Total, Salaries and Expenses	2,377,006,000

AIR AND MARINE OPERATIONS COORDINATION

The Committee is aware that the Air and Marine Operations Center (AMOC) and its complementary National Capital Region Coordination Center (NCRCC) are critical to AMO operations. While DHS has initiated a National Capital Region presence for AMO, no additional resources have been provided. As a result, this mission is being carried out with aircraft borrowed at the expense of other operational areas and staffed with temporary duty personnel. This has also resulted in significant operational pressure on the AMOC and handicapped the performance of AMO operations. The Committee therefore includes $5,000,000 for staffing and operational costs of the NCRCC, and associated National Capital Region air branch operations.

CROSS-TRAINING OF ICE SPECIAL AGENTS

The Committee is aware that a number of ICE Special Agents have been cross-trained to act as Federal Air Marshals (FAMs). While ICE has described this as developing a "surge capacity" to respond to a heightened threat condition, the Committee believes that this plan is not an effective use of resources or training. If cross-trained ICE agents do not regularly perform as air marshals they will lose or fail to maintain these newly acquired skills. The Committee therefore directs that, beginning on October 1, 2004, each cross-trained ICE agent fly missions in conjunction with a trained FAM a minimum of 24 hours per quarter. The Committee believes that such a policy will increase overall mission coverage, enable cross-trained ICE agents to maintain perishable skills, and greatly improve aviation security. The Committee directs ICE to report quarterly to the House Committee on Appropriations, beginning on January 31, 2005, on the number of ICE agents cross-trained, the total number of missions ICE and FAM agents have flown, the total number of hours ICE agents have worked as a

FAM, and the total number of ICE agents meeting this new requirement.

DETENTION AND REMOVAL OPERATIONS

Detention and Removal Operations (DRO) faces enormous pressures. DHS estimates that there are over 465,000 individuals who have received final orders of removal, but whose departure is "not confirmed." This is caused by the confluence of the significant numbers of aliens who fail to appear at immigration hearings or removal with insufficient detention, case management, or removal resources. There are many circumstances where individuals who should face deportation hearings are allowed to go free on bond due to a shortage of detention facilities, as may be caused by significant numbers of "mandated holds"—those held because they have criminal records or are deemed to pose a danger to society.

The Committee strongly supports the requested increases to bolster DRO capacity to meet these challenges, including adding fugitive operations and compliance enforcement teams, as well as dedicated detention officers for the Institutional Removal Program. The Committee includes an additional $10,000,000 to help mitigate this problem. These funds are intended to not only reduce the potential risk of illegal aliens who might have criminal or terrorist intent, but also to diminish the cost of locating and prosecuting those who choose to disappear rather than attend their immigration hearings. Of the funds provided, $5,000,000 will secure additional bedspace, contributing to about 1,000 more removals per year, and $5,000,000 will provide alternatives to detention, potentially tripling the capacity of existing Intensive Supervision sites.

NATIONAL DETENTION CONTRACT

DRO holds roughly 24,000 foreign individuals in detention facilities at any given time, in facilities that range from large special processing centers and contract detention facilities, to small facilities. With an annual budget of approximately $600,000,000, DRO maintains hundreds of contracts with State, local and private facilities. Given the enormous disparity between the detention needs of DRO and the complex and variable range of options it has to meet those needs, the Committee believes it would be valuable to examine DRO requirements on a strategic level. The Committee therefore directs ICE/DRO to conduct a review of its detention programs, and evaluate the benefits and costs associated with developing a national detention contract. Such an approach could look afresh at logistical requirements for DRO, such as facility size and inclusion of adjudication facilities, as well as more streamlined transport options. The report should list current facilities and contracts with associated staffing levels, assess the option of regional facilities, and weigh benefits and costs associated with such plans. The report should be submitted not later than 180 days after enactment of this Act.

EXPANDED CYBER CRIMES CENTERS

The Cyber Crimes Center (C3) of ICE is the center of ICE Internet related investigations, with three primary missions dealing with computer forensics, cyber crime (including money laundering,

arms and narcotics trafficking), and child exploitation. The C3 develops leads on many cases, and passes them to ICE field offices for investigation. The Committee is aware of the role played by the C3 in providing forensic assistance to other ICE units, its unique repository of Child Victim Identification images, and its extensive involvement in Internet crime investigations. Given the significant growth in data required to be stored and analyzed, of evidentiary requirements, and the growing demand for field support, it is clear that the existing C3 lacks the capacity to carry out this mission nationwide. The Committee therefore includes $3,500,000 to allow for additional equipment, services and staff to expand the C3 to select ICE field offices.

TEXTILE TRANSSHIPMENT ENFORCEMENT

ICE commits significant resources to enforcing U.S. law regarding transshipment of textile products, and conducting investigations both under its unique jurisdiction as well as in conjunction with leads provided by CBP, industry, and other law enforcement sources. The Committee strongly supports this effort and directs ICE to maintain its efforts at the level authorized by section 352 of the Trade Act of 2002. The Committee also directs that ICE submit a report not later than January 1, 2005, on its textile transshipment investigative and enforcement actions in fiscal year 2004 and the impact such actions have had.

OFFICE OF INVESTIGATIONS

The Committee is encouraged to see ICE Office of Investigations (OI), with nearly 8,000 employees, transform into a unified organization, combining its unique investigative mandates in four divisions (National Security; Financial Investigations; Smuggling/Public Safety; and Investigative Services). OI continues efforts to eliminate drug, contraband, and human trafficking; participate in joint terrorism efforts; block access to weapons of mass destruction by terrorists or hostile governments; and enforce new programs such as US–VISIT and the Student and Exchange Visitors Program. OI has generated strong results with initiatives such as Operation Predator (targeting pedophiles and child exploitation) and Cornerstone (preventing exploitation of financial systems by criminals and terrorists). The Committee is impressed with the results of one of these, ICE STORM, which has significantly reduced violent crime in Arizona communities by targeting human trafficking, and urges ICE to examine whether this initiative can be sustained or expanded.

DOCUMENTS FRAUD

The Committee is aware that the number and use of counterfeit, stolen, and fraudulent immigration documents, passports, and similar identification credentials is growing worldwide, with significant and high quality documents being produced in Eastern Europe and the Middle East. The ICE Forensic Documents Laboratory (FDL) is a resource available to ICE and DHS, as well as other law enforcement agencies, and maintains both a forensic analysis capability and a reference library of documents used fraudulently or seized. Given recent proposals to postpone requirements for higher

standards in international passports and travel documents for visa waiver countries, it is clear that a technical solution to this is some distance off, and it is critical to have timely forensic and research tools available to identify and interdict the use of false credentials. The Committee directs ICE to report, not later than 90 days after enactment of this Act, on recommendations for leveraging the resources and expertise of the FDL to more effectively combat the use and proliferation of such documents, both in the U.S. and overseas.

OFFSETTING FEE COLLECTIONS

The Committee continues to be concerned about the accuracy of estimates supporting ICE operations, including the collection of fees for the Student and Exchange Visitor Program, which is estimated to account for $65,000,000 to offset ICE enforcement efforts; and the Immigration User Fee, which has resulted in lower than expected collections in recent years. The Committee directs ICE to ensure that fee revenues are used first to fully fund base operations and adjustments, as supported by justification materials provided to Congress, before undertaking any new initiatives. The Committee also directs DHS and ICE to inform the Committee in a timely manner of potential short-term operational or programmatic impacts from reduced fee collections.

STUDENT AND EXCHANGE VISITOR PROGRAM

The Committee is aware of a set of six recommendations proposed by some educational organizations for the potential improvement of Student and Exchange Visitor Program (SEVP) operations. They are: (1) extend the validity of Visas Mantis security clearances for international students to the duration of their course of study or academic appointment; (2) establish a process to revalidate F and J visas, or begin the visa renewal process, before the student leaves the United States; (3) create a status inquiry process for visa applicants and their sponsors; (4) revise visa reciprocity agreements between the US and key sending countries; (5) provide update training of consular staff and clear protocols for a Visa Mantis review to ensure consistency of treatment; and (6) allow for a variety of simple fee payment methods of the SEVIS fee. The Committee requests that ICE, working with the State Department, assess the six recommendations and report back by June 1, 2005, on whether or not these recommendations can be implemented in an expedited manner, and the reasons for its conclusions.

FEDERAL AIR MARSHALS

Appropriation, fiscal year 2004	$622,704,000
Budget estimate, fiscal year 2005	612,900,000
Recommended in the bill	662,900,000
Bill compared with:	
Appropriation, fiscal year 2004	+40,196,000
Budget Estimate, fiscal year 2005	+50,000,000

MISSION

Federal Air Marshals (FAMs) provide for the security of the nation's civil aviation system through the effective deployment of armed federal agents to detect, deter, and defeat hostile acts targeting U.S. air carries, airports, passengers, and crews.

RECOMMENDATION

The Committee recommends $662,900,000 for FAMs, $50,000,000 above the President's request and $40,196,000 above the amounts provided in fiscal year 2004. This funding level will maintain the current level of mission coverage on both domestic and international flights. Of the total amount provided, $593,552,000 shall be for management and administrative expenses and $69,348,000 shall be for travel and training.

In addition to the funding provided under this heading, $10,000,000 has been included within the Science and Technology Directorate to continue work on the air-to-ground communications system, which will be utilized by FAMs, as requested by the President. The Committee directs FAMs, working with the Science and Technology Directorate and the Federal Aviation Administration, to assess the safety implications, costs, and benefits of the air-to-ground communications system, and report to the House Committee on Appropriations on the results of this assessment.

The Committee is aware of a number of ICE agents who have been cross-trained to act as air marshals. Originally ICE planned to use these agents only in response to a heightened threat condition as a source of "surge capacity". However, the Committee believes that this plan is not an effective use of resources or training. If cross-trained ICE agents do not act as air marshals on a regular basis, they will lose these newly acquired skills. As a result, the Committee directs that beginning on October 1, 2004, each cross-trained ICE agent fly missions in conjunction with a trained FAM a minimum of 24 hours per quarter. The Committee believes that this policy change will increase overall mission coverage, allow ICE agents to maintain perishable skills, and greatly improve aviation security. The Committee directs ICE and FAMs to report quarterly to the House Committee on Appropriations, beginning on January 31, 2005, on the number of ICE agents cross-trained, the total number of missions ICE and FAM agents have flown, the total number of hours ICE agents have worked as a FAM, and the total number of ICE agents meeting this new requirement.

FEDERAL PROTECTIVE SERVICE

Appropriation, fiscal year 2004	$424,211,000
Budget estimate, fiscal year 2005	478,000,000
Recommended in the bill	478,000,000
Bill compared with:	
Appropriation, fiscal year 2004	+53,789,000
Budget Estimate, fiscal year 2005	.....

MISSION

The Federal Protective Service (FPS) is responsible for the protection of public buildings and other areas under the charge and control of the General Services Administration. FPS is 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 the Federal Buildings Fund. FPS

has three major law enforcement initiatives, including: protection services to all federal facilities throughout the United States and its territories; new initiatives including expanded intelligence and anti-terrorism capabilities; and special programs, including weapons of mass destruction detection, hazardous material detection and response, and canine programs.

RECOMMENDATION

The Committee recommends $478,000,000, the same as the budget request and $53,789,000 above the amounts provided in fiscal year 2004.

TACTICAL AND SPECIALIZED MISSIONS

Given the expansion of the Federal Protective Service's (FPS) role and mission in recent years, the Committee directs FPS to submit a report detailing the resources devoted to its tactical and specialized missions including, but not limited to: the national weapons of mass destruction program, hazardous response program, canine program, mobile scanning truck operations, and special response teams. This report, covering fiscal years 2003 through 2005, should include a detailed description of each program to include involved personnel, budgetary resources, material resources, and data on actual deployments. This report is due to the Committee no later than January 31, 2005.

AUTOMATION MODERNIZATION

Appropriation, fiscal year 2004	$39,764,000
Budget estimate, fiscal year 2005	39,605,000
Recommended in the bill	39,605,000
Bill compared with:	
Appropriation, fiscal year 2004	−159,000
Budget Estimate, fiscal year 2005	.....

MISSION

The Automation Modernization account funds major information technology projects for U.S. Immigration and Customs Enforcement and for the U.S. Visitor and Immigrant Status Indicator Technology program.

RECOMMENDATION

The Committee recommends $39,605,000, the same as the budget request, and $159,000 below the amounts provided in fiscal year 2004. Funds are provided for the continued funding of the ATLAS information technology system.

CONSTRUCTION

Appropriation, fiscal year 2004	$26,617,000
Budget estimate, fiscal year 2005	26,179,000
Recommended in the bill	26,179,000
Bill compared with:	
Appropriation, fiscal year 2004	−438,000
Budget Estimate, fiscal year 2005	.....

MISSION

The Construction account funds the planning, design, and assembly of ICE infrastructure, including detention facilities, mission support facilities, immigration field offices, and interior enforcement facilities.

RECOMMENDATION

The Committee recommends $26,179,000, the same as the budget request and $438,000 below the amounts provided in fiscal year 2004.

AIR AND MARINE INTERDICTION, OPERATIONS, MAINTENANCE, AND PROCUREMENT

Appropriation, fiscal year 2004	$208,960,000
Budget estimate, fiscal year 2005	257,535,000
Recommended in the bill	257,535,000
Bill compared with:	
Appropriation, fiscal year 2004	+48,575,000
Budget Estimate, fiscal year 2005	

MISSION

The Office of Air and Marine Operations (AMO) 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 combats the illegal entry of narcotics and other items into the United States. AMO also provides aviation and marine support for the counter-terrorism efforts of many other law enforcement agencies. There are four main components within AMO: operations, mission support, acquisition and maintenance, and safety.

RECOMMENDATION

The Committee recommends $257,535,000, the same as the budget request and $48,575,000 above the amounts provided in fiscal year 2004. The Committee continues to fund this activity as a component of ICE, but, as noted in the language under BTS, views this as subject to review following the Departmental review of aviation missions and the AMO modernization plan. Within the funds provided, $256,000 shall be used to install UH–60 fluid outflow collection devices to address safety concerns related to leaking hydraulic fluids.

TETHERED AEROSTAT RADAR SYSTEM

The Committee believes that a robust air surveillance system is a necessary component of both homeland security and drug interdiction missions. The Tethered Aerostat Radar System (TARS) is a balloon-borne radar system with the primary mission of providing low altitude radar surveillance data in support of federal agencies involved in the nation's drug interdiction program. The secondary mission of this system is to provide the North American Aerospace Defense Command with low altitude surveillance coverage for air sovereignty in the Florida Straits. Because TARS provides unique interdiction capability, it is an essential complement to other surveillance, detection and monitoring assets. The Committee is also

aware that no realistic alternative to the current TARS architecture will be available for the next decade.

The Committee is concerned with an apparent lack of consensus about the scope and scale of TARS among key stakeholders—AMO, the Department of Defense, the Office of National Drug Control Policy, and the Office of the United States Interdiction Coordinator (USIC). There appears to be disagreement about the location and frequency of low altitude, airborne threats and how many TARS sites should be operational in order to detect such threats. The Committee therefore directs the Under Secretary for Border and Transportation Security and the USIC to submit a joint report, not later than 90 days after enactment of this Act, that details a threat analysis relating to the U.S. border, analyzes patterns of attempted intrusions or similar threatening air and marine activity, and relates those threats to current and proposed geographical positioning of TARS sites. The report should also include a detailed plan, including the associated benefits and costs, to: (1) operate and maintain the current eight sites; (2) reopen or commission new sites such as one in the Bahamas; and (3) upgrade all sites, as appropriate, with the most current and effective surveillance and mooring systems. The Committee expects that the USIC will assess TARS requirements based on its comprehensive view of U.S. resources devoted to drug interdiction.

P–3 SERVICE LIFE EXTENSION PROGRAM

The Department has requested and the Committee recommends $28,000,000 to triple the flight hours of the P–3 Orion aircraft to better support U.S. counterdrug and interdiction missions. The Committee is aware of a proposal to extend the operational life of the 16 P–3 aircraft in the AMO fleet, using a service life expectancy program (SLEP) similar to that employed in New Zealand, and which is estimated to extend the life of such aircraft by at least 20,000 hours of flight. At the same time, the Committee understands that the U.S. Navy will be shifting away from P–3 aircraft, thereby reducing the basis for common equipment and support for this model of aircraft, and making it less economical to maintain far into the future. The Committee directs AMO to report not later than 30 days after enactment of this Act on the benefits and costs associated with employing a SLEP approach, as opposed to replacement of the P–3 aircraft. This report should be consistent with the AMO fleet modernization plan currently under Departmental review.

TRANSIT ZONE OPERATIONS

The Committee is aware of an imminent shortage of aviation assets to maintain surveillance, monitoring and tracking in the transit zone, the region of the Caribbean and Central American between South America and the arrival zone off the U.S. coastline and borders. Such a shortfall could pose a significant risk to airspace and border security for both drug trafficking and possible terrorist actions or transit. Although there is a current shortage of maritime patrol aircraft, the Committee understands that it may be possible to easily install specialized radar equipment in AMO P–3 "Slick" aircraft to improve their ability to track transiting aircraft, and so compensate for the reduction in enforcement assets.

The Committee strongly encourages BTS and AMO to explore such options, and notify the Committee how it plans to fill this gap, including through reallocation or reprogramming of existing resources.

TRANSPORTATION SECURITY ADMINISTRATION

AVIATION SECURITY

Appropriation, fiscal year 2004	$3,724,112,000
Budget estimate, fiscal year 2005	4,238,164,000
Recommended in the bill	4,270,564,000
Bill compared with:	
Appropriation, fiscal year 2004	+546,452,000
Budget Estimate, fiscal year 2005	+32,400,000

MISSION

Aviation Security is focused on protecting the air transportation system against terrorist threats, sabotage and other acts of violence through the deployment of passenger and baggage screeners; detection systems for explosives, weapons, and other contraband; and other, effective security technologies.

RECOMMENDATION

The Committee recommends a total of $4,270,564,000 for aviation security activities, $32,400,000 above the President's request and $546,452,000 above the amounts provided in fiscal year 2004. In addition to the amounts appropriated, a mandatory appropriation of $250,000,000 is included to support the Aviation Security Capital Fund. Funds are partially offset through the collection of security user fees paid by aviation travelers and the airlines. A comparison of the budget estimate to the Committee recommended level by budget activity is as follows:

	Budget estimate	Recommended
Passenger screening	$2,026,814,000	$2,016,814,000
Baggage screening	1,377,460,000	1,406,460,000
Airport security direction and enforcement	833,890,000	847,290,000
Aviation security capital fund [1]	(250,000,000)	(250,000,000)
Total	4,238,164,000	4,270,564,000

[1] The Aviation Security Capital Fund is a non-add because it is not directly appropriated and is paid for entirely from user fees.

PASSENGER SCREENING

The Committee recommends $2,016,814,000 for passenger screening activities, $10,000,000 below the budget request and $215,050,000 above the amounts provided in fiscal year 2004. The following table highlights funding levels by program, project and activity:

	Budget estimate	Recommended
Privatized screening (five screening pilots)	$129,654,000	$129,654,000
Passenger screeners—PC&B	1,445,486,000	1,445,486,000
Passenger screeners—training and other	140,614,000	140,614,000
Human resources services	150,000,000	150,000,000
Checkpoint support	86,060,000	86,060,000
CAPPS–II	60,000,000	40,000,000
Crew vetting	.....	10,000,000

	Budget estimate	Recommended
Registered traveler program	15,000,000	15,000,000
Total Passenger Screening	2,026,814,000	2,016,814,000

PRIVATIZED SCREENING PILOTS

The Committee has fully funded the budget request for the five airports that currently utilize non-federal screeners. The Committee has not modified this budget request because it is unsure how many airports may request to "opt out" from the federal screener program beginning on November 18, 2004 and how many airports the Transportation Security Administration (TSA) will approve to do so.

PASSENGER SCREENERS—PERSONNEL, COMPENSATION AND BENEFITS

Because the Committee is unable to determine how many airports may seek to employ non-federal screeners in fiscal year 2005, the Committee has provided TSA with the flexibility to cover all passenger screening activities for both federal screeners as well as any contracts awarded under the opt out program after November 18, 2004, for all airports other than the five current screening pilots. This flexibility will avoid the need for a reprogramming action to cover contract requirements under the opt out program in fiscal year 2005. However, the Committee expects TSA to live within the funding provided for personnel, compensation and benefits. Screening costs for those airports that opt out should not exceed the cost to retain federal screeners at these same facilities. In fact, the Committee believes that there may be some cost savings realized by airports that chose to opt out and directs TSA to report these savings to the Committee no later than April 1, 2005.

STAFFING LEVELS

The Committee continues bill language that limits the number of screeners to no more than 45,000 full-time equivalents on its rolls at the end of 2005, the same provision included in the fiscal year 2004 appropriations bill. The Committee continues to believe this provision is reasonable and has forced the agency to be disciplined in using tax dollars. When first organizing, TSA over-hired and mismanaged millions of dollars while working to federalize the screener workforce and check all baggage for explosives. Staffing levels became outrageously high, particularly in small and medium sized airports where dozens of employees screened only handfuls of passengers. Over the last two years, TSA has reshaped its workforce—placing more screeners at high traffic airports while downsizing at overstaffed, low traffic airports. The Committee also modified the cap in 2004 to provide TSA with more flexibility and to encourage the use of part-time employees when and where they are needed. However, lifting this cap is premature. Much more could be done with advancements in detection technologies and better configurations at airports. For example, if TSA installed explosive detection machines inline or behind ticket counters, airports would become less reliant on explosive trace detection machines, which require more than double the number of screeners. Similarly, if TSA deployed inline Explosive Detection Systems (EDS)

machines with multiplexing capabilities, TSA could save up to six FTEs for each suite installed. Until these advancements are in place, it is too easy for TSA to revert back to hiring additional screeners above and beyond the 45,000 cap.

The Committee directs TSA to continue to realign its workforce at large, medium, and small airports and to consider these realignments in conjunction with advancements in detection technologies. The Committee believes that, with optimum staffing levels and technologies, travel delays will be minimized and aviation security will improve.

COMPUTER ASSISTED PASSENGER PRE-SCREENING SYSTEM (CAPPS II)

The Committee recommends $40,000,000 for CAPPS II, $20,000,000 below the President's request and $5,081,000 above the amounts provided in fiscal year 2004. Funding has been reduced, in large part, because TSA has been unable to test CAPPS II using actual passenger data. Neither domestic air carriers nor the European Union have been willing to share passenger record data for a variety of reasons, including significant privacy concerns. TSA, in conjunction with the Privacy Office within DHS, is working to address these concerns. However, until these issues are resolved, it is premature to fund the testing of this system when data cannot be accessed.

The Committee continues and modifies a general provision (Section 524) that prohibits funds from being expended on CAPPS II until the Secretary of Homeland Security has certified the requirements of section 519 (a) and (b) of Public Law 108–90 and the General Accounting Office has reviewed such certification. New language has been included that requires the Secretary and GAO to explicitly review the efficacy and accuracy of any algorithms contained within CAPPS II.

CREW VETTING

The Committee recommends $10,000,000 for crew vetting activities that TSA has been undertaking since last December when concerns were raised about certain air carriers entering and operating in the United States. During fiscal year 2004, TSA utilized almost $20,000,000 of the funding provided to CAPPS II for crew vetting. While the Committee is deeply troubled that this occurred without Congressional notification and approval, it is apparent that this activity must continue into fiscal year 2005. In providing a separate line item for crew vetting, the Committee is separating CAPPS II activities from this program. In the future, the Committee expects TSA to make a clear distinction between CAPPS II activities and any other vetting it may do, such as for hazardous materials truck drivers or as part of the transportation worker identification card program. CAPPS II funding should not be diverted to these ancillary activities. If TSA believes these activities are needed, a reprogramming request should be submitted so that the Committee can fully vet how these activities are funded and the impact of diverting funds elsewhere in TSA for these uses.

PASSENGER WAIT TIMES

The Committee notes that, despite direction almost two years ago, TSA has not published high, low, and average wait times by airport on its web site. The Committee again directs TSA to publish monthly high, low, and average wait times by airport on its web site beginning in July 2004 and to inform the Committee prior to this time if this cannot be done. In addition, TSA should work with the airlines so that they may inform passengers of screening wait times on airline web sites when passengers inquire about the status of flights or check in for flights.

DEPLOYABLE FLIGHT INCIDENT RECORDERS

Investigations of aircraft accidents often are hampered by the inability to find flight incident recorders. Finding incident recorders expeditiously is critical to security because the federal government must determine quickly if an accident is due to a terrorist attack. Therefore, the Committee directs TSA to work with the Federal Aviation Administration to determine whether it would improve security analysis in aviation accidents if deployable flight incident recorders were required aboard commercial passenger aircraft.

FLIGHT ATTENDANT SECURITY TRAINING

The Committee is concerned with TSA's lack of progress in developing minimum regulatory standards for basic, industry-wide flight attendant security training programs. The Committee understands that the airlines may follow different practices and have different equipment. However, this should not impede TSA's development of basic, performance-based training requirements and the Committee directs TSA to expeditiously promulgate such requirements.

BAGGAGE SCREENING

The Committee recommends $1,406,460,000 for baggage screening activities, $29,000,000 above the President's request and $90,794,000 above the amounts provided in fiscal year 2004. The following table highlights funding levels by program, project and activity:

	Budget estimate	Recommended
Baggage screeners—PC&B	$848,860,000	$848,860,000
Baggage screeners—training and other	203,660,000	203,660,000
EDS/ETD purchase	150,000,000	170,000,000
Installation		19,000,000
Maintenance and utilities	174,940,000	164,940,000
Total Baggage Screening	1,377,460,000	1,406,460,000

PERSONNEL, COMPENSATION AND BENEFITS

The Committee recommends $848,860,000 for baggage screening personnel, compensation and benefits, the same as the budget request and $76,441,000 above the amounts provided in fiscal year 2004. Because the Committee is unable to determine how many airports may seek to employ non-federal screeners in fiscal year 2005, the Committee has provided TSA with the flexibility to cover all baggage screening activities for both federal screeners as well

as any contracts awarded under the opt out program after November 18, 2004, for all airports other than the five current screening pilots. This flexibility will avoid the need for a reprogramming action to cover contract requirements under the opt out program in fiscal year 2005. However, the Committee expects TSA to live within the funding provided for personnel, compensation and benefits. Screening costs for those airports that opt out should not exceed the cost to retain federal screeners at these same facilities. In fact, the Committee believes that there may be some cost savings realized by airports that chose to opt out and directs TSA to report these savings to the Committee no later than April 1, 2005.

REMOTE BAGGAGE SCREENING

The Committee is encouraged by TSA's interest in developing efficient baggage screening pilot programs that aim to improve customer service and efficient management of the screener workforce by employing remote off-site baggage systems. The Committee directs the Department to provide a report on the merits and results of these various pilots being developed in Fort Lauderdale, Miami, Las Vegas, New Orleans, and New York by March 1, 2005.

EDS/ETD PURCHASES

The Committee recommends $170,000,000 for purchases of explosive detection devices, $20,000,000 above the President's request and $20,345,000 above the amounts provided in fiscal year 2004. The Committee continues to encourage competition among the vendors so that multiple EDS technologies are available for TSA and airports to choose from and procure. The Committee is aware of recently developed technologies, which can reduce the size of EDS machines and lower the operation false alarm rate, while at the same time maintaining detection performance. These next-generation EDS machines are far smaller and less expensive than the current generation of screening units and have immediate applicability to checked-baggage screening. It also has the potential of cost-effectively enhancing security at passenger checkpoints, transit stations, and key facilities. Within the $170,000,000 provided, the Committee directs that $20,000,000 be used to install the next-generation of explosive devices, particularly at small and medium sized airports, to permit more efficient handling of checked bags and reduce dependence on baggage screeners.

INSTALLATION

In addition to the statutory allocation of $250,000,000 for the Aviation Security Capital Fund, the Committee recommends $19,000,000 to fulfill the federal commitment to the eight airports that have entered into Letters of Intent (LOIs) with TSA, currently estimated to be $269,000,000 for fiscal year 2005.

The Committee has included bill language, requested by the President that permits the Aviation Security Capital Fund to be used exclusively to fund these eight LOIs in fiscal year 2005 with a 75 percent federal share. Under tight budgetary restraints, the Committee does not have sufficient funding to raise these projects to a 90 percent federal share, particularly at the expense of other airports that need either an LOI to install EDS machines inline or

make other modifications to screen 100 percent of all checked bags through electronic means. As such, the Committee waives language contained in section 605 of the Vision 100 Act that distributes the Aviation Security Capital Fund by formula.

Consistent with report language in fiscal year 2004, the Committee directs TSA to submit quarterly reports on their plans for installing EDS machines inline as well as making other physical modifications to airports to perform 100-percent screening of checked baggage. Specifically, the report should include: (1) the universe of airports that may benefit from an inline EDS system or other physical modifications; (2) a list of all airports where TSA has begun working on plans to move EDS machines inline either through the Boeing contract design phases or directly with the airports; and (3) a list of airports that will be doing EDS enhancements, including moving systems inline that are not funded via the letters of intent process. This report should include costs associated with each airport's project and a tentative timeline for award and completion. The Committee believes that there are well over 30 airports, perhaps as many as 65, that must be reported on at the end of each quarter in the fiscal year.

MAINTENANCE AND UTILITIES

The Committee recommends $164,940,000 for maintenance and utilities, $10,000,000 below the President's request and $90,113,000 above the amounts provided in fiscal year 2004. The Committee is concerned that TSA has contracted with a program management company for maintenance of aviation security equipment, and that, in many instances, this company has subcontracted the maintenance and utility expenses to the original manufacturer of these products. Substantial cost savings may be achieved if TSA were to contract directly with the manufacturers of these products for repairs, maintenance, and utility expenses. The Committee directs TSA to evaluate this option and has reduced the budget request by $10,000,000, assuming some cost savings will occur during the fiscal year.

AIRPORT SECURITY DIRECTION AND ENFORCEMENT

The Committee recommends $847,290,000 for airport security direction and enforcement, $13,400,000 above the President's request and $145,608,000 above the amounts provided in fiscal year 2004. The following table highlights funding levels by program, project and activity:

	Budget estimate	Recommended
Aviation regulation and other enforcement	$227,000,000	$230,000,000
Airport management and staff	284,000,000	284,000,000
Airport information technology and other support	267,890,000	267,890,000
Federal flight deck officer program	25,000,000	25,000,000
Air cargo	30,000,000	40,400,000
Flight school checks (by transfer)	(4,600,000)	(4,600,000)
Sub-total Airport Security Direction and Enforcement	833,890,000	847,290,000

AVIATION REGULATION AND OTHER ENFORCEMENT

The Committee recommends $230,000,000 for aviation regulation and other enforcement, $3,000,000 above the President's request and $47,766,000 below the amounts provided in fiscal year 2004. An additional $3,000,000 has been provided to expand the number of canine teams deployed to inspect air cargo. These canines may also be used for rail inspections, if necessary.

AIR CARGO

The Committee recommends $40,400,000 for air cargo, $10,400,000 above the President's request and $10,469,000 above the amounts provided in fiscal year 2004. Of this total, $10,000,00 is to hire an additional 100 air cargo inspectors for additional inspection and enforcement activities throughout our nation's airports and in conjunction with the known shipper program. The remaining $400,000 shall be to continue TSA's participation with the C–TPAT program and include vetted shippers and manufacturers, as necessary, into TSA's known shipper program.

The Committee is encouraged that TSA has been working to develop explosive trace detection system protocols that may be used to inspect air cargo bound on passenger and all-cargo aircraft. These protocols will give air carriers more options in the short term to meet the mandated screening percentages other than open and inspect. The Committee directs TSA to issue these protocols as soon as possible.

The Committee continues and modifies a general provision (Section 513) relating to air cargo. Language is retained that requires the Secretary to research, develop, and procure certified systems to inspect and screen air cargo on passenger aircraft. Until such technology is available, the Secretary must enhance the known shipper program to prohibit high-risk cargo from being transported on passenger aircraft. In essence, this requires the Secretary to assure that 100 percent of cargo carried on passenger aircraft is from a certified known shipper or meets other security requirements specified by TSA. The Committee includes new language that requires the Secretary to amend the air cargo security directive, so that at a minimum, the percentage of air cargo that must be inspected shall be double that currently screened.

USE OF EXPLOSIVE DETECTION CANINES

The Committee is aware that TSA is utilizing an increasing number of explosive detection canines. The Committee is also aware that private sector providers of explosive detection canines exist and could assist TSA in a cost effective manner. The Committee encourages TSA to conduct a pilot project with such a provider to assess the cost effectiveness and security implications of this approach.

GENERAL AVIATION

The Committee is aware of the efforts being made by the TSA to secure the general aviation industry. The recent release of TSA guidelines coupled with efforts being made by pilots, operators, manufacturers, and general aviation airports, have enhanced general aviation security. The future of the general aviation industry

is tied to its ability to operate securely. The Committee is aware of a number of proposed technologies and initiatives to enhance general aviation security, including efforts that capture critical aviation data and ensure their security while functioning within existing airport and air traffic control procedures. The Committee urges TSA to work closely with the private sector, including the general aviation community, on these new technologies to determine if these can be used to protect our nation's transportation systems.

The Committee expects TSA to continue funding of the toll-free number (866–GA–Secure) to reinforce security at the nation's 5,400 public use general aviation airports.

AIRPORT PERIMETER SECURITY

The Committee notes that a recent GAO report on the security of airport perimeters and access controls identified several areas where improvements are needed, particularly with respect to meeting certain requirements of the Aviation and Transportation Security Act (PL 107–71). The Committee directs TSA to provide a report to the Committee, no later than January 31, 2005, that contains plans for (1) developing and implementing uniform screening standards for airport workers with access to secure areas, (2) completing an assessment of available technologies that are applicable to securing aiport perimeters and making this information available to airport operators, and (3) developing and implementing a standardized approach to conducting airport vulnerability assessments and compliance inspections.

AVIATION SECURITY FEES

In total, the Committee has assumed the collection of $1,823,000,000 in aviation security user fees in addition to the $250,000,000 in aviation security user fees that must automatically be deposited in the Aviation Security Capital Fund. The Committee believes that, of this total, $1,523,000,000 shall be collected from aviation passengers and $350,000,000 shall be collected from the airlines. The Committee cannot support the President's request to raise the fees air carriers pay for security expenses to $750,000,000. Many air carriers remain financially strapped and gasoline prices have almost doubled in the past year. Doubling air carrier security-related fees in fiscal year 2005 would place undue burdens on the airlines, and in essence, amount to a new tax.

MARITIME AND LAND SECURITY

Appropriation, fiscal year 2004	$261,449,000
Budget estimate, fiscal year 2005	29,000,000
Recommended in the bill	65,000,000
Bill compared with:	
Appropriation, fiscal year 2004	−196,449,000
Budget Estimate, fiscal year 2005	+36,000,000

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 en-

forcing these regulations to ensure the protection of the transportation system.

RECOMMENDATION

The Committee recommends a total funding level of $132,000,000 for the staff and activities within TSA's maritime and land program. This funding consists of $65,000,000 in direct appropriations and $67,000,000 in offsetting collections. The direct appropriations are $36,000,000 above the President's request and $196,449,000 below the amounts provided in fiscal year 2004. The following table highlights funding levels by program, project, and activity:

	Budget estimate	Recommended
Transportation worker identification card	$50,000,000	$65,000,000
Credentialing	5,000,000	5,000,000
Hazardous materials safety	17,000,000	17,000,000
Staffing and operations	24,000,000	24,000,000
Intercity bus security		10,000,000
Rail security demonstrations		11,000,000
Offsetting collections for credentialing	−67,000,000	−67,000,000
Total	29,000,000	65,000,000

TRANSPORTATION WORKER IDENTIFICATION CARD

The Committee recommends $65,000,000 for the transportation worker identification card program, $15,000,000 above the President's request and $20,295,000 above the amounts provided in fiscal year 2004. Of this total, $15,000,000 is a direct appropriation that will be used to develop and install necessary hardware and software at those sites producing and personalizing the transportation worker identification cards. As specified last year, TSA shall develop a personalization system that is centralized and uses an existing government card production facility for these activities. The remaining $50,000,000 is initially appropriated yet it will be offset throughout the fiscal year from fees people will pay when they apply for their transportation worker identification card. These fees will cover the costs of the background checks and other ancillary items necessary to verify a person's identity and personalize each card appropriately.

INTERCITY BUS SECURITY

The Committee recommends $10,000,000 for intercity bus security, $10,000,000 above the President's request and the same as amounts provided in fiscal year 2004.

RAIL SECURITY

A total of $111,000,000 has been provided in this bill for rail security: $11,000,000 through the TSA and $100,000,000 through the Urban Area Security Initiatives grant program. The Committee also notes that $12,000,000 is available through the Information Analysis and Infrastructure Protection Directorate for rail security. Funding is also provided within the Science and Technology Directorate for suicide bomb detection devices and exercises that may be applicable to rail security efforts. The Committee is concerned about the vulnerability of the nation's rail and transit systems, and

directs TSA to work with the Office for State and Local Government Coordination and Preparedness, IAIP, and Science and Technology to develop a robust rail and transit security program and identify possible research and design requirements that could strengthen rail security nationwide, and report back on these efforts by March 1, 2005.

Within the $11,000,000 provided to TSA for rail security, $1,000,000 shall be allocated to undertake a prototype program to perform risk assessments for high-risk domestic freight cargo. Current cargo screening efforts, including risk assessments, are focused on international shipments. However, there is a continual risk from domestic shipments of cargo as well. The Committee expects TSA to perform dynamic, risk-based, near real-time assessments to determine high-risk domestic cargo shipments. The Committee expects that the remaining $10,000,000 shall be used to accelerate the evaluation and testing of technologies that will enhance the ability of TSA, transit operators, or intercity rail providers to screen passengers and baggage in the rail environment. The Committee acknowledges that beginning steps were taken through TSA's transit and rail inspection pilot (TRIP) program. However, the initiative is of short duration. When combined with other research and development funds under TSA and within the Science and Technology Directorate, the Committee expects TSA to move forward aggressively with additional screening evaluations and testing, particularly in high volume train stations in large urban areas where numerous people ride transit or intercity rail on a daily basis. Technology evaluation should not be limited to those included within the TRIP program but also should include others that may be applicable in the transit and intercity rail environment.

The Committee is aware of promising advances in train control technology, largely funded by the Federal Railroad Administration, that would allow a central operator the ability to remotely control the operation of a freight or passenger train in times of distress. The Committee believes development of such a system could enhance the safety, security, and efficiency of the rail system, and encourages TSA to work with the Federal Railroad Administration on this technology.

PORT SECURITY

The Committee has transferred the port security grant program to the new Office for State and Local Government Coordination and Preparedness, pursuant to Secretarial direction. A total of $125,000,000 has been provided for fiscal year 2005, the same level as provided in fiscal year 2004. The Committee expects that the Transportation Security Administration, in conjunction with the Coast Guard, will conduct a multi-level review of all grant applications and make award recommendations, continuing the longstanding practice for these grants. In making award decisions in fiscal year 2005, the Committee believes that funding should be awarded based on findings contained within port vulnerability assessments for the 55 ports of national significance and based on security and enhancement plans submitted by vessels and facilities as required by the Maritime Transportation Security Act of 2002.

HIGHWAY WATCH

While funding has not been provided for the Highway Watch, the Committee remains very supportive of this program. Previous appropriations will fund this program through fiscal year 2005. The Committee directs the fiscal year 2006 budget to continue this critical program.

NUCLEAR DETECTION AND MONITORING

For the past two years, the Committee has provided funding to TSA for evaluation and procurement of portable nuclear radiation search tools. As of March 31, 2004, TSA has not obligated any of the fiscal year 2004 funds. The Committee is extremely disappointed in the time TSA has taken to issue notice of proposals for these search tools and awarding contracts and urges TSA to act expeditiously on this matter. TSA is directed to report on the status of these awards no later than October 1, 2004.

INTELLIGENCE

Appropriation, fiscal year 2004	$13,520,000
Budget estimate, fiscal year 2005	14,000,000
Recommended in the bill	14,000,000
Bill compared with:	
Appropriation, fiscal year 2004	+480,000
Budget Estimate, fiscal year 2005	.....

MISSION

TSA is charged with serving as the primary liaison for transportation security to the intelligence and law enforcement communities. This program provides current and strategic warnings regarding threats to United States transportation modes, identifies trends, analyzes intelligence data, and disseminates information through liaison with the intelligence community agencies.

RECOMMENDATION

The Committee has provided a total of $14,000,000, the same as the President's request and $480,000 above the amounts provided in fiscal year 2004.

RESEARCH AND DEVELOPMENT

Appropriation, fiscal year 2004	$154,285,000
Budget estimate, fiscal year 2005	154,000,000
Recommended in the bill	174,000,000
Bill compared with:	
Appropriation, fiscal year 2004	+19,715,000
Budget Estimate, fiscal year 2005	+20,000,000

MISSION

TSA conducts research and development activities in an effort to improve current security technology. This research is targeted toward methodologies for 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 $174,000,000 for research and development activities, $20,000,000 above the President's request and $19,175,000 above the amounts provided in fiscal year 2004. A comparison of the budget estimate to the Committee recommended level by budget activity is as follows:

	Budget estimate	Recommended
Research and development at the Tech Center	$49,000,000	$49,000,000
Next generation EDS and ETD projects	50,000,000	50,000,000
Air cargo	55,000,000	75,000,000
Total	154,000,000	174,000,000

AIR CARGO

The Committee has provided a total of $75,000,000 for air cargo, $20,000,000 above the President's request and $20,234,000 above the amounts provided in fiscal year 2004. This additional funding shall be used for two purposes: (1) to accelerate research and development of new technologies to screen containerized cargo bound for both passenger and all-cargo aircraft and (2) to accelerate the air cargo inspection pilot program for additional locations.

NEXT GENERATION RESEARCH AND DEVELOPMENT

The Committee recommends that, of the $50,000,000 appropriated to next generation research and development activities, $10,000,000 shall be used to initiate a truly next generation approach—a "Manhattan Project II"—for explosives detection systems. To date, funding for next generation explosive detection technology has been focused largely on implementing incremental improvements to existing technology, known as the Phoenix projects. The Committee is committed to developing a truly next generation Manhattan Project II program to achieve a quantum leap in EDS technology. The Committee urges TSA to pursue a longer-term vision and objectives for airline security and baggage screening. Funding for Manhattan II should be focused on partnerships with the private sector to achieve advances to reduce false alarm rates, speed through-put, reduce manpower costs, enhance resolution, and vastly improve on the systems' efficiencies.

ADMINISTRATION

Appropriation, fiscal year 2004	$424,679,000
Budget estimate, fiscal year 2005	539,852,000
Recommended in the bill	524,852,000
Bill compared with:	
Appropriation, fiscal year 2004	+100,173,000
Budget Estimate, fiscal year 2005	−15,000,000

MISSION

TSA's administrative activities include 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 $524,852,000 for the administrative activities of the TSA, $15,000,000 below the President's request and $100,173,000 above the amounts provided in fiscal year 2004. A comparison of the budget estimate to the Committee recommended level by budget activity is as follows:

	Budget estimate	Recommended
Headquarters administration	$277,382,000	$267,382,000
Mission support centers	14,000,000	9,000,000
Information technology	240,470,000	240,470,000
Corporate training	8,000,000	8,000,000
Total	539,852,000	524,852,000

HEADQUARTERS ADMINISTRATION

The Committee has reduced funding for headquarters administration by $10,000,000 due to budgetary constraints.

MISSION SUPPORT CENTERS

The Committee has reduced funding for mission support centers by $5,000,000, consistent with actions proposed in TSA's recent reprogramming request.

UNITED STATES COAST GUARD

OPERATING EXPENSES

Appropriation, fiscal year 2004	$4,637,433,000
Budget estimate, fiscal year 2005	5,173,220,000
Recommended in this bill	5,171,220,000
Total appropriation compared with:	
Appropriation, fiscal year 2004	+533,787,000
Budget Estimate, fiscal year 2005	−2,213,000

[1] Transfer from the Department of Defense, "Operations and Maintenance, Navy."

MISSION

The Operating Expenses 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 $1,204,000,000 for national security activities, the Committee recommends a total appropriation of $5,171,220,000. The recommended funding level is $2,213,000 below the President's request and $533,787,000 above the amounts provided in fiscal year 2004. The following table highlights the recommended level by program, project, and activity:

	Recommended
Military Pay and Allowance:	
Military pay and allowances	$2,161,113,591
Military health care	544,785,168

	Recommended
Permanent change of station	101,927,924
Subtotal, military pay and allowance	2,807,826,683
Civilian Pay and Benefits:	
Pay for performance demonstration	0
Subtotal, civilian pay and benefits	456,109,838
Training and Recruiting:	
Training and education	81,407,282
Recruitment	85,034,039
Subtotal, training and recruiting	166,441,321
Operating Funds and Level Maintenance:	
Atlantic Command	153,426,976
Pacific Command	175,376,762
1st District	43,366,942
7th District	52,004,281
8th District	36,302,534
9th District	23,265,100
13th District	18,050,513
14th District	12,512,247
17th District	22,557,064
Headquarters directorates	317,321,951
Headquarters managed units	74,174,502
Other activities	766,720
Subtotal, operating funds and level maintenance	929,125,592
Centrally Managed Accounts:	175,437,787
Immediate and Depot Level Maintenance:	
Aeronautical maintenance	222,384,381
Electronic maintenance	95,460,280
Civil/Ocean engineering & shore facilities maintenance	151,034,504
Vessel maintenance	154,399,614
Watch Standards:	13,000,000
Subtotal, immediate and depot level maintenance	623,278,779
Total	5,171,220,000

PERMANENT CHANGE OF STATION

The Committee has reduced funding for permanent change of station costs anticipated in fiscal year 2005 by $5,000,000 to be more reflective of actual costs the Coast Guard has incurred for these activities in previous fiscal years.

AERONAUTICAL MAINTENANCE

The Committee recommends $222,384,381 for aeronautical maintenance. Within the funds provided, $676,000 shall be used to install UH–60 fluid outflow collection devices to address safety concerns related to leaking hydraulic fluids.

PAY FOR PERFORMANCE DEMONSTRATION

The Committee has not included funding for the Department's new pay for performance demonstration program. While the Committee is supportive of the Department of Homeland Security's conversion to a new human resource information and pay system, the implementation of this system in fiscal year 2005 does not align with the Coast Guard's current pay and performance evaluation schedule, which is typically done each summer. In order for the Coast Guard to have adequate time to convert its civilian employees to this new system, as well as train and monitor the progress of these employees under this system for about a year, the Department's new human resources system would need to be in place very shortly. This does not appear feasible. As a result, the Committee

cannot support using Coast Guard civilian employees to test this system at this time.

MARITIME TRANSPORTATION SECURITY

The Committee fully funds the budget request to aggressively implement the Maritime Transportation Security Act (MTSA) of 2002, including 791 new personnel (FTPs) to implement and enforce security plans, and for underwater detection equipment for the maritime safety and security teams. The Committee expects that, when these new personnel are hired and trained, they will replace approximately 450 reservists currently doing this work.

The Committee is concerned that the Coast Guard intends to rely on foreign governments to review foreign vessel security plans. The Committee understands that the Coast Guard may not even require that these security plans be translated into English. Vessels flagged in Panama, Liberia, the Bahamas, and Cyprus represent 45 percent of all vessels entering United States ports. If the Coast Guard does not review the vessel security plans required by MTSA, these plans have no independent U.S. verification. Therefore, the Committee directs the Coast Guard to review all vessel security plans. The Coast Guard shall report to the House Appropriations Committee by October 15, 2004 on the results of its reviews and on the level of resources needed to thoroughly conduct such reviews in the future.

SECTOR COMMANDS

The Committee is concerned that the Coast Guard has yet to present it with the staffing and resource implications of the February 2004 decision to move to a sector command structure. Therefore, the Committee directs that no less than 30 days before such command structure is to be implemented, the Commandant submit a report to the House Committee on Appropriations laying out the before and after staffing levels (by rank and numbers), the organizational structure of each sector, the chain of command by sector, and information on infrastructure and other issues by sector that may require additional resources due to the move to sector commands.

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 $4,662,000 has been provided within operating expenses to implement and enforce the national ballast water program and ballast water information clearinghouse.

ICEBREAKING

The Committee remains very supportive of the Coast Guard's efforts to re-negotiate the Memorandum of Agreement (MOA) with the National Science Foundation (NSF) related to the costs each

agency assumes for icebreaking, particularly in the Antarctic region. The Committee continues to believe that the Coast Guard is not adequately reimbursed by NSF for the costs it incurs to break ice in the polar regions in support of scientific research. The Coast Guard is directed to continue these negotiations in hopes that a revised MOA will be signed shortly.

Since 1965, when the polar icebreaking program transferred from the U.S. Navy, the Coast Guard has been the principal provider of polar icebreaking services for the Nation. Coast Guard Polar-Class Icebreakers provide a capability for national defense, science research, logistics support, search and rescue, maritime law enforcement and marine environmental protection in the polar regions. While the Coast Guard has successfully carried out the polar icebreaking mission for nearly 40 years, the Committee understands that the POLAR SEA and POLAR STAR, the two most powerful icebreakers of the Coast Guard's three icebreaker fleet, have been in service for over 27 years and both are approaching the end of their service life. The Committee also understands that based on preliminary analysis conducted by the Coast Guard, the costs to recapitalize both of these icebreakers are very significant.

Given the challenges facing the Coast Guard and stakeholders of the U.S. Polar Research Program, due in part to the condition of these aging cutters and the significant investment that will be needed to continue their service, the Coast Guard should evaluate and determine present and projected future needs for polar icebreakers with respect to all appropriate national defense, homeland security, scientific, economic, and environmental interests of the United States. In conducting the review, the Coast Guard should consider the role of polar icebreakers in supporting United States operations in the Antarctic and Arctic, including future marine operations in the Northern Sea Route and the Northwest Passage that may develop due to environmental change, the number of capability of polar icebreaking vessels needed by the nation to support national interests in the polar regions, the appropriate agency or agencies to manage polar icebreakers and the most effective and efficient funding mechanism to meet national interests for this program. This work should be completed and reported to the House Committee on Appropriations by March 1, 2005.

LEASING OF HELICOPTERS

The Committee is aware of proposals to establish a permanent West Coast HITRON Squadron, and directs the Commandant to submit a report on the cost-effectiveness of establishing this squadron when compared to other options, the feasibility and the practicality no later than October 1, 2004.

COAST GUARD WATCH STANDARDS

Section 676(B) of Title 14, United States Code, required the Secretary to establish standards to ensure that an individual on duty or watch in a Coast Guard Search and Rescue Command Center facility does not work more than 12 hours in a 24-hour period, except in an emergency or during unforeseen circumstances. This policy has been established as the standard for all Coast Guard Command Centers. The Coast Guard has utilized new military and civilian positions and its reserve forces to augment Command Center

watches to meet the standard. However, despite these efforts, the Coast Guard remains unable to meet the 12-hour standard at all times. Staffing studies by the Center for Naval analysis and the Coast Guard Research and Development Center show that Coast Guard needs an additional 120 full time staff to meet the standard on a routine basis. The Committee has included an additional $13 million for the Coast Guard to hire additional personnel to ensure that the Coast Guard meets its watch standards.

ENVIRONMENTAL COMPLIANCE AND RESTORATION

Appropriation, fiscal year 2004	$16,900,000
Budget estimate, fiscal year 2005	17,000,000
Recommended in the bill	17,000,000
Bill compared with:	
Appropriation, fiscal year 2004	+100,000
Budget estimate, fiscal year 2005	.....

MISSION

The Environmental Compliance and Restoration 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 for Environmental Compliance and Restoration activities, the same as the budget request and $100,000 above the amounts provided in fiscal year 2004.

RESERVE TRAINING

Appropriation, fiscal year 2004	$94,440,000
Budget estimate, fiscal year 2005	117,000,000
Recommended in the bill	113,000,000
Bill compared with:	
Appropriation, fiscal year 2004	+18,560,000
Budget estimate, fiscal year 2005	−4,000,000

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 include:

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; and

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

RECOMMENDATION

The Committee recommends $113,000,000 for Reserve Training, $4,000,000 below the President's request and $18,560,000 above the amounts provided in fiscal year 2004. The President requested, and the Committee approves, a transfer of $12,000,000 from Operating Expenses to Reserve Training to more accurately reflect items and activities that should have been funded by Reserve Training, such as student costs for accession and technical training, and some salaries and benefits. A reduction of $4,000,000 was made to travel costs requested for this account in fiscal year 2005. These costs are 2 to 3 times higher than actual travel expenditures under this account for the prior two fiscal years. As such, the Committee has provided $2,959,000 for travel instead of $6,959,000, as requested.

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

(INCLUDING RESCISSION OF FUNDS)

Appropriation, fiscal year 2004	$961,492,000
Budget estimate, fiscal year 2005	942,550,000
Recommended in the bill	936,550,000
Bill compared with:	
Appropriation, fiscal year 2004	−24,942,000
Budget estimate, fiscal year 2005	−6,000,000

MISSION

The Acquisition, Construction, and Improvements 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 $936,550,000 for Acquisition, Construction, and Improvements, $6,000,000 below the President's request and $24,942,000 below the amounts provided in fiscal year 2004. The following table highlights the recommended level by program, project, and activity:

	Recommended
Vessels and Critical Infrastructure:	
Great Lakes icebreaker replacement	$7,750,000
Response boat medium	12,000,000
Deepwater:	
Aircraft:	
Maritime patrol aircraft	2,300,000
VTOL unmanned aerial vehicle (VUAV)	43,000,000

	Recommended
Aviation capability sustainment/enhancements	—
Capability enhancements for HH–60 avionics	15,000,000
Capability for HC–130 aircraft radar	9,000,000
HH65 re-engining project	75,000,000
Covert surveillance aircraft	14,000,000
Surface Ships:	
National security cutter	264,500,000
Offshore patrol cutter requirements analysis	5,000,000
IDS patrol boat (110 to 123 conversion)	32,000,000
Fast response cutter	28,000,000
IDS small boats	2,300,000
270′ WMEC sustainment project for major equipment	12,500,000
C4ISR:	
Command and control system for common operating picture	31,000,000
270′ WMEC C4ISR upgrades	15,000,000
Communications area master station upgrade at shore sites	6,000,000
SEI equipment for 270′ WMEC and 278′ WHEC	1,600,000
Logistics:	
ICGS development	15,100,000
Shore sites	1,600,000
Facilities required for future asset deployments	—
ATC mobile hangar construction	15,000,000
OCCSU building construction	4,300,000
CAMSLANT facility expansion construction	2,000,000
Pier facility upgrades	1,800,000
ICGS Management	45,000,000
Government program management/ICGS	38,000,000
Aircraft:	
Armed helicopter equipment	1,800,000
Other Equipment:	
Rescue 21	134,000,000
Automatic Identification System	24,000,000
Shore Facilities and Aids to Navigation:	
Survey and design, shore operational and support projects	1,000,000
Minor AC&I shore construction projects	1,600,000
Small arms range at ISC Honolulu, Hawaii	1,600,000
Waterway aids to navigation infrastructure	800,000
Personnel and Related Support:	
Direct personnel costs	72,500,000
AC&I core	500,000
Total	936,550,000

DEEPWATER

The multi-year re-capitalization program known as Deepwater—the cornerstone of the Coast Guard's future operations—has reached a critical juncture within its development. Deepwater's acquisition schedule has undergone a fundamental shift from its original concept and is currently in a state of significant flux with only a few facets of the initial system concept still intact. Numerous studies have concluded that massive changes to the program are necessary, including a different mixture of assets than what was originally proposed.

For example, by fiscal year 2005, Deepwater was scheduled to receive 9 Maritime Patrol Aircraft to replace the aging Falcons and C–130s, yet the Department is now evaluating whether or not the originally planned Maritime Patrol Aircraft, the CASA 235–300 M, is the plane that the Coast Guard should be procuring long term. Similarly, the Coast Guard planned to upgrade and extend the hulls of 49 110-foot patrol boats. However, hull damage in the first patrol boat was greater than anticipated and the Coast Guard is now deciding whether to expedite the purchase of the fast response

cutter, which was not scheduled to come on-line until 2018. The Coast Guard may also limit the number of hull extensions to less than a dozen boats.

At the same time that these changes are occurring, the homeland security mission capabilities required of the Deepwater program have yet to be solidified. Given the level of appropriations provided for this program and the degree of uncertainty that presently exists, the Committee is deeply concerned about the direction and focus of the Deepwater program. Therefore, the Committee has included bill language requiring the Coast Guard to re-baseline this program. This new baseline must be submitted as part of the President's fiscal year 2006 budget and must include revised, specific acquisition timelines for each asset the Coast Guard continues to believe is necessary to acquire, a timeline for each new asset that is necessary to fulfill homeland security functions or multi-agency procurements as identified by the Joint Requirements Council, and a detailed description of the revised mission requirements for the Coast Guard. Funding levels for each asset, whether new or continuing, must also be identified by fiscal year.

MARITIME PATROL AIRCRAFT

The Committee recommends $2,300,000 for the maritime patrol aircraft (MPA) in fiscal year 2005, $3,000,000 below the President's request and $22,700,000 below the amounts provided in fiscal year 2004. The Committee is aware that the Coast Guard is re-examining the mission of the proposed maritime patrol aircraft. Specifically, the Coast Guard believes the MPA needs to be capable of both air intercept and rapid cargo lift and deployment—mission capabilities not included within the original Deepwater proposal. The MPA mission, as well as other homeland security mission areas, is further being examined at the departmental level through the work of the Joint Requirements Council (JRC). The findings of the JRC could potentially impact not only the MPA, but also the operations of all relevant DHS agencies that possess an aviation component. Until these evaluations have been completed and decisions are made that clearly identify which aircraft the Coast Guard will need in the future, the Committee cannot fully support the budget request for Maritime Patrol Aircraft.

COVERT SURVEILLANCE AIRCRAFT

The aerial surveillance of our harbors, ports, and contiguous waterways represents an urgent homeland security responsibility of the Coast Guard. While the Coast Guard has fixed-wing aircraft to perform long-range surveillance activities, currently there is a void in their medium to short-range aerial surveillance assets, limiting the Coast Guard's ability to cost-effectively perform its maritime domain awareness mission. The Deepwater program does not anticipate procuring aircraft devoted to maritime domain awareness until 2016. The Committee strongly believes that this void must be addressed now. Therefore, the Committee directs the Coast Guard to procure, test and evaluate a covert, multi-sensor, surveillance aircraft to perform maritime domain awareness missions.

HH–65 RE-ENGINING

The Committee recommends a total of $79,000,000 for the HH–65 re-engining project in fiscal year 2005. Because of the critical nature of this re-engining project, the Committee believes that a dedicated line item is necessary for these activities, and has reallocated $75,000,000 from the Deepwater aircraft legacy line item to this HH–65 re-engining project. In addition, the Committee directs the Coast Guard to reallocate the $4,000,000 provided in fiscal year 2003 for the development of a new fuel control system (FADEC) to the HH–65 re-engining project. These funds are no longer needed to develop this system because the current HH–65 engine is being replaced entirely by a different manufacturer instead of being retrofitted by the original HH–65 engine manufacturer.

LEGACY DEEPWATER ASSETS

The Committee is concerned that the Coast Guard is having difficulty maintaining its legacy assets due to a perceived need to put as much funding as possible into Deepwater procurements. Lives of the public and Coast Guard personnel are put on the line if the assets used day in and day out by the Coast Guard are not properly maintained. The Committee understands that, as the Coast Guard fleet continues to age and as mission needs continue to increase, the dollars spent on maintenance of legacy assets will also increase. Within 30 days of enactment of this Act, the Coast Guard shall report to the House Committee on Appropriations on its plan for maintenance of all of its legacy vessels and aircraft and the entity (whether Coast Guard or contractor) responsible for such maintenance and estimated costs. The Coast Guard is directed to submit quarterly reports to the Committee on its actions with respect to this plan, beginning with the submission of the President's budget request for fiscal year 2006.

NATIONAL SECURITY CUTTER

The Committee recommends $264,500,000 for the National Security Cutter (NSC) in fiscal year 2005, $10,000,000 below the President's request and $56,500,000 above the amounts provided in fiscal year 2004. This funding level is based on new data showing that each NSC costs approximately $265,000,000 to build instead of the $274,000,000 originally estimated.

RESCUE 21

The Committee recommends $134,000,000 for the Rescue 21 program, $27,000,000 below the President's request and $791,000 above the amounts provided in fiscal year 2004. Rescue 21 has been experiencing significant software development problems, resulting in the program falling about one year behind schedule. To date, the Coast Guard has been unable to obligate any of the funding provided in fiscal year 2004 for Rescue 21 because these funds are contingent upon the software and hardware being able to successfully pass systems integration and full quality tests. At this time, these tests are not anticipated until later in the summer.

AUTOMATED IDENTIFICATION SYSTEM

The Maritime Transportation Security Act required that vessels entering U.S. ports have an automatic Identification System (AIS) on board by the end of 2004 that will identify the ship, the size of the ship, and the type of cargo on the ship when it enters U.S. ports. The Committee is concerned that by the end of fiscal year 2004, only 9 seaports will be able to receive AIS signals from vessels entering our ports. The Committee is disappointed that only $4 million is included in the budget request to continue this effort even though a national plan to outfit the 55 largest seaports will be completed by the end of calendar year 2004. The Committee provides $24 million for this effort in fiscal year 2005 in order to install AIS technology at strategic ports.

RESCISSION

The Committee has rescinded $33,000,000 in funding appropriated in 2003 and 2004 for Maritime Patrol Aircraft under the Deepwater program.

ALTERATION OF BRIDGES

Appropriation, fiscal year 2004	$19,136,000
Budget estimate, fiscal year 2005	.....
Recommended in the bill	16,400,000
Bill compared with:	
Appropriation, fiscal year 2004	−2,736,000
Budget estimate, fiscal year 2005	+16,400,000

MISSION

The bill includes funding for alteration of bridges deemed a hazard to marine navigation pursuant to the Truman-Hobbs Act. The purpose of these alterations is to improve the safety of marine navigation under the bridge rather than the improvement of surface transportation on the bridge itself. Because there are occasionally unsafe conditions on the waterway beneath a bridge which has an adequate surface or structural condition, Federal-aid highways funding is not appropriate to address the purpose of the Truman-Hobbs program.

RECOMMENDATION

The Committee recommends $16,400,000 for alteration of bridges, $16,400,000 above the President's request and $2,736,000 below the amounts provided in fiscal year 2004. The Committee directs that, of the funds provided, $2,000,000 shall be allocated to the Chelsea Street Bridge in Chelsea, Massachusetts; $4,000,000 shall be allocated to the Canadian Pacific Railroad Bridge in La-Crosse, Wisconsin; $6,000,000 shall be allocated to the Fourteen Mile Bridge in Mobile, Alabama; and $4,400,000 shall be allocated to the Florida Avenue Bridge in New Orleans, Louisiana. With this funding, the commitment to the Florida Avenue Bridge will be completed.

RETIRED PAY

Appropriation, fiscal year 2004	$1,020,000,000
Budget estimate, fiscal year 2005	1,085,460,000
Recommended in the bill	1,085,460,000
Bill compared with:	
Appropriation, fiscal year 2004	+65,460,000
Budget estimate, fiscal year 2005	.....

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 $1,085,460,000, the same as the budget request and $65,460,000 above the amounts provided in fiscal year 2004. This is scored as a mandatory appropriation in the Congressional budget process.

UNITED STATES SECRET SERVICE

SALARIES AND EXPENSES

Appropriation, fiscal year 2004	$1,130,570,000
Budget estimate, fiscal year 2005	1,159,125,000
Recommended in the bill	1,179,125,000
Bill compared with:	
Appropriation, fiscal year 2004	+48,555,000
Budget estimate, fiscal year 2005	+20,000,000

MISSION

The United States Secret Service is directed by statute and executive order to carry out two significant missions: protection and criminal investigations. The Secret Service protects the President and Vice President, their families, heads of state, and other designated individuals; investigates threats against these protectees; protects the White House, Vice President's Residence, Foreign Missions, and other buildings within Washington, D.C.; and plans and implements security designs for National Special Security Events. The Secret Service also investigates violations of laws relating to counterfeiting of obligations and securities of the United States; financial crimes that include, but are not limited to, access device fraud, financial institution fraud, identity theft, and computer fraud; computer-based attacks on our nation's financial, banking, and telecommunications infrastructure; and provides investigative support for missing and exploited children.

RECOMMENDATION

The Committee recommends $1,179,125,000 for Secret Service Salaries and Expenses, $20,000,000 above the President's request and $48,555,000 above the amounts provided in fiscal year 2004. The Committee includes $10,000,000 for National Special Security

Events, an additional $5,000,000 above the President's request to support and expand the Electronic Crimes Task Forces, and transfers $5,000,000 for grant assistance for the National Center for Missing and Exploited Children funded by the President in the ICE Appropriation. The recommended funding levels area as follows:

Salaries and expenses	Amount
Protection:	
Protection of persons and facilities	$571,640,000
National Special Security Event Fund	10,000,000
Protective intelligence activities	53,989,000
White House mail screening	16,365,000
Subtotal, Protection	651,994,000
Field operations:	
Domestic Field Operations	221,489,000
International Field Office Administration, Operations and Training	19,208,000
Electronic Crimes Special Agent Program and Electronic Crimes Task Force	36,536,000
Subtotal, Field Operations	227,233,000
Administration:	
Headquarters, management and administration	197,747,000
National Center for Missing and Exploited Children	7,100,000
Subtotal, Administration	204,847,000
Training: Rowley Training Center	45,051,000
Total, Salaries and Expenses	1,179,125,000

NATIONAL SPECIAL SECURITY EVENTS

The Secret Service has been assigned the responsibility to lead security planning for National Special Security Events (NSSEs) such as the Presidential inauguration, national political conventions, and other major events designated by the President or the Secretary. Examples of significant events in recent years have been the 2002 Winter Olympics, Super Bowl competition, and international summits such as the G–8 conference scheduled for June 2004. No specific appropriation has been requested for planning or funding the cost of preparing for such events, and, in practice, funding requirements have frequently been underestimated, with the result that supplemental funding or reprogramming has been required, in some cases at the expense of necessary operational programs. The Counterterrorism (CT) Fund has been identified as a possible funding source, but has not proven a practical option, since the CT fund has frequently been reserved for unanticipated needs. In order to assure adequate funding for NSSEs and to make budgeting for them more straightforward, the Committee has included $10,000,000 for the expenses of planning, preparing for, and conducting the security operations for NSSEs, and made such funding available for two fiscal years. The Secret Service, as with other protective activity, may use such funds to reimburse the costs of other federal agencies in support of this mission.

ELECTRONIC CRIMES TASK FORCES

In the USA PATRIOT Act of 2001, Congress directed the Secret Service to develop a nationwide network of Electronic Crimes Task

Forces (ECTFs) based upon the successful model of the Secret Service's New York ECTF. To date there are 13 ECTFs located across the United States. There is a significant rise in electronic crime affecting our finance and information industries, and alarming evidence of the risk of terrorist cyber-attack on our vulnerable critical infrastructures. Since their inception, the ECTFs, with their core support from the Secret Service's Electronic Crimes Special Agent Program (ECSAP), have proven to be highly effective at combating high tech crime. The Committee views the ECTFs as an invaluable resource in support of the financial and electronic crimes mission of the Secret Service and the department-wide mission of providing for the security of critical infrastructure. Therefore, the Committee increases the budget request by $5,000,000 bringing the total provided for this activity to $36,536,000. These funds are to support the costs associated with the increase of ECSAP agents by at least 34 FTE.

The Committee directs the Secret Service to submit a deployment plan not later than 90 days after enactment of this Act describing the staffing and other resources assigned to each ECTF, and the location and number of ECSAP-qualified agents.

OVERSEAS COUNTERFEITING

The anti-counterfeiting mission of the Secret Service is as critical now as it has ever been. Counterfeit currency and the technology to produce it make it both a medium of exchange of terrorists, organized crime and drug traffickers, as well as a source of profits to them. Most of this counterfeiting is done overseas, over 70% in Colombia and Bulgaria, and accounts for over 80% of the counterfeit currency passed in the U.S. The Committee is concerned about several emerging areas, including new trends in Colombia for counterfeiting to be linked to other crime and terrorism; the movement of counterfeiting through Latin American "transit countries" to the U.S. and Europe; the targeting by counterfeiters of "dollarized" economies such as Ecuador and others in Latin America; increased trafficking through Spain, and dramatically increased production in North Korea, the Middle East, North Africa and Asia Minor.

In addition, the Committee is aware that the Secret Service, through Plan Colombia funding, established a "Vetted Anti-Counterfeiting Force" (VACF) of Colombia law enforcement agents, and that joint operations of the Secret Service with the VACF have resulted in substantial improvements in seizures, counterfeiting suppression and arrests. As the anti-counterfeiting mission is essential to both national security and economic health, such approaches represent a good path for similar transnational efforts. The Committee therefore directs the Secret Service to report, not later than 90 days after enactment of this Act, on its recommendations for continuing its successful effort in Colombia, for applying that model to target counterfeiting in other countries and regions, and specific mechanisms for funding and managing such efforts, including coordination with the Department of State and other federal or international agencies.

ACQUISITION, CONSTRUCTION, IMPROVEMENTS, AND RELATED EXPENSES

Appropriation, fiscal year 2004	$3,558,000
Budget estimate, fiscal year 2005	3,633,000
Recommended in the bill	3,633,000
Bill compared with:	
Appropriation, fiscal year 2004	+75,000
Budget estimate, fiscal year 2005	.....

MISSION

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

RECOMMENDATION

The Committee recommends $3,633,000, the same as the budget request and $75,000 above the amounts provided in fiscal year 2004.

TITLE III—PREPAREDNESS AND RECOVERY

OFFICE FOR STATE AND LOCAL GOVERNMENT COORDINATION AND PREPAREDNESS

SALARIES AND EXPENSES

Appropriation, fiscal year 2004 [1]	($32,900,000)
Budget estimate, fiscal year 2005 [1]	(41,901,000)
Recommended in the bill	41,432,000
Bill compared with:	
Appropriation, fiscal year 2004	+8,532,000
Budget estimate, fiscal year 2005	−469,000

[1] Funding for Office for State and Local Government Coordination and Preparedness was appropriated and requested under the Under Secretary for Management and the Office for Domestic Preparedness in fiscal years 2004 and 2005.

MISSION

The Office for State and Local Government Coordination and Preparedness is responsible for coordinating the programs and policies of the Department as they relate to State and local governments, including funding issues and information sharing. In an effort to centralize the Department's preparedness mission and communications with State and local governments, this office has been transferred from Title I, Departmental Management and Operations, where it was funded in fiscal year 2004, to Title III.

RECOMMENDATION

The Committee recommends $41,432,000 for salaries and expenses in a new appropriation account. The recommendation includes $3,077,000 for the Office of State and Local Government Coordination, $469,000 below the President's request and the same as amounts provided in fiscal year 2004. The reduction is based on the large number of staff vacancies that currently exist within this office. As requested by the President, the Committee also agrees to move $38,355,000 from the Office for Domestic Preparedness (ODP) Management and Administration account to the new Salaries and

Expenses account created for the consolidation of the Office of State and Local Government Coordination and ODP.

ONE-STOP SHOP

The Committee supports the consolidation of the Office of State and Local Government Coordination and the Office for Domestic Preparedness into a new Office for State and Local Government Coordination and Preparedness (OSLGCP). This consolidation seeks to alleviate the repetitive application process for preparedness grants and provides a single entry point into the Department for State and local first responders. The creation of this new office will also allow for better coordination of all preparedness grants, preventing possible duplication of funding.

The Committee understands that, while the new Office for State and Local Government Coordination and Preparedness will provide a single entry point for grant application, the policy and operational experts will remain with the original agency. The Committee understands that the fiscal year 2005 budget request does not reflect the transfer of all personnel. Accordingly, no more than 5 additional personnel will be transferred from the Emergency Preparedness and Response Directorate and 12 from the Transportation Security Administration to OSLGCP.

STATE AND LOCAL PROGRAMS

Appropriation, fiscal year 2004	$3,267,608,000
Budget estimate, fiscal year 2005	3,061,255,000
Recommended in the bill	3,423,900,000
Bill compared with:	
Appropriation, fiscal year 2004	+156,292,000
Budget estimate, fiscal year 2005	+362,645,000

MISSION

State and Local Programs provides for building and sustaining the terrorism preparedness of the first responder community. This program includes support of various grant programs, training programs, planning activities, and technical assistance. The grant programs funded by this appropriation include formula-based grants, law enforcement and terrorism prevention grants, emergency management performance grants, high-threat urban area grants, and port security grants. For purposes of eligibility for funds under this heading, any county, city, village, town, district, borough, port authority, transit authority, intercity rail providers, water district, regional planning commission, council of government, Indian tribe, authorized tribal organization, Alaska Native village, independent authority, special district, or other political subdivision of any state shall constitute a "local unit of government."

RECOMMENDATION

The Committee recommends $3,423,900,000 for the State and Local Programs, $362,645,000 above the President's request and $156,292,000 above the amounts provided in fiscal year 2004. With these amounts, total funding for the former Office for Domestic Preparedness is $4,062,255,000, including $600,000,000 for the Firefighter Assistance Grants and $38,355,000 for Salaries and Expenses. With this funding, since fiscal year 2002, $26,700,000,000

has been made available for assistance to State and local governments for terrorism prevention and preparedness, general law enforcement, firefighter assistance, transportation security, seaport security, and public health preparedness. Of that amount, $10,600,000,000 has been provided to first responders through the Office for Domestic Preparedness, now the Office for State and Local Government Coordination and Preparedness, and $2,450,000,000 has been provided directly to firefighters. The Committee believes that OSLGCP 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. The Committee recognizes that no community is immune from terrorism and believes that the recommendation achieves a balance between basic formula grants, used by States and localities to achieve a minimum level of preparedness, and funds for high-risk urban areas. The Committee recommends the following amounts for fiscal year 2005 for the State and Local Programs:

	Recommended
Formula-Based Grants	$1,250,000,000
Law Enforcement Terrorism Prevention Grants	500,000,000
Urban Area Security Initiative	1,000,000,000
Emergency Management Performance Grants	170,000,000
Port Security Grants	125,000,000
National Domestic Preparedness Consortium	130,000,000
Competitive Training Grants	50,000,000
Rural Domestic Preparedness Consortium	5,000,000
Citizen Corps	20,000,000
Metropolitan Medical Response System	50,000,000
Technology Transfer	50,000,000
National Exercise Program	52,000,000
Technical Assistance	7,600,000
Evaluations and Assessments	14,300,000
Total	3,423,900,000

FORMULA-BASED GRANTS

The Committee recommends $1,250,000,000 for grants to States based on their approved, updated homeland security strategies for the purposes of planning, training, procuring equipment, and conducting exercises, $550,000,000 above the President's request and $439,970,000 below the amounts provided in fiscal year 2004. 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 45 days after enactment of this Act, that States will have 30 days to apply after the grant is announced, and OSLGCP will act 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 the funds may be used for construction or overtime, except for overtime to backfill those first responders attending OSLGCP certified training classes. Of the funds allocated by States for training, the Committee urges grantees to seek to maximize the use of existing training resources, such as community colleges and State and local fire training systems, which have an extensive history as a vital source of critical training, equipment

evaluation, and testing for weapons of mass destruction and terrorism preparedness.

HOMELAND SECURITY PRESIDENTIAL DIRECTIVE–8

The Committee is deeply concerned at the lack of preparedness standards for first responders. The Department continues to award funding with no clear direction for grant recipients on what level of preparedness we expect and need from them. The Committee is encouraged with the issuance of Homeland Security Presidential Directive–8 (HSPD–8), which directs the development of a national domestic all-hazards preparedness goal, including measurable readiness priorities, targets, and metrics; standards for preparedness assessments and strategies; and a system for assessing the Nation's overall preparedness to respond to major events. The Committee is further encouraged with the Department's plan to implement HSPD–8. To ensure OSLGCP maintains this plan, the Committee has included bill language that OSLGCP must complete the development of mission essential tasks by July 31, 2004; that the fiscal year 2005 grant guidance must include guidance for State baseline assessments; and that a complete Federal response capabilities inventory be completed by March 15, 2005. Further, the Committee includes bill language requesting quarterly reports on the implementation of HSPD–8, beginning October 1, 2004.

MINIMUM LEVELS OF PREPAREDNESS

The Committee continues to strongly support a State minimum level of funding for terrorism preparedness. Every State and local government should maintain a basic level of preparedness as will be defined by the establishment of baseline capabilities. The Committee believes every State and locality needs and deserves this minimum level of preparedness and supports providing federal funding for that purpose. The fiscal year 2005 budget request removed reference to section 1014 of the USA PATRIOT Act (Public Law 107–56), which provides a guaranteed State minimum level of funding through the formula-based grants. The Committee has reinserted this language.

LOCAL GOVERNMENT PARTICIPATION IN PLANNING PROCESS

The Committee understands that local governments continue to be excluded from the State planning processes, despite direction provided to the Department in the fiscal year 2004 appropriation bill (Public Law 108–90) to formalize a process for the incorporation of local governments in the development and review of State homeland security plans. The Committee is concerned that the Department has done little to ensure the inclusion of all proper participants and directs the Department to report on the percentage of local governments, including midsize and rural communities and counties and multi-county regional cooperatives, which participated in the last State planning process with the associated level of participation. This report should be delivered to the Committee no later than January 31, 2005.

In coordination with the State planning process, the Committee is interested in the benefits of a State mutual logistic center. Similar to the consolidation of federal assets and their strategic posi-

tioning across the nation, a State mutual logistic center would consolidate State and local assets, allowing for easy identification and rapid deployment during an incident. The Committee encourages the Department to review this concept for State and local first responder assets.

FUNDING CHOKEPOINTS

The Committee continues to be concerned at the speed in which grant funding is reaching the local first responders. Although funding is beginning to make its way to the lowest levels, it is still moving too slowly. The Committee understands there are numerous reasons for these delays, including some of which are out of the control of the Department. The Committee is also aware of the work being performed by the Homeland Security Funding Task Force to identify "chokepoints" in the grant making process and effective funding solutions that can be shared with other States and localities. The Committee understands that the task force will not report its findings until the end of June. The Committee directs the Department to provide a report on those findings, no later than July 30, 2004. The report shall include State and local findings regarding the largest impediments in the grant making process, best practices of those States and locals not experiencing delays, and plans to implement solutions and best practices nationwide.

LAW ENFORCEMENT TERRORISM PREVENTION GRANTS

The Committee recommends $500,000,000 for State and local law enforcement terrorism preparedness and prevention activities, including equipment and training, the same as the budget request and $2,950,000 above the amounts provided in fiscal year 2004. 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 45 days after enactment of this Act, that States will have 30 days to apply after the grant is announced, and OSLGCP will act 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 the funds may be used for construction or overtime, except for overtime related to law enforcement terrorism prevention activities specifically related to homeland security, such as providing expanded investigative and intelligence efforts. Funding may not be used for overtime that supplants ongoing, routine public safety activities of State and local law enforcement. State applications must certify that all requests for overtime funding comply with this requirement.

URBAN AREA SECURITY INITIATIVE

The Committee recommends $1,000,000,000 for grants to high-threat, high-density urban areas, $300,000,000 below the President's request and $228,982,000 above the amounts provided in fiscal year 2004. These funds are made available to the Secretary for discretionary grants to high-threat, high-density urban areas. The Secretary shall take into consideration credible threat, presence of critical infrastructure, population, vulnerability, cooperation of

multiple jurisdictions in preparing domestic preparedness plans, and the identified needs of public agencies when determining the allocation of these funds. The Committee expects that these funds will be obligated no later than 60 days after enactment of this Act. The Committee also agrees that no less than 80 percent of these funds shall be obligated by the State to local units of government within 60 days of the State receiving funds. Grants may be made to single or multiple jurisdictions in the same urban area.

The Committee does not approve the budget request for a separate critical infrastructure account. The Committee is encouraged with the progress made in identifying critical infrastructure by the Information Analysis and Infrastructure Protection (IAIP) Directorate. The Committee expects OSLGCP to work closely with IAIP to coordinate the critical infrastructure component of the urban area grant formula and directs OSLGCP to ensure future State homeland security plans address critical infrastructure vulnerabilities identified by IAIP and corrective actions.

The Committee notes that, according to the Department's recently released strategic plan, approximately 85 percent of the nation's critical infrastructure and key assets are owned and operated by the private sector. To facilitate a successful partnership that protects the nation's critical infrastructure and key assets, the Committee encourages the Department to continue its cooperation with the private sector by developing training materials and programs to ensure readiness and to include appropriate private sector participants in national exercise programs.

RAIL SECURITY

The Committee directs that, of the $1,000,000,000 provided for high-threat, high-density urban areas under the Urban Area Security Initiative, not less than $100,000,000 shall be spent on rail security, including items contained in recent security directives. These funds are available for all rail (including intercity rail) and transit security systems. The Committee is concerned about the vulnerability of the nation's rail and transit systems, and directs OSLGCP to work with the Transportation Security Administration (TSA) to develop a robust rail and transit security program, as well as with the Science and Technology Directorate on the identification of possible research and design requirements.

EMERGENCY MANAGEMENT PERFORMANCE GRANTS

The Committee recommends $170,000,000 for Emergency Management Performance Grants (EMPG), the same as the budget request and $8,938,000 below the amounts provided in fiscal year 2004 under the Emergency Preparedness and Response Directorate. 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 has transferred funding for EMPGs to OSLGCP in accordance with a Departmental initiative to consolidate all preparedness grants into a single one-stop shop office. This will provide first responders nationwide with a single entry point into the Department and allow for better coordination of all preparedness grants. The Committee understands that, despite the new location of these grants, all policy and operational support for these grants will remain within the Emergency Preparedness and

Response Directorate. The Committee also directs the Department to continue current grant administrative practices in a manner identical to the current fiscal year, including remaining focused on all-hazards. Bill language is included which limits administrative costs to 3 percent for fiscal year 2005.

EMPGs are the backbone of our nation's emergency management system. These grants are used for a variety of emergency management related expenses, but predominantly for personnel who plan, train, coordinate, and conduct exercises and other functions essential to effective preparedness, mitigation, response, and recovery efforts. In many States, it is these personnel who manage and coordinate all other Federal first responder grants. The Committee strongly disagrees with the budget proposal to limit personnel expenses to 25 percent, and directs the Department to continue funding personnel expenses without a limit.

PORT SECURITY GRANTS

The Committee recommends $125,000,000 for port security grants, $79,000,000 above the President's request and the same as amounts provided in fiscal year 2004 under the Transportation Security Administration. The Committee has transferred funding for these grants to OSLGCP in accordance with a Departmental initiative to consolidate all preparedness grants into a single one-stop shop office. This will provide first responders nationwide with a single entry point into the department and allow for better coordination of all preparedness grants. The Committee understands that despite the new location of these grants, all policy and operational support for these grants will remain within the Transportation Security Administration.

The Committee is concerned that port security grants made to independent terminal operators are not coordinated at the State, local port authority, or Captain of the Port levels. Therefore, the Committee directs that OSLGCP ensure the coordination of all port security grants with the State, local port authority, and the Captain of the Port, to ensure all vested parties are aware and that the limited resources are maximized.

NATIONAL DOMESTIC PREPAREDNESS CONSORTIUM

The Committee recommends $130,000,000 for the National Domestic Preparedness Consortium, $50,000,000 above the President's request and $4,204,000 below the amounts provided in fiscal year 2004. Of this amount, the Committee recommends $50,000,000 for the Center for Domestic Preparedness. OSLGCP 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.

The Committee is concerned at the level of funding requested for first responder training. The Department requested $112,000,000 less than last year's enacted level for all training programs, including competitive training grants, a reduction of 57 percent. The Committee strongly encourages the Department to fully fund all first responder training programs in the future.

COMPETITIVE TRAINING GRANTS

The Committee recommends $50,000,000 for competitive training grants for continuing and emerging training, $47,000,000 above the President's request and $9,646,000 below the amounts provided in fiscal year 2004. The Committee expects the Department to identify areas of importance for continuing and emerging first responder and emergency training and expects the Department to fully honor all training commitments.

The Committee is concerned that while terrorism prevention is a national priority, little is being done to create prevention expertise in our nation's first responders. This is in stark contrast to response and recovery training programs. Without a well developed terrorism prevention plan, State and local agencies lack a key piece in the fight against terrorism. Therefore, the Committee encourages OSLGCP to create a terrorism prevention certificate training program, that will enable graduates to help their communities or organizations develop the necessary terrorism prevention plans.

RURAL DOMESTIC PREPAREDNESS CONSORTIUM

The Committee recommends $5,000,000 for the development of a Rural Domestic Preparedness Consortium. The Committee is concerned at the level of training being provided to rural first responders. Training for rural first responders poses unique challenges when compared to their urban counterparts. This new consortium will provide rural first responders with awareness level training, develop emerging training, and provide technical assistance in support of rural homeland security requirements. The Committee directs OSLGCP to provide a report on the creation of this consortium no later than January 31, 2005.

NATIONAL FIRST RESPONDER TRAINING STRATEGY

The Committee is encouraged with the Department's plan for a national homeland security training system. This system will pull together all pieces of first responder training, including the National Domestic Preparedness Consortium, the competitive training grant program, the Rural Domestic Preparedness Consortium, and existing training programs outside of the Consortium, under a single training plan. The goal is to create a training system that includes primary, secondary, and graduate levels of education for first responder training, which will be addressed by different sections of the training program. The Rural Domestic Preparedness Consortium will serve the primary level of first responder training. The National Domestic Preparedness Consortium will support secondary level training. The existing training programs will support gaps in all levels of training, including the graduate level. The Committee supports these goals and directs OSLGCP to provide a report, no later than January 31, 2005, on the implementation of the National First Responder Training Program.

CITIZEN CORPS

The Committee recommends $20,000,000 for the Citizen Corps program, $30,000,000 below the President's request and $19,764,000 below the amounts provided in fiscal year 2004. 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 is aware that mobilizing communities and citizens to prevent acts of terrorism is as important as mobilizing communities and citizens to respond to a terrorist incident. The Committee directs the Department to emphasize prevention in all of its programs and to work with national crime prevention organizations that have experience mobilizing communities and citizens to prevent crime.

METROPOLITAN MEDICAL RESPONSE SYSTEM

The Committee recommends $50,000,000 for the Metropolitan Medical Response System (MMRS), $50,000,000 above the President's request and the same as the amounts provided in fiscal year 2004 under the Emergency Preparedness and Response Directorate. The Committee has transferred funding for these grants to OSLGCP in accordance with a Department initiative to consolidate all preparedness grants into a single one-stop-shop office. The Committee feels that MMRS is a vital system that brings together local first responders, medical, public health and emergency managers to respond to and manage a weapon of mass destruction mass casualty event.

TECHNOLOGY TRANSFER

The Committee recommends a new appropriation of $50,000,000 for a technology transfer program to be administered by OSLGCP. Technology transfer programs are a quick and efficient way to get technology needs, such as equipment, technicians, and training, out to the field. The Committee directs OSLGCP to develop a technology transfer program to assist smaller communities in acquiring and using commercially available technologies to prevent, deter, and respond to terrorist attacks. Similar to that of the Office for National Drug Control Policy, the technology transfer program shall include a finite set of immediately deployable technologies, such as interoperable communications technology, defensive protective equipment for first responders, vulnerability assessment technology, or other basic technology needs. As part of this program, OSLGCP is directed to provide the appropriate training and technical assistance to ensure effective integration of the technologies into the jurisdiction's response plan. The Committee believes this program will help address the unique needs of jurisdictions in smaller communities that make it more difficult for them to identify, select, procure, and become proficient with specialized equipment and technology. Of the amount provided, no more than $10,000,000 may be used for demonstration projects of existing technologies that can be immediately inserted into the technology transfer program if demonstrated successfully.

NATIONAL EXERCISE PROGRAM

The Committee recommends $52,000,000 for the national exercise program, the same as the budget request and $2,295,000 above the amounts provided in fiscal year 2004. The national exercise program includes funding for large scale Federal exercises, such as Top Officials (TOPOFF), and provides technical assistance for State and local exercises.

TECHNICAL ASSISTANCE

The Committee recommends $7,600,000 for technical assistance to State and local jurisdictions, the same as the budget request and $22,223,000 below the amounts provided in fiscal year 2004. The Committee understands that although the triennial State homeland security plans have been submitted, some States still require technical assistance with various aspects of the grant application process.

EQUIPMENT REUSE PROGRAM

The Committee is encouraged by the Department's Homeland Defense Equipment Reuse (HDER) program, which provides surplus equipment, as well as training and technical support, to emergency responder agencies nationwide to enhance their domestic preparedness capabilities. The Committee is also aware of nonprofit organizations that refurbish old or used equipment for redeployment to other agencies that may not have the resources to obtain equipment on their own. Therefore, the Committee encourages the Department to work with outside organizations that provide these services to maximize the use of all serviceable equipment available to our nation's first responders.

INFORMATION SHARING BY LAW ENFORCEMENT AGENCIES

The Committee supports the Department's ongoing efforts to facilitate rapid and effective communication among the many law enforcement agencies across the nation. These technologies have the ability to rapidly process and correlate data, administer very large databases and ensure confidentiality. The Committee believes law enforcement access to these technologies may assist first responders and the war on terrorism.

AGRO-TERRORISM

The Committee is encouraged by the Department's recent efforts concerning agriculture counterterrorism and the development of a regional model for interstate agro-security planning. This initiative, currently being implemented in the Midwest, is designed to develop protocols oriented toward prevention of, response to and recovery from incidents involving agro-terrorism. The Committee encourages the Department to continue this valuable initiative.

FIREFIGHTER ASSISTANCE GRANTS

Appropriation, fiscal year 2004	$745,575,000
Budget estimate, fiscal year 2005	500,000,000
Recommended in the bill	600,000,000
Bill compared with:	
Appropriation, fiscal year 2004	−145,575,000
Budget estimate, fiscal year 2005	+100,000,000

MISSION

Firefighter Assistance Grants provide grants to local fire fighting 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 $600,000,000 for Firefighter Assistance Grants, $100,000,000 above the President's request and $145,575,000 below the amounts provided in fiscal year 2004. Last year, the Committee agreed to move the Firefighter Assistance Grants from the Emergency Preparedness and Response Directorate to what was then the Office for Domestic Preparedness, with the direction that the grants be administered in a manner identical to fiscal year 2003. The Committee is concerned by the proposed appropriations bill language that would shift the grant focus from all-hazards to placing priority on terrorism, and the proposed deletion of several eligible activities, specifically, wellness and fitness programs, emergency medical services, fire prevention programs, public education programs, and modifications of facilities for health and safety of personnel. The Committee reemphasizes its direction from the fiscal year 2004 appropriation Act (Public Law 108–90) that the Firefighter Assistance Grants must continue to be administered in a manner identical to fiscal year 2003, including a peer review process of applications, granting funds directly to local fire departments, and the inclusion of the United States Fire Administration during grant administration. Bill language is included which limits administrative costs to 5 percent for fiscal year 2005. Funds are available until September 30, 2006.

COUNTERTERRORISM FUND

Appropriation, fiscal year 2004	$9,941,000
Budget estimate, fiscal year 2005	20,000,000
Recommended in the bill	10,000,000
Bill compared with:	
Appropriation, fiscal year 2004	+59,000
Budget estimate, fiscal year 2005	– 10,000,000

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 $10,000,000 for the Counterterrorism Fund, $10,000,000 below the President's request and $59,000 above the amounts provided in fiscal year 2004. The Committee understands that there is a balance available to this Fund of $8,517,000 from prior year appropriations. The Committee is disappointed that these funds remain available despite justified and unfunded expenses of various Departmental activities, including National Special Security Events (NSSEs).

EMERGENCY PREPAREDNESS AND RESPONSE

OFFICE OF THE UNDER SECRETARY FOR EMERGENCY PREPAREDNESS AND RESPONSE

Appropriation, fiscal year 2004	$3,430,000
Budget estimate, fiscal year 2005	4,211,000
Recommended in the bill	4,211,000
Bill compared with:	
Appropriation, fiscal year 2004	+781,000
Budget estimate, fiscal year 2005	.....

MISSION

The Office of the Under Secretary for Emergency Preparedness and Response (EP&R) is responsible for coordinating federal disaster relief activities, including implementation of the National Response Plan, which authorizes the response and recovery operations of 26 federal agencies and departments as well as the American Red Cross. This office also oversees the National Flood Insurance Program and the U.S. Fire Administration as well as initiates proactive mitigation activities. Additionally, this office supports response capabilities of emergency responders and the direction of the National Disaster Medical System, the Mobile Emergency Response System, and the Nuclear Incident Response Team. The Emergency Preparedness and Response Directorate consists of approximately 3,200 on-board staff, 5,600 disaster reservists, and 7,300 medical reservists. In addition to its headquarters office, EP&R has ten regional offices and two area offices.

RECOMMENDATION

The Committee recommends $4,211,000 for the Office of the Under Secretary for Emergency Preparedness and Response, the same as the budget request and $781,000 above the amounts provided in fiscal year 2004.

PREPAREDNESS, MITIGATION, RESPONSE, AND RECOVERY

Appropriation, fiscal year 2004	$223,673,000
Budget estimate, fiscal year 2005	208,499,000
Recommended in the bill	210,499,000
Bill compared with:	
Appropriation, fiscal year 2004	−13,174,000
Budget estimate, fiscal year 2005	+2,000,000

MISSION

The Preparedness, Mitigation, Response, and Recovery 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 $210,499,000 for preparedness, mitigation, response, and recovery activities, $2,000,000 above the President's request and $13,174,000 below the amounts provided in fiscal year 2004.

URBAN SEARCH AND RESCUE

The Committee appreciates the commitment the Urban Search and Rescue (USAR) Task Forces have made as first responders to both natural disasters and acts of terrorism. The Committee is aware that funding has been provided in fiscal years 2003 and 2004 to add a second equipment cache for each of the existing 28 USAR task forces. The Committee is concerned that this equipment acquisition has not been accomplished and directs Emergency Preparedness and Response to complete this important program enhancement as soon as possible.

The Committee is aware of urban search and rescue teams that are not part of the national USAR program, such as New Jersey Task Force One, which was one of the first search and rescue teams to respond to New York City on September 11, 2001. Therefore the Committee directs the Emergency Preparedness and Response Directorate to review the expansion of the national USAR program and provide a report to the Committee, no later than November 1, 2004, on its findings.

NATIONAL INCIDENT MANAGEMENT SYSTEM

The Committee is aware of the current National Incident Management System (NIMS) deployment plan and understands the NIMS Integration Center (NIC) will coordinate the State and local outreach and training efforts. The Committee directs the Department to review the benefits of establishing regional centers to assist in the deployment of NIMS training, education, and publications, and provide a report of its findings no later than November 1, 2004.

EMERGENCY HOUSING PLAN

The Committee recommends $2,000,000 to support the Emergency Preparedness and Response's emergency housing plan. The Committee supports the Department's ongoing planning and evaluation effort for the emergency housing initiative, and encourages the consideration of housing units that are designed and manufactured for multiple uses, can be easily disassembled, reshipped back to storage facilities, and made available for re-use. The Committee directs the Emergency Preparedness and Response Directorate to expedite the pilot program review of housing units, provide a report on the pilot program to the Committee by September 1, 2004, and ensure that emergency housing requirements are submitted with the fiscal year 2006 budget request.

MINORITY EMERGENCY PREPAREDNESS DEMONSTRATION PROGRAM

The Committee continues to be concerned with the Emergency Preparedness and Response Directorate's slow progress in the implementation of the Minority Emergency Preparedness Demonstration Program. Notwithstanding the draft outline for such a program shared with the Committee early this year, the Directorate has not moved forward and adequately addressed the spirit and intent of the Congress with respect to this initiative. The Committee therefore directs the Emergency Preparedness and Response Directorate to develop a pilot program for socio-economically disadvantaged communities and underrepresented members of the popu-

lation, which assesses and analyzes the preparation and response of these communities and individuals to a widespread disaster affecting multiple states and regions. The program should utilize information gathered from organizations such as community-based organizations, faith-based institutions, and private organizations and businesses serving socio-economically disadvantaged communities and underrepresented populations.

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.

NATIONAL EMERGENCY COMMUNICATION SYSTEM

The Committee is aware that new public television digital broadcasting technology is currently available to provide a secure, time-sensitive communication system for federal, State, and local governments in the event of an emergency. Since the digital television signal is transmitted wirelessly, the data is not subject to downed telephone lines, clogged cellular services, or Internet hackers. The Committee is also aware of several demonstration projects, including one in the National Capital Region, assessing this technology. The Committee directs the Emergency Preparedness and Response Directorate to provide a report no later than January 31, 2005, on the findings of this demonstration program.

ADMINISTRATIVE AND REGIONAL OPERATIONS

Appropriation, fiscal year 2004	$166,015,000
Budget estimate, fiscal year 2005	196,939,000
Recommended in the bill	203,939,000
Bill compared with:	
Appropriation, fiscal year 2004	+37,924,000
Budget estimate, fiscal year 2005	+7,000,000

MISSION

Administrative and Regional Operations includes the salaries and expenses required to provide executive direction and administrative staff support for all agency programs in both the headquarters and field offices. This account funds both program support and executive direction activities.

RECOMMENDATION

The Committee recommends $203,939,000 for administrative and regional operations, $7,000,000 above the President's request and $37,924,000 above the amounts provided in fiscal year 2004. Of these amounts, the Committee directs the Emergency Preparedness and Response Directorate to provide $7,000,000 to continue its Document Management Support Program, an effort to archive key agency documents by digitization to optical disks.

PUBLIC HEALTH PROGRAMS

Appropriation, fiscal year 2004	$481,144,000
Budget estimate, fiscal year 2005	34,000,000
Recommended in the bill	34,000,000
Bill compared with:	
Appropriation, fiscal year 2004	−447,144,000
Budget estimate, fiscal year 2005	.....

MISSION

The Public Health Program account provides for the coordination of much of the Federal health, medical, and mental health response to major emergencies, federally declared disasters and terrorist acts. This nationwide response capacity supplements State and local medical resources during disasters and emergencies.

RECOMMENDATION

The Committee recommends $34,000,000 for Public Health Programs, the same as the budget request and $447,144,000 below the amounts provided in fiscal year 2004. This reduction from fiscal year 2004 is based on the transfer of the Strategic National Stockpile back to the Department of Health and Human Services and the transfer of the Metropolitan Medical Response System to the Office for State and Local Government Coordination and Preparedness, in accordance with a Departmental initiative to consolidate all preparedness grants into a single one-stop shop office.

BIODEFENSE COUNTERMEASURES

Obligation Limitation, fiscal year 2004	$884,749,000
Budget estimate, fiscal year 2005	2,528,000,000
Recommended in the bill	2,528,000,000
Bill compared with:	
Appropriation, fiscal year 2004	+1,643,251,000
Budget estimate, fiscal year 2005	.....

MISSION

The Biodefense Countermeasures appropriation seeks to strengthen the nation's preparedness against bioterror attacks by supporting development and production processes and pre-purchasing of critically needed vaccines and medication for biodefense.

RECOMMENDATION

The Committee recommends an obligation limitation of $2,528,000,000 for biodefense countermeasures, the same as the budget request and $1,643,251,000 above the amounts provided in fiscal year 2004. This recommendation provides all available obligation authority through fiscal year 2008 for Project BioShield in fiscal year 2005, as requested by the President.

DISASTER RELIEF

Appropriation, fiscal year 2004	$2,042,380,000
Budget estimate, fiscal year 2005	2,151,000,000
Recommended in the bill	2,042,380,000
Bill compared with:	
Appropriation, fiscal year 2004	.....
Budget estimate, fiscal year 2005	−108,620,000

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 Relief program are human services which provide 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 $2,042,380,000 for disaster relief activities, $108,620,000 below the President's request and the same as the amounts provided in fiscal year 2004. The Committee takes this reduction to the budget request without prejudice, and expects to fully fund all disaster relief expenses in fiscal year 2005. Funds are available until expended.

EL DORADO IRRIGATION DISTRICT

The Committee understands that the Emergency Preparedness and Response Directorate's approval of Improved Project Status to the Mill Creek to Bull Creek Tunnel project was based upon erroneous Damage Survey Reports that underestimated the actual cost of repair. Therefore, the Committee directs the Emergency Preparedness and Response Directorate to reexamine the Damage Survey Reports in light of all currently available information.

DISASTER ASSISTANCE DIRECT LOAN PROGRAM ACCOUNT

ADMINISTRATIVE EXPENSES

Appropriation, fiscal year 2004	$557,000
Budget estimate, fiscal year 2005	567,000
Recommended in the bill	567,000
Bill compared with:	
Appropriation, fiscal year 2004	+10,000
Budget estimate, fiscal year 2005	.....

LIMITATION ON DIRECT LOANS

Appropriation, fiscal year 2004	$25,000,000
Budget estimate, fiscal year 2005	25,000,000
Recommended in the bill	25,000,000
Bill compared with:	
Appropriation, fiscal year 2004	.....
Budget estimate, fiscal year 2005	.....

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, and $567,000 for administrative expenses of the program, the same as the budget request.

FLOOD MAP MODERNIZATION FUND

Appropriation, fiscal year 2004	$198,820,000
Budget estimate, fiscal year 2005	200,000,000
Recommended in the bill	150,000,000
Bill compared with:	
Appropriation, fiscal year 2004	−48,820,000
Budget estimate, fiscal year 2005	−50,000,000

MISSION

The mission of the Flood Map Modernization Program is 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 $150,000,000 for the Flood Map Modernization Fund, $50,000,000 below the President's request and $48,820,000 below the amounts provided in fiscal year 2004. This recommendation includes reductions for excessive unobligated balances. 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. Bill language is included which limits administrative costs to 3 percent for fiscal year 2005. Funds are available until expended.

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.

RADIOLOGICAL EMERGENCY PREPAREDNESS PROGRAM

Appropriation, fiscal year 2004	.....
Budget estimate, fiscal year 2005	−1,000,000
Recommended in the bill	−1,000,000
Bill compared with:	
Appropriation, fiscal year 2004	−1,000,000
Budget estimate, fiscal year 2005	.....

MISSION

The Radiological Emergency Preparedness (REP) program ensures that the public health and safety of citizens living around commercial nuclear power plants is adequately protected in the event of a nuclear power station accident and informs and educates the public about radiological emergency preparedness. The REP program responsibilities encompass only "offsite" activities—state and local government emergency preparedness activities that take place beyond the nuclear power plant boundaries.

RECOMMENDATION

The Committee provides for the receipt and expenditure of fees collected as authorized by Public Law 106–377.

NATIONAL FLOOD INSURANCE FUND

(INCLUDING TRANSFER OF FUNDS)

Appropriation, fiscal year 2004	$110,472,000
Budget estimate, fiscal year 2005 [1]	(112,593,000)
Recommended in the bill [1]	(112,593,000)
Bill compared with:	
Appropriation, fiscal year 2004	−110,472,000
Budget estimate, fiscal year 2005	.....

[1] Fiscal year 2005 is offset by premium collections.

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 $33,336,000, and for mitigation activities, not to exceed $79,257,000. Total funding of $112,593,000 is offset by premium collections. 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. Funds are available until September 30, 2006.

NATIONAL FLOOD MITIGATION FUND

(INCLUDING TRANSFER OF FUNDS)

Appropriation, fiscal year 2004	$20,000,000
Budget estimate, fiscal year 2005	.....
Recommended in the bill	20,000,000
Bill compared with:	
Appropriation, fiscal year 2004	.....
Budget estimate, fiscal year 2005	+20,000,000

MISSION

The National Flood Mitigation Fund assists States and communities in implementing measures to reduce or eliminate the long-term risk of flood damage to buildings, manufactured homes, and other structures insurable under the National Flood Insurance Program (NFIP).

RECOMMENDATION

The Committee recommends $20,000,000 for the National Flood Mitigation Fund, $20,000,000 above the President's request and the same as the amounts provided in fiscal year 2004, to be derived by transfer from the National Flood Insurance Program. The Committee does not approve the budget request to combine the National Flood Mitigation Fund and the National Pre-Disaster Mitigation Fund into a single appropriation. Funds are available until September 30, 2006.

NATIONAL PRE-DISASTER MITIGATION FUND

Appropriation, fiscal year 2004	$149,115,000
Budget estimate, fiscal year 2005	.....
Recommended in the bill	100,000,000
Bill compared with:	
Appropriation, fiscal year 2004	−49,115,000
Budget estimate, fiscal year 2005	+100,000,000

MISSION

The National Pre-Disaster Mitigation Fund assists States and local governments (to include Indian Tribal governments) in implementing cost-effective hazard mitigation activities that complement a comprehensive mitigation program. All applicants must be participating in the National Flood Insurance Program (NFIP) if they have been identified through the NFIP as having a Special Flood Hazard Area (a Flood Hazard Boundary Map (FHBM) or Flood Insurance Rate Map (FIRM) has been issued). In addition, the community must not be suspended or on probation from the NFIP.

RECOMMENDATION

The Committee recommends $100,000,000 for the National Pre-Disaster Mitigation Fund, $100,000,000 above the President's request and $49,115,000 below the amounts provided in fiscal year 2004. This recommendation includes reductions for excessive unobligated balances. The Committee does not approve the budget request to combine the National Flood Mitigation Fund and the Na-

tional Pre-Disaster Mitigation Fund into a single appropriation. Bill language is included which limits administrative costs to 3 percent for fiscal year 2005. Funds are available until expended.

The Committee understands that the Emergency Preparedness and Response Directorate is in the process of completing the fiscal year 2003 pre-disaster mitigation grants. The Committee directs the Emergency Preparedness and Response Directorate to report by February 15, 2005, on any changes it intends to make in the fiscal year 2004 grants. The report shall also describe feedback received from State hazard mitigation officers and an assessment of ways to streamline the application process.

EMERGENCY FOOD AND SHELTER

Appropriation, fiscal year 2004	$152,097,000
Budget estimate, fiscal year 2005	153,000,000
Recommended in the bill	153,000,000
Bill compared with:	
Appropriation, fiscal year 2004	+903,000
Budget estimate, fiscal year 2005	.....

MISSION

The Emergency Food and Shelter National Board Program was created in 1983 to supplement the work of local social service organizations within the United States, both private and governmental, to help people in need of emergency assistance. This collaborative effort between the private and public sectors has disbursed over $2.3 billion in federal funds during its 21-year history.

RECOMMENDATION

The Committee recommends $153,000,000 for the Emergency Food and Shelter Program, the same as the budget request and $903,000 above the amounts provided in fiscal year 2004. 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 2005. Bill language is included which limits administrative costs to 3.5 percent for fiscal year 2005. Funds are available until expended.

TITLE IV—RESEARCH AND DEVELOPMENT, TRAINING, ASSESSMENTS, AND SERVICES

CITIZENSHIP AND IMMIGRATION SERVICES

Appropriation, fiscal year 2004	$234,733,000
Budget estimate, fiscal year 2005	140,000,000
Recommended in the bill	160,000,000
Bill compared with:	
Appropriation, fiscal year 2004	−74,733,000
Budget estimate, fiscal year 2005	+20,000,000

MISSION

The mission of U.S. Citizenship and Immigration Services (CIS) is to process all immigrant and non-immigrant benefits provided to visitors of the United States, promote national security as it relates to immigration issues, eliminate immigration adjudications backlogs, and implement solutions to improve immigration customer

services. While essentially a service organization, CIS maintains substantial records and data that are relevant to both the individuals who seek immigration benefits, as well as for law enforcement and other homeland security purposes.

RECOMMENDATION

The Committee recommends $160,000,000 for Citizenship and Immigration Services, $20,000,000 above the President's request and $74,733,000 below the amounts provided in fiscal year 2004. This includes $140,000,000 for backlog elimination, as well as $20,000,000 to convert old immigration records into electronic forms. Current estimates of examination fee collections, which constitute the majority of CIS offsetting resources, are $1,571,000,000, of which the Committee directs not to exceed $5,000 shall be for official reception and representation expenses.

IMMIGRATION SERVICES BACKLOG

The Administration has proposed, and the Committee recommends, additional direct appropriations of $60,000,000, which, when combined with the base appropriation level of $80,000,000 and $20,000,000 in premium processing fees, will make a total of $160,000,000 available. The Administration has testified that this funding level should permit CIS to reach the goal of a six-month processing time across its processing centers not later than September 30, 2005. However, the Committee is concerned about the slow progress CIS has made towards its goal of eliminating the backlog of immigration benefits requests and achieving a six-month processing time standard for all applications. Reaching this target is essential to show immigrants, their families, communities and employers, that CIS can execute this essential government function. It is also a prerequisite to ensure that CIS can become a fully fee-funded agency. The Committee directs CIS to submit a quarterly status report on its progress in eliminating the backlog, with the first report due not later than January 1, 2005. This report should describe the current backlog data, as well as information about the process of backlog reduction, including: the distribution and impact of funds attained through the immigration application fee increase; process improvements and modifications; a current estimate of when CIS will achieve the six-month processing time standard; specific obligation and expenditure activity from the $160,000,000; and any other information germane to the progress of backlog reduction.

DIGITIZATION OF IMMIGRATION RECORDS

CIS depends on a variety of documentary material to establish family relationships and the status of individuals who seek immigration benefits or to be naturalized, and also makes such records available to researchers. Many of these are in the form of old microfilm or microfiche records, or even paper records. These old documents are used with some regularity, and CIS is seeking to convert them into a digital, electronically searchable form. The Microfilm Digitization Application System (MiDAS) Historical Records Project will convert approximately 26.3 million microfilm records to a digitized format, specifically for the Historical Records

and Naturalization Certificates project. The Committee has included $20,000,000 for this ongoing project.

CIS REGIONAL SERVICE CENTERS

The Committee is deeply concerned about the long and growing processing backlog for immigration services applications, particularly those for relatives of U.S. citizens, refugees and highly skilled educators, business people and workers. To compound this problem, there are large variations in the processing times of the four CIS regional service centers for certain petitions, particularly the I–130 petition of a U.S. citizen for the admission of an alien spouse, parent or child under 21. The Committee directs the Department to evaluate the distribution of staff and resources among the four CIS regional service centers, and submit a report no later than December 1, 2004 with recommendations to normalize the petition processing times across the regional centers.

BORDER CROSSING CARDS

The Border Crossing Card (BCC), used by Mexican citizens and residents to commute across the U.S. border, continues to be in great demand. With the deployment of card readers at U.S. ports of entry, it is important that there be an adequate supply of new and replacement cards to permit full use of the capabilities of the BCC as a border security technology.

USER FEE FUNDED PROGRAMS

Current estimates of examination fee collections, which constitute the majority of CIS offsetting resources, are $1,571,000,000. These would support the adjudication of applications for immigration benefits and be derived from fees collected from persons applying for immigration benefits. Within the fees collected, the Committee directs CIS to provide not less than $43,000,000 to support telephone customer service center operations, and not to exceed $5,000 shall be available for official reception and representation expenses.

OFFSETTING FEE COLLECTIONS

CIS operations are heavily dependent on a variety of fees to offset operations, particularly the Immigration Examination Fee, which has generated significantly lower collections than estimated in the past two years. The fluctuation of these fees adversely affects operations if spending is not appropriately prioritized. The Committee directs CIS to ensure that it fully funds current, ongoing base operations that are fee-supported before undertaking new initiatives. The following table displays how the Committee expects these fees will be applied:

	Dollars
I. Adjudication Services	
Pay & Benefits	$621,000,000
Operating Expenses:	
District Operations	244,000,000
Service Center Operations	197,000,000
Asylum, Refugee and International Operations	73,000,000

	Dollars
Records Operations	65,000,000
Total Adjudication Services	1,200,000,000
II. Information and Customer Services	
Pay & Benefits	78,000,000
Operating Expenses	
National Customer Service Center	46,000,000
Information Services	14,000,000
Total Information and Customer Services	138,000,000
III. Administration	
Pay & Benefits	43,000,000
Operating Expenses	190,000,000
Total Administration	233,000,000
Total U.S. Citizenship and Immigration Services Fees	1,571,000,000

FEDERAL LAW ENFORCEMENT TRAINING CENTER

SALARIES AND EXPENSES

Appropriation, fiscal year 2004	$154,506,000
Budget estimate, fiscal year 2005	158,440,000
Recommended in the bill	183,440,000
Bill compared with:	
Appropriation, fiscal year 2004	+28,934,000
Budget estimate, fiscal year 2005	+25,000,000

MISSION

The Federal Law Enforcement Training Center (FLETC) provides the necessary facilities, equipment, and support services to conduct advanced, specialized, and refresher training for federal law enforcement personnel. Specifically, FLETC serves as an interagency law enforcement training organization for 75 federal agencies with personnel located throughout the United States and its territories. The Center also provides services to State, local, and international law enforcement agencies, and on a space available basis, other federal agencies with related law enforcement missions.

FLETC is headquartered in Glynco, Georgia with a sister facility in Artesia, New Mexico. FLETC also took operational control of the U.S. Border Patrol site in Charleston, South Carolina, at the beginning of fiscal year 2004. Each of these facilities is designed primarily for residential training operations. A fourth training facility that is still being constructed, but presently operational, is located in Cheltenham, Maryland, and is intended to provide in-service and re-qualification training for officers and agents in the Washington, D.C. area. FLETC is also slated to take operational control of a fifth training facility in Harpers Ferry, West Virginia, during fiscal year 2005.

RECOMMENDATION

The Committee recommends $183,440,000 for FLETC, $25,000,000 above the President's request and $28,934,000 above the amounts provided in fiscal year 2004. Of this amount,

$2,000,000 is provided for the implementation of the Department's Pay for Performance Demonstration Project and $23,000,000 is transferred from the Customs and Border Protection Agency for the operational costs to operate and maintain the Charleston training facility.

PRIORITY TRAINING AT CHELTENHAM

The Committee understands the need to provide the United States Capitol Police (USCP) with priority scheduling of the Cheltenham firearms facilities for basic and follow-on level training. Likewise, the Committee understands the need for reasonable advance notice when scheduling facilities. Therefore, the Committee encourages FLETC to provide priority attention to the USCP request for use of the firearms facilities provided the USCP gives FLETC their required schedule a reasonable time in advance.

E-LEARNING

The Committee is aware of the FLETC e-learning program that provides distance learning to State and local first responders as well as other federal law enforcement officers. In order for the Department to capitalize on this program, the Committee encourages FLETC to consider expanding the e-learning program for other DHS training components, such as, immigration training, anti-terrorist training, and incident command training.

ACQUISITION, CONSTRUCTION, IMPROVEMENTS, AND RELATED EXPENSES

Appropriation, fiscal year 2004	$37,137,000
Budget estimate, fiscal year 2005	37,917,000
Recommended in the bill	37,917,000
Bill compared with:	
Appropriation, fiscal year 2004	+780,000
Budget estimate, fiscal year 2005	

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, to include its facilities in Georgia, South Carolina, Maryland, New Mexico, and West Virginia.

RECOMMENDATION

The Committee recommends $37,917,000 for FLETC Acquisition, Construction, Improvements, and Related Expenses, the same as the budget request and $780,000 above the amounts provided in fiscal year 2004.

INFORMATION ANALYSIS AND INFRASTRUCTURE PROTECTION

MANAGEMENT AND ADMINISTRATION

Appropriation, fiscal year 2004	$124,263,000
Budget estimate, fiscal year 2005	162,064,000
Recommended in the bill	132,064,000
Bill compared with:	
Appropriation, fiscal year 2004	+7,801,000
Budget estimate, fiscal year 2005	−30,000,000

MISSION

This account provides funding for the salaries and expenses of the federal employees in the Information Analysis and Infrastructure Protection (IAIP) Directorate.

RECOMMENDATION

The Committee recommends $132,064,000 for Management and Administration, $30,000,000 below the President's request and $7,801,000 above the amounts provided in fiscal year 2004. These funds will be used to support 803 full-time equivalent employees, 66 above the President's request. Funding of $35,000,000 for the Homeland Security Operations Center has been transferred to the Assessments and Evaluations account. A comparison of the budget estimate to the Committee recommended level by budget activity is as follows:

	Budget estimate	Recommended
Office of the Under Secretary	$5,864,000	$5,864,000
Protective Security Field Operations	13,440,000	22,940,000
Other Salaries and Expenses	107,760,000	103,260,000
Homeland Security Operations Center	35,000,000	.....
Total	162,064,000	132,064,000

IAIP STAFFING LEVELS

The Committee notes with concern that as of May 2004, IAIP had filled only 291 of its 737 positions, while having 660 contractors on board, and 161 detailees. The Committee is supportive of the hiring plan that IAIP recently developed in an effort to fill the vacant positions, but notes that the current IAIP hiring plan, if successfully adhered to, would not result in full staffing being achieved until the second quarter of fiscal year 2005. The Committee believes that, by the time IAIP has completed its hiring initiative, a total of $4,500,000 in savings will have been realized. IAIP is directed to apply these savings to support protective security field operations. In order to stay informed of the progress that is being made in this area, the Committee also directs IAIP to provide, beginning October 1, 2004, quarterly reports regarding the status of the hiring initiative.

PROTECTIVE SECURITY FIELD OPERATIONS

A total of $22,940,000 has been provided for protective security field operations, $9,500,000 above the President's request. This represents full year funding for the 56 protective security advisor (PSA) positions and 40 positions on protective security advisory teams (PSATs) that were included in the President's request, and half year funding for an additional 12 PSAs and 120 personnel for PSATs. Funding for Protective Security Division headquarters staff is provided in Other Salaries and Expenses at the level included in the President's request.

The Committee is convinced that the site assistance visits and buffer zone protection plans being completed by Protective Security Division (PSD) personnel at critical infrastructure sites across the country are an essential component of the Department's critical in-

frastructure protection efforts. However, the Committee is very concerned that the efforts of PSD to complete such visits and plans, and to verify the implementation of appropriate protective measures through site verification and assistance visits, have been severely constrained by a lack of field personnel. The additional resources being provided are specifically for alleviating this problem.

The Protective Security Division's (PSD) current plan for deploying PSAs to the field is to place one in existing DHS office space in each of the 56 cities in which there is an FBI field office. The Committee notes that while this would result in a relatively even distribution geographically, it would not result in an even distribution of workload. Accordingly, the Committee has provided funding for 12 additional PSA positions, and directs that they be allocated in such a way as to ensure that those areas with greater concentrations of critical infrastructure have adequate coverage, even if this requires assigning more than one PSA to a given location.

PSD's current plan for deploying the PSATs is to initially base five person teams in eight different locations. Because of the pressing need to complete additional site assistance visits and buffer zone protection plans, the Committee has provided the necessary resources to expand the contingent at each location to include 20 personnel, for a total of 160 people in PSATs providing direct support to them deployed to the field by the end of fiscal year 2005. As with the PSAs, the Committee expects that these personnel will work out of existing DHS office space, if necessary through a reimbursable agreement.

Because of the critical role that protective security field operations play in reducing the vulnerabilities of our nation's critical infrastructure and key assets, the Committee directs that IAIP, beginning with the second quarter of fiscal year 2005, provide quarterly reports summarizing the status of the implementation of the PSA and PSAT programs, to include the number and locations of field personnel, and the number of site assistance visits, buffer zone protection plans, and site verification and assistance visits that have been completed. These reports should be provided to the Committee no later than 30 days after the end of each quarter.

ASSESSMENTS AND EVALUATIONS

Appropriation, fiscal year 2004	$710,084,000
Budget estimate, fiscal year 2005	702,512,000
Recommended in the bill	722,512,000
Bill compared with:	
Appropriation, fiscal year 2004	+12,428,000
Budget estimate, fiscal year 2005	+20,000,000

MISSION

The Information Analysis and Infrastructure Protection (IAIP) Directorate is the focal point of intelligence and infrastructure protection operations within the Department of Homeland Security. Specifically, this activity includes the identification and assessment of current and future threats to the homeland, mapping of those threats against our vulnerabilities, issuance of timely warnings, and preventative and protective action. IAIP also includes the Homeland Security Operations Center (HSOC) and divisions devoted to cyber security and the National Communications System.

IAIP serves as the Department's conduit to the Intelligence Community and is a full partner with all intelligence-generating agencies, such as the National Security Agency, the CIA and the FBI. IAIP also works with localities by administering the Homeland Security Advisory System.

RECOMMENDATION

The Committee recommends $722,512,000 for IAIP Assessments and Evaluations, $20,000,000 above the President's request and $12,428,000 above the amounts provided in fiscal year 2004. Funding of $35,000,000 for the Homeland Security Operations Center has been transferred to this account from Management and Administration. Funds in this account are available until September 30, 2006. A comparison of the budget estimate to the Committee recommended level by budget activity is as follows:

	Budget estimate	Recommended
Critical Infrastructure Outreach and Partnerships	$71,592,000	$71,592,000
Critical Infrastructure Identification and Evaluation	77,861,000	77,861,000
National Infrastructure Simulation and Analysis Center (NISAC)	16,000,000	16,000,000
Protective Actions	191,647,000	191,647,000
Biosurveillance	11,000,000	11,000,000
Cyber Security	67,380,000	67,380,000
National Security-Emergency Preparedness Telecommunications	140,754,000	140,754,000
Competitive Analysis and Evaluation	18,868,000	3,868,000
Threat Determination and Assessment	21,943,000	21,943,000
Infrastructure Vulnerability and Risk Assessment	71,080,000	71,080,000
Evaluations and Studies	14,387,000	14,387,000
Homeland Security Operations Center	.....	35,000,000
Total	$702,512,000	$722,512,000

NEW BUDGET STRUCTURE

The Committee was very dissatisfied with the structure of the Department's fiscal year 2005 budget request. Individual programs, projects, and activities were funded in multiple accounts, complicating management and oversight efforts. The Committee has restructured the Assessments and Evaluations account to better reflect program operations, and to hold IAIP accountable for spending by program, project, and activity. The Committee feels strongly that this new budget structure will better meet the needs of both the Committee and IAIP, and directs IAIP to use this structure in formulating their fiscal year 2006 budget request.

CONTRACT PROCUREMENT

The Committee expects that over the course of fiscal year 2005, as additional federal employees come on board, there will be a commensurate reduction in contractor support. Also, since the Committee has provided adequate funding for program management within IAIP, and for the Chief Procurement Officer for the handling of contract procurement internally, the Committee expects that the routine use of national laboratories as contracting agents will discontinue.

CRITICAL INFRASTRUCTURE OUTREACH AND PARTNERSHIPS

The Committee recommends $71,592,000, the same as the budget request, for the Critical Infrastructure Outreach and Partnerships program. The private sector owns and operates more than 85 percent of the nation's critical infrastructure and key assets. Consequently, public-private cooperation is paramount. The goals of these partnerships include improving national planning, enhancing outreach, education, training, and awareness, and sharing protective actions.

The National Infrastructure Coordination Center (NICC) is a key component of these efforts, assessing the operational status of the nation's critical infrastructures and key resources, sharing information with the Information Sharing and Analysis Centers and the owners and operators of critical infrastructure facilities, and facilitating information sharing across and between the individual sectors, as well as providing information and support to the Homeland Security Operations Center (HSOC). The Committee is supportive of the NICC's efforts, but is concerned about the slow pace of its development. IAIP is encouraged to make every effort to complete the staffing and build out of the NICC as expeditiously as possible, and to continue to keep the Committee informed of the progress of their efforts in this regard.

The Committee also notes the concerns expressed by the public and by the nation's water suppliers with regard to protecting drinking water once it enters the distribution system of water utilities. The Committee encourages the IAIP to give consideration to the public-private research partnership being proposed by the water supply community to identify and develop technologies to safeguard our drinking water.

INFORMATION SHARING AND ANALYSIS CENTERS

Having well-developed, broad-based, active, and informed Information Sharing and Analysis Centers (ISACs) in all critical infrastructure sectors will significantly enhance IAIP's efforts to improve the overall level of protection for critical infrastructure. Some of the ISACs were only recently established, and the Committee is concerned that they are not yet functioning at the level that they need to be. The Committee directs IAIP to provide, not later than January 15, 2005, a detailed report on the development, composition, and capabilities of, as well as information regarding the level of industry participation in, each of the 13 ISACs, and a summary of each ISACs contributions to date to the mission of the NICC.

CRITICAL INFRASTRUCTURE IDENTIFICATION AND EVALUATION

The Committee recommends $77,861,000, the same as the budget request, for the Critical Infrastructure Identification and Evaluation program. The Committee is aware that funding in this program is being used to create, by December 2004, the Unified National Database of Critical Infrastructure, a master database of all existing critical infrastructure in the country. Once completed and refined, this database will allow IAIP to more easily identify the greatest points of vulnerability, assess existing levels of security, and increase protections as necessary. The Committee believes that this project will be an invaluable asset to critical infrastructure

protection (CIP) efforts, and wants to emphasize the importance of making information in this database available to State homeland security advisors and other State and local law enforcement officials involved in CIP.

The Under Secretary for IAIP testified on April 1, 2004, that a list of 1,700 critical infrastructure and key assets had been developed, and that IAIP was in the process of visiting these locations and assessing their potential vulnerabilities. The Committee directs IAIP to complete the vulnerability assessments for these 1,700 critical infrastructures and key assets by September 30, 2005, and to report back to the Committee on this milestone by October 1, 2005.

STANDARDIZED VULNERABILITY ASSESSMENTS

Standardized vulnerability assessments are a critical component of critical infrastructure protection (CIP) efforts in that they provide a consistent way to measure the susceptibility of a site to attack. While some owners and operators routinely perform assessments, in some locations they have never been performed. The Critical Infrastructure Identification and Evaluation appropriation funds the activities and support of the Protective Security Advisors, which assist States, localities, and the public and private sector in developing vulnerability assessments, and in some cases, performing vulnerability assessments of specific sites and infrastructures. The purpose is to assist individual owners and operators in preparing plans that will improve security at their sites by eliminating specific vulnerabilities.

The Committee is aware that by December 2004, IAIP intends to develop standards for vulnerability assessments and best practices in collaboration with the private sector, focusing on the creation of standards for baseline protective measures/daily operational requirements, the creation of threat-specific mitigation measures, and the implementation of these measures, with the role of the private sector being clearly articulated. The Committee believes that the development of such standards is an important step in ensuring that an adequate minimum level of protection is present at all critical infrastructure sites. The Committee also wishes to emphasize the importance of including standards for cyber security, particularly for supervisory control and data acquisition (SCADA) systems, within this construct, and encourages the direct involvement of representatives from the Cyber Security Division in the development of these standards.

NATIONAL INFRASTRUCTURE SIMULATION AND ANALYSIS CENTER

The Committee recommends $16,000,000, the same as the budget request, for the National Infrastructure Simulation and Analysis Center (NISAC). The NISAC mission is to provide comprehensive modeling and simulation capabilities for the analysis of critical infrastructures, their interdependencies, complexities, and the consequences of attack.

PROTECTIVE ACTIONS

The Committee recommends $191,647,000, the same as the budget request, for the Protective Actions program. This recommenda-

tion does not support requested funding of $20,000,000 for Protective Service Centers. The Committee directs that these funds be applied instead towards vulnerability reduction efforts, development of general security plans, and technology application pilots.

The Protective Actions program works with federal, State, local and private sector organizations to implement protection strategies, such as buffer zone protection plans, to protect infrastructure and assets from attack. This program also provides training to State Homeland Security Advisors and their State and local law enforcement personnel on how to protect their own critical infrastructure sites in a more effective and consistent manner.

The Committee is supportive of these ongoing efforts, and believes that they represent an efficient use of resources in that they result in immediate and identifiable improvements in the level of protective measures that are in place at specific sites. The Committee hopes that with the deployment of additional protective security field operations personnel, the frequency of communication and scope of cooperation with State and local officials in critical infrastructure protection (CIP) efforts will continue to increase. This should also result in a greater level of detail regarding CIP being incorporated within state homeland security planning efforts.

The Committee also wishes to emphasize the importance of addressing cyber security in both vulnerability assessments and the implementation of protective measures, particularly with respect to SCADA systems, and encourages IAIP to pursue closer cooperation between the Protective Security Division and the Cyber Security Division in CIP efforts.

RAIL SECURITY

The Committee fully funds the continuation of the Protective Security Division rail security initiatives, such as the pilot program implemented on a District of Columbia rail line. In this pilot, several types of protective measures were installed in order to create a "virtual fence", including the installation of sensors and web-based cameras. The Committee supports expansion of this pilot in fiscal year 2005 to other rail sections in high-risk urban areas across the country to increase the security of our rail system. Additional initiatives the Committee supports in the area of rail security include protective measures that can be applied to railcars transporting toxic chemicals, and the continual vigilance in Site Assistance Visits, vulnerability assessments, and working with law enforcement, owners/operators, and industry to implement buffer zone protection plans.

PROTECTIVE SECURITY CENTERS

The Committee notes with concern that the budget request included $20,000,000 for the physical build-out and furnishing of Protective Security Centers in 4–8 cities. While not denying the potential utility of such Centers, the Committee strongly believes that the funds provided within the Protective Actions account should be focused on the development and implementation of specific protective measures that reduce or eliminate known vulnerabilities. Accordingly, as noted in Protective Actions, the $20,000,000 for the Protective Security Centers has been redirected towards such efforts.

DEVELOPMENT OF PROTOCOLS, POLICIES, AND PROCEDURES

While the Committee is supportive of the efforts of IAIP to implement protective measures using the funds provided in Protective Actions, the Committee is concerned about the lack of written protocols, policies, and procedures governing the use of these funds. The Committee believes that without such guidelines, there exists the potential for duplication of effort between this account and other funding sources, such as grant programs within the Office for State and Local Government Coordination and Preparedness, as well as the possibility that funds could be used in ways that might not be consistent with the overall goals of the Department's critical infrastructure protection efforts. Accordingly, the Committee directs IAIP to develop appropriate written guidelines for the use of Protective Actions funds that preserve needed flexibility, while preventing potential duplication or misapplication, and to provide a report regarding this policy to the Committee no later than November 30, 2004.

BIOSURVEILLANCE

The Committee recommends $11,000,000, the same as the budget request, for the Biosurveillance initiative. This is a new interagency program designed to improve the federal government's capability to rapidly identify and characterize a potential bioterrorist attack. The IAIP portion of the Biosurveillance initiative is to develop the capability for the real-time integration of biosurveillance data harvested through a variety of government sources.

The Committee supports the initiative's end goal of improving decision-making by ensuring that all biosurveillance data is collected and coordinated in one central location. However, the Committee has a number of concerns, such as the potential difficulties of effectively sharing information from such a wide variety of sources, potential confusion over the roles and responsibilities of each participating agency, and the impacts on existing incident reporting or decision-making protocols. Therefore, the Committee directs IAIP to provide a classified report, no later than January 15, 2005, that describes the scope, cost, schedule and key milestones for IAIP's portion of the Biosurveillance initiative. In addition, the report should: (1) clarify the Department's role in this joint initiative, (2) describe the progress made in its implementation, (3) give a time frame for finalizing connectivity of the affected systems and giving IAIP the desired access to this biological surveillance information, (4) describe any changes that have been made to existing incident reporting or decision-making protocols, (5) list those Federal, State, and local agencies that will have direct or indirect access to the information that is collected by IAIP, and (6) describe how, in the event of an incident, information will be disseminated to affected entities.

CYBER SECURITY

The Committee recommends $67,380,000, the same as the budget request, for the Cyber Security program. This program functions as the United States government coordination point, bridging public and private institutions, to advance computer security preparedness and the response to cyber attacks and incidents. Additionally,

the Cyber Security program studies the interconnection of cyber assets to identify critical points in our nation's cyber infrastructure that could be exploited by malicious persons.

The February 2003 National Strategy to Secure Cyberspace articulated five national priorities. These priorities focus on improving response to cyber incidents, reducing the number of cyber threats and vulnerability to cyber attacks, preventing cyber attacks with the potential to impact national security assets and improving international management of and response to such attacks. The Committee directs IAIP to provide a progress report on the five priority areas. This report should accompany the transmittal of the IAIP fiscal year 2006 Congressional Budget Justification. The progress report should report on all the cyber security efforts within the Department, including, but not limited to, the Office of Cyber Security, the SCADA activities in the Protective Services Division, and the research and development efforts underway in the Science and Technology Directorate. The report should address cost, scope and schedule and key milestones of activities in the five priority areas.

COMPETITIVE ANALYSIS AND EVALUATION

The Committee recommends $3,868,000, $15,000,000 below the President's request for Competitive Analysis and Evaluation. The Committee has reduced this program due to insufficient information on proposed expenditures in fiscal year 2005.

EVALUATIONS AND STUDIES

The Committee recommends $14,387,000, the same as the budget request, for Evaluations and Studies. Funding in this area supports analyses on the nature and scope of threat information and identifying potential terrorist targets within the United States.

HOMELAND SECURITY OPERATIONS CENTER

The Committee recommends $35,000,000, the same as the budget request, for the Homeland Security Operations Center (HSOC). The HSOC maintains and shares domestic situational awareness; coordinates security operations; detects, prevents, and deters incidents; and facilitates the response and recovery for all critical incidents.

The Committee thus far has supported the requested capital improvements to the Homeland Security Operations Center. However, the Committee is concerned that the full vision for the HSOC has not been articulated. As such, the Committee directs IAIP to provide, no later than March 31, 2005, a 5-year plan, (fiscal years 2005–2009) which describes full implementation of the HSOC, the resources necessary, by fiscal year, to achieve its goal, and planning for any future site location. This plan should also include how the HSOC will be integrated with the information and analysis developed in support of the National Infrastructure Coordinating Center.

HOMELAND SECURITY INFORMATION NETWORK

The Committee is pleased that the IAIP has initiated the Homeland Security Information Network (HSIN) to provide real-time, se-

cure, communication networks to federal, State, and local entities involved in counter-terrorism efforts, security-related executive decision making, and consequence and crisis planning and management. However, given the rapid expansion of these networks, the Committee is concerned that the proper protocols and training be in place in order for the system to work most effectively. It is imperative that the end-user needs are fully taken into consideration as the system is developed. As such, the Committee encourages the continued involvement of the Homeland Security Information Sharing Alliance, a State and local non-profit association that has strengthened collaborative efforts between the Department and State and local entities.

SCIENCE AND TECHNOLOGY

MANAGEMENT AND ADMINISTRATION

Appropriation, fiscal year 2004	$43,908,000
Budget estimate, fiscal year 2005	52,550,000
Recommended in the bill	68,586,000
Bill compared with:	
Appropriation, fiscal year 2004	+24,678,000
Budget estimate, fiscal year 2005	+16,036,000

MISSION

The Management and Administration appropriation provides for the salaries and expenses for all headquarters and field federal employees of the Science and Technology Directorate, to include 320 full-time equivalent positions.

RECOMMENDATION

The Committee recommends $68,586,000 for Science and Technology Management and Administration, $16,036,000 above the President's request and $24,678,000 above the amounts provided in fiscal year 2004. The President's request included salaries and expenses for laboratory facilities, such as the National Biodefense Analysis and Countermeasures Center (NBACC), Plum Island Animal Disease Center, and the Environmental Measurements Laboratory in several different program areas. The Committee prefers to consolidate all salary expenses in one account and the recommended increase reflects the transfer of $16,036,000 in salaries and expenses funds for these laboratories from the Research, Development, Acquisition, and Operations Account.

The Committee is concerned that there has been a substantial lack of communication within the management of S&T, which has resulted in misinformation being provided to Members and staff. The Committee strongly encourages S&T to review their management practices to improve upon their internal communications. The Committee believes S&T should move expeditiously to develop a policy regarding the use of national laboratories, and directs S&T to report to the Committee on this policy by October 1, 2004.

RESEARCH, DEVELOPMENT, ACQUISITION, AND OPERATIONS

Appropriation, fiscal year 2004	$868,844,000
Budget estimate, fiscal year 2005	986,749,000
Recommended in the bill	1,063,713,000
Bill compared with:	
Appropriation, fiscal year 2004	+194,869,000
Budget estimate, fiscal year 2005	+76,964,000

MISSION

The mission of the Science and Technology (S&T) Directorate is to develop and deploy technologies and capabilities to secure our homeland. This directorate conducts, stimulates, and enables research, development, test, evaluation, and the timely transition of homeland security capabilities to federal, State, and local operational end-users. This activity includes investments in both evolutionary and revolutionary capabilities with high payoff potential; early deployment of off-the-shelf, proven technologies to provide for initial defense capability; near-term utilization of emerging technologies to counter current terrorist threats; and development of new capabilities to thwart future and emerging threats.

As part of the Science and Technology Directorate, the Homeland Security Advanced Research Projects Agency (HSARPA) has 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.

RECOMMENDATION

The Committee recommends $1,063,713,000 for Science and Technology Research, Development, Acquisition, and Operations, $76,964,000 above the President's request and $194,869,000 above the amounts provided in fiscal year 2004. Increases above the President's request include $40,000,000 for University Programs, $10,000,000 for Safety Act implementation; $21,000,000 for Interoperability and Communications, and $10,000,000 to accelerate a container safety initiative.

The Science and Technology Directorate is two years old, and is constantly evolving as new initiatives grow into free-standing programs. The Committee believes that, as new programs emerge, they should be separated out and directly appropriated, for both better transparency of operations, and fiscal control. As such, the Committee's recommendation reflects a new account structure, as identified below. The Committee feels strongly that this account structure will better meet the needs of both the Committee and Science and Technology (S&T), and directs S&T to use this structure in formulating their fiscal year 2006 budget request. A comparison of the budget estimate to the Committee recommended level by budget activity is as follows:

	Budget estimate	Recommended
Biological countermeasures	$407,000,000	$362,650,000
Nuclear and radiological countermeasures	129,300,000	122,614,000
Chemical countermeasures	53,000,000	53,000,000
High explosives countermeasures	9,700,000	9,700,000
Threat and vulnerability, testing and assessment	101,900,000	68,900,000
Critical infrastructure protection	61,000,000	27,000,000

	Budget estimate	Recommended
Conventional missions in support of DHS	34,000,000	44,000,000
Rapid prototyping program	76,000,000	76,000,000
Standards	39,699,000	39,699,000
Emerging threats	21,000,000	21,000,000
University programs/Homeland security fellowship programs	30,000,000	70,000,000
Consolidated transferred accounts	24,150,000	24,150,000
National Biodefense Analysis & Countermeasures Center		35,000,000
Counter MANPADS		61,000,000
Safety Act		10,000,000
Cyber security		18,000,000
Interoperability and communications		21,000,000
Total, Science and Technology	986,749,000	1,063,713,000

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. The Committee recommends $362,650,000 for Biological Countermeasures, $44,350,000 below the President's request. This reduction reflects the transfer of $9,350,000 of salaries and expenses to the Management and Administration account, and the transfer of $35,000,000 for the National Biodefense Analysis and Countermeasures Center to a separate line-item.

The Committee supports the $65,000,000 Biosurveillance Initiative, an expansion of the existing BioWatch program, and an acceleration of the research and development on next generation environmental monitoring systems.

The Committee also supports the request of $12,900,000 for upgrades to the Plum Island Animal Disease Center facility. The Committee is aware of assessments that have revealed safety/compliance and security issues at the facility and directs S&T to provide the Committee by December 1, 2004, a report on the plan to address these shortcomings, to include the associated costs.

The Committee encourages S&T to consider supporting the design of a comprehensive biopreparedness model for the nation by supporting established Centers for Biosecurity doing work in this regard. The Committee believes science and technology are integral to addressing the public health aspects of homeland security and urges the directorate to pursue research in next generation x-ray nanotechnology and in the development of antidotes to emerging chemical and bioterrorist threats.

The Committee is aware of various federal task force recommendations related to the need for development and stockpiling of improved veterinary vaccines. Specifically, there is a pronounced and recognized need for vaccines to mitigate the threats posed by high-priority disease agents to public health, U.S. livestock, and the economy. Accordingly, the Committee strongly urges the Department to work with appropriate animal and human health officials to develop an animal vaccine defense regimen that incorporates advanced research already done in the field.

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. The Committee recommends $122,614,000 for Nuclear and Radiological Countermeasures, $6,686,000 below the President's request. This reduction reflects a transfer of $6,686,000 for salaries and expenses to the Management and Administration account.

The Committee understands that S&T is currently testing equipment that can identify radioactivity in vehicles and cargo. The Committee agrees that equipment that is able to identify radioactivity in vehicles and cargo while producing a low rate of false alarms is critical to our border and port security operations and encourages S&T to continue field testing such equipment. The Committee encourages S&T to continue to support work on advanced designs for both neutron and gamma detectors that can identify radiation sources that may be part of improvised nuclear devices or radiation dispersal devices.

The Committee is pleased with the depth and breadth of the nuclear and radiological countermeasures portfolio, leveraging new approaches from pre-existing work realized in the national laboratories and the private sector. While the Committee is aware of individual projects such as the NY/NJ radiation detection testbed, and the secondary "reach back" support for employing radiation detection in the field, it is appropriate at this time to articulate these activities in a comprehensive strategic plan. The Committee directs Science and Technology to provide a report by February 1, 2005, on the nuclear and radiological countermeasures portfolio, the long-term vision of the program, the threat being addressed, the projects and activities underway, annual and life-cycle costs of these projects, and the homeland security applications for the technology that is being developed.

CHEMICAL COUNTERMEASURES

This portfolio focuses on characterizing and reducing the vulnerability posed by toxic industrial materials in use, storage or transport within the nation. The Committee recommends $53,000,000, the same as the budget request.

The availability of toxic agents makes it difficult to focus a program to reduce the probability and potential consequences of a chemical attack on this nation's civilian population. The Committee is interested in S&T's approach to prioritizing potential chemical threats and targets, and the selection of detection and forensic technologies to pursue. As such, the Committee directs S&T to provide a report by February 1, 2005, on the chemical countermeasures portfolio, the long-term vision of the program, the threat being addressed, the projects and activities underway, annual and life-cycle costs of these projects, and the homeland security applications of the technology that is being developed.

HIGH EXPLOSIVE COUNTERMEASURES

The High Explosive Countermeasures program provides the science and technology needed to significantly increase the probability of interdicting an explosives attack on buildings, critical infrastructure, and this nation's civilian population. The Committee recommends $9,700,000, the same as the budget request.

Developing technologies and procedures to interdict suicide bombers and car and truck bombs while minimizing the impact on the American way of life is a vital, and difficult mission of this portfolio. The Committee is aware of the evaluation of the commercial off-the-shelf devices under review, and the development of new devices to interdict would-be bombers, currently underway. The Committee would like to see a comprehensive strategy for this program, which articulates the necessary ongoing coordination with other Department activities, such as the Transportation Security Administration. As such, S&T is directed to provide a report by February 1, 2005, on the high explosive countermeasures portfolio, the long-term vision of the program, the threat being addressed, coordination with other Departmental elements, the projects and activities underway, annual and life-cycle costs of these projects, and the homeland security applications of the technology that is being developed.

THREAT AND VULNERABILITY, TESTING AND ASSESSMENT

The Threat and Vulnerability, Testing and Assessment program creates advanced modeling, information and analysis capabilities that are used to enhance S&T's ability to evaluate extensive amounts of data and information from diverse sources. The Committee recommends $68,900,000 for Threat and Vulnerability, Testing and Assessment, $33,000,000 below the President's request. Funding of $18,000,000 for cyber security has been transferred to a separate account. Funding of $15,000,000 in support of critical infrastructure activities has been transferred to the Critical Infrastructure Protection account.

CRITICAL INFRASTRUCTURE PROTECTION

The Critical Infrastructure Protection program conducts vulnerability, consequence and risk analysis to identify the best approaches to protecting the nation's infrastructure, allowing priorities to be established based on a rational process and resources to be invested with the highest payoff of risk reduction and damage mitigation. The Committee recommends $27,000,000 for Critial Infrastructure Protection, $34,000,000 below the President's request. The Committee has provided $12,000,000 to support existing work in research and development and application of technology for community based critical infrastructure protection efforts. In addition, to better align project and program activities, funding of $15,000,000 from Threat and Vulnerability, Testing and Assessment has been transferred to this account. Funding of $61,000,000 for the Counter MANPADS project has been transferred to a separate account.

Federal agencies in pursuit of their missions of public safety have explored much technology over the years that may also have applications to counter-terrorism activities. For example, the Fed-

eral Highway Administration sponsored Intelligent Transportation Systems (ITS) research and technology deployment initiatives. The Committee believes that some of these programs offer a "dual use" value to enhance security across transportation modes. The Committee encourages Science and Technology to assess the potential for adapting ITS research, processes and technologies to improve security within the nation's transportation network.

CONVENTIONAL MISSIONS IN SUPPORT OF THE DEPARTMENT

The Committee recommends $44,000,000 for Conventional Missions in Support of the Department, $10,000,000 above the President's request.

The Committee is aware that S&T, in cooperation with the Transportation Security Administration and Customs and Border Protection, has a number of initiatives underway concerning the security of containers, including the detection of materials within the container and the security of the container itself. S&T is looking at assuring the integrity of conveyance loading and documentation; significantly reducing the risk of undetected tampering in transit; and providing accurate, complete, timely and protected shipment information while enhancing supply chain efficiency. These initiatives are underway through the solicitation of technologies through a small business innovative research effort and a broad agency announcement.

The Committee recommends a $10,000,000 increase above the budget request for acceleration of the Science and Technology container initiative. This increase will ensure a greater degree of competition in the development and fielding of broadly based capabilities, accelerate the development of advanced sensors, and begin development of the Advanced Container Information Network in a joint U.S. and international and industry effort.

The Committee is encouraged by the work being pursued on container security, and directs S&T to provide a report by December 1, 2004, on the progress of container technology initiatives, describing how they will be integrated in a comprehensive program, and a five-year funding profile for each initiative.

RAPID PROTOTYPING PROGRAM

The Committee recommends $76,000,000, the same as the budget request. The Rapid Prototyping Program accesses the capabilities of private sector industry for rapid development and prototyping of technologies in support of the Department of Homeland Security's missions.

The Committee receives 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 S&T 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 supports the work of the Public Safety and Security Institute for Technology, to continue to serve as the DHS Technology Clearinghouse. The Committee recommends funding for this activity at the fiscal year 2004 level.

STANDARDS PROGRAM

The Standards Program develops standards for homeland security related equipment and systems in collaboration with operational end-users. The Committee recommends $39,699,000, the same as the budget request.

The Committee commends S&T for the valuable work accomplished in the Standards Program, including the standards for radiation equipment, personal protective equipment, and guidelines for interoperable communications gear that have been issued thus far in fiscal year 2004. The Committee believes it is essential that standards are created and adopted for homeland security, to improve the quality and usefulness of systems and technologies. The Committee encourages S&T to continue working with the Office for State and Local Government Coordination and Preparedness in the development of equipment standards.

Search and rescue efforts following catastrophic events are often hampered by limited access and potential human interaction with hazardous materials. Last year, the Committee encouraged S&T 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. The Committee understands that this was not pursued, and directs S&T to report on the progress of this effort by September 30, 2004.

UNIVERSITY PROGRAMS/FELLOWSHIP PROGRAMS

The Committee recommends $70,000,000 for University Programs/Fellowship Programs, $40,000,000 above the President's request of $30,000,000. The Committee has provided an additional $40,000,000 for university-based centers of excellence.

Through the Homeland Security Centers of Excellence (HS-Centers) S&T is encouraging universities to become centers of multidisciplinary research. In fiscal year 2004, S&T awarded three HS-Centers in the areas of: Risk and Economic Analysis of Terrorism Events, Foreign Animal and Zoonotic Disease Defense, and Post-Harvest Food Protection and Defense. The future of homeland security science is also being advanced by the development of the next generation of scientists in the Scholars and Fellows Program. There continues to be intense interest from universities with proposals to perform homeland security activities. This additional funding will allow S&T to evaluate and support additional university proposals in fiscal year 2005.

CONSOLIDATED TRANSFERRED ACCOUNTS

The Committee recommends $24,150,000 for Consolidated Transferred Accounts, the same as the budget request. S&T has been tasked to consolidate research, development, test and evaluation (RDT&E) efforts currently existing in other parts of the Department into the S&T Directorate in order to achieve increased efficiency and effectiveness of resources, and avoid duplication of federal research dollars.

Three programs have been identified to be transferred: research and development efforts from the Coast Guard, RDT&E activities conducted at their Groton, CT laboratory; Immigration and Customs Enforcement Federal Air Marshal's RDT&E activities sup-

porting the development of their air-to-ground communication system; and, Emergency Preparedness and Response RDT&E activities supporting the U.S. Fire Administration will be transferred to this account.

NATIONAL BIODEFENSE ANALYSIS AND COUNTERMEASURES CENTER (NBACC)

The Committee recommends $35,000,000 for the National Biodefense Analysis and Countermeasures Center (NBACC), the same as the budget request. These funds were previously provided through the Biological Countermeasures account. The $35,000,000 is to complete construction of the NBACC hub facility to provide scientific support for intelligence activities, prioritize biothreats, and also conduct bioforensic analysis contributing to attribution.

The Committee directs S&T to provide the Committee with a report by November 30, 2004, that describes the scope and annual and total costs of construction of the three NBACC centers and program office. The report should include the projected annual costs of operations, including staffing of the facilities, and a description of the activities to be conducted in the facilities.

COUNTER MANPADS

The Counter MANPADS program is focused on identifying, developing, and testing a cost-effective capability to protect the nation's commercial aircraft against the threat of man-portable air defense systems (MANPADS), commonly called anti-aircraft missiles. The Committee recommends $61,000,000 for the Counter MANPADS program, the same as the budget request. These funds were previously provided through the Critical Infrastructure Protection account.

The Committee recognizes that Phase I of the Counter MANPADS study will be complete in July 2004, and the Phase II period of performance is August 2004 through January 2006. The Committee expects to be informed by S&T on an ongoing basis regarding the progress of down-selection of technologies prior to the end of Phase I, and the projected implementation of Phase II.

SAFETY ACT

The "Support Anti-terrorism by Fostering Effective Technologies Act of 2002", (SAFETY Act) facilitates the development of homeland security technologies that otherwise would not be deployed because of the risk of liability. Companies can apply to have their products and services deemed "qualified anti-terrorism technologies". The Committee recommends $10,000,000 for the Safety Act program, $10,000,000 above the President's request. These funds are for the establishment of a SAFETY Act Program Implementation Office.

The Committee is concerned about the low rate of SAFETY Act applications, and subsequent approvals, and directs S&T to reevaluate the application requirements that may be too burdensome to industry. The Committee expects that with the establishment of the Safety Act Program Implementation Office, a more focused program will emerge, to streamline the application process, and expe-

dite approvals in order to actively deploy technology solutions for homeland security.

CYBER SECURITY

The Cyber Security program focuses on several areas: improving the security of process control systems, next generation cyber security technology; and economic assessment and modeling to recommend cyber security investments. The Committee recommends $18,000,000 for the Cyber Security program, the same as the budget request. These funds were previously provided through the Critical Infrastructure Protection account. The Committee directs Science and Technology to report by December 1, 2004, on the Cyber Security program, describing the scope, cost and schedule, and key milestones of their activities, including identification of who is performing the research, and eventual applications of the research.

INTEROPERABILITY AND COMMUNICATIONS

The Committee recommends $21,000,000 for the Interoperability and Communications program, an increase of $21,000,000 in S&T, and $10,000,000 above the President's request. The Committee transfers $11,000,000 for project SAFECOM from the Department-wide Technology Investments account to the Interoperability and Communications program, in order to consolidate Department interoperability program functions. The $10,000,000 increase will provide system piloting and demonstrations, and research and development of next generation technical capability.

The ability of the country's first responders to communicate with one another across jurisdictions and disciplines is a long-standing, complex and critical issue facing our nation. The SAFECOM (Wireless Public SAFEty Interoperable COMmunications) program was placed in the Department of Homeland Security's Science and Technology Directorate for full access to the scientific expertise and resources needed to help our nation achieve true public safety wireless communications interoperability. The Committee commends S&T for the work done thus far under SAFECOM, and for standing-up the Interoperability and Communications program in order to comprehensively address the interoperability of public safety communications.

TITLE V—GENERAL PROVISIONS

(INCLUDING TRANSFERS OF FUNDS)

Section 501. The Committee continues a provision providing that no part of any appropriation shall remain available for obligation beyond the current year unless expressly provided.

Section 502. The Committee continues a provision providing that unexpended balances of prior appropriations may be merged with new appropriation accounts and used for the same purpose, subject to reprogramming guidelines.

Section 503. The Committee continues a provision providing reprogramming authority for funds within an account and not to exceed 5 percent transfer authority between appropriations accounts with the requirement for a 15-day advance Congressional notification. A detailed funding table identifying each Congressional con-

trol level for reprogramming purposes is included at the end of this Report. These reprogramming guidelines shall be complied with by all agencies funded by the Department of Homeland Security Appropriations Act, 2005.

Section 504. The Committee continues a provision providing that not to exceed 50 percent of unobligated balances remaining at the end of fiscal year 2005 from appropriations made for salaries and expenses shall remain available through fiscal year 2006 subject to reprogramming guidelines.

Section 505. The Committee continues a provision providing that funds for intelligence activities are deemed to be specifically authorized during fiscal year 2005 until the enactment of an Act authorizing intelligence activities for fiscal year 2005.

Section 506. The Committee continues a provision directing the Federal Law Enforcement Training Center to establish an accrediting body to establish standards for assessing federal law enforcement training programs, facilities, and instructors.

Section 507. The Committee continues a provision requiring notification of the Committees on Appropriations three days before any grant allocation, discretionary grant award, letter of intent, port security grant or Homeland Security Centers of Excellence Awards totaling $1,000,000 or more is announced by the Department.

Section 508. The Committee continues a provision providing that no agency shall purchase, construct, or lease additional facilities for federal law enforcement training without advance approval of the Committees on Appropriations.

Section 509. The Committee continues a provision requiring the Director of the Federal Law Enforcement Training Center to ensure that all training facilities are operated at optimal capacity throughout the fiscal year.

Section 510. The Committee continues a provision providing that none of the funds may be used for any construction, repair, alteration, and acquisition project for which a prospectus, if required by the Public Buildings Act of 1959, has not been approved.

Section 511. The Committee continues a provision that none of the funds may be used to require airport sponsors to provide building modifications, utilities and expenses, or space to the Transportation Security Administration without cost for services related to aviation security.

Section 512. The Committee continues a provision that none of the funds may be used in contravention of the Buy American Act.

Section 513. The Committee continues a provision requiring the Department of Homeland Security to research, develop and procure systems to inspect air cargo, enhance the known shipper program and double the percentage of cargo inspected on passenger aircraft.

Section 514. The Committee includes a new provision regarding Coast Guard housing.

Section 515. The Committee includes a new provision clarifying the lines of authority in the Department of Homeland Security for the Chief Procurement Officer, the Chief Financial Officer and the Chief Information Officer.

Section 516. The Committee includes a new provision requiring the Coast Guard to submit, at the time of the President's budget submission, a list of approved but unfunded priorities and the funds needed for each priority.

Section 517. The Committee includes a new provision authorizing the Transportation Security Administration to retain unclaimed money recovered at any airport security checkpoint for the purpose of providing civil aviation security services.

Section 518. The Committee includes a new provision that permits the Transportation Security Administration to sublease parking and other facilities and offset a portion of the costs for providing these services.

Section 519. The Committee includes a new provision regarding the acquisition of services by the Transportation Security Administration.

Section 520. The Committee includes a new provision authorizing the Department of Homeland Security to conduct background investigations for certain employees.

Section 521. The Committee includes a new provision extending the authorization for the Homeland Security Institute.

Section 522. The Committee includes a new provision making a technical correction to the Homeland Security Science and Technology Advisory Committee.

Section 523. The Committee includes a new provision exempting the formula-based grants and high-threat, high-density urban area grants from the requirements of the Cash Management Improvement Act of 1990.

Section 524. The Committee continues and modifies a provision prohibiting the obligation of funds for the CAPPS II program, except on a test basis, until the requirements of section 519 of Public Law 108–90 have been met and the General Accounting Office has reviewed such certification. In addition, DHS and GAO shall explicitly review the efficacy and accuracy of any algorithms contained within CAPPS II.

Section 525. The Committee includes a new provision prohibiting the use of funds by the Undersecretary for Management, the Chief Financial Officer, or the Office of Management and Budget to review or alter any report directed to be submitted to the Committee on Appropriations in this Act and its accompanying report. This section only applies to those reports related to the operations, programs and activities of the Department of Homeland Security.

Section 526. The Committee includes a new provision regarding contracting with foreign incorporated entities.

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:

Account to which transfer is to be made	Amount	Account from which transfer is to be made	Amount
Title III:			
National Flood Mitigation Fund ..	$20,000,000	National Flood Insurance Fund	$20,000,000

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 a rescissions of $33,000,000 from the Coast Guard's Acquisition, Construction, and Improvements account.

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):

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 (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

HOMELAND SECURITY ACT OF 2002

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Homeland Security Act of 2002".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

* * * * * * *

TITLE VII—MANAGEMENT

Sec. 701. Under Secretary for Management.

* * * * * * *

[Sec. 705. Establishment of Officer for Civil Rights and Civil Liberties.
[Sec. 706. Consolidation and co-location of offices.]
Sec. 705. Chief Procurement Officer.
Sec. 706. Establishment of Officer for Civil Rights and Civil Liberties.
Sec. 707. Consolidation and co-location of offices.

* * * * * * *

TITLE I—DEPARTMENT OF HOMELAND SECURITY

* * * * * * *

SEC. 103. OTHER OFFICERS.

(a) * * *

* * * * * * *

(d) OTHER OFFICERS.—To assist the Secretary in the performance of the Secretary's functions, there are the following officers, appointed by the President:

(1) * * *

* * * * * * *

(5) A Chief Procurement Officer.

[(5)] *(6)* An Officer for Civil Rights and Civil Liberties.

* * * * * * *

TITLE III—SCIENCE AND TECHNOLOGY IN SUPPORT OF HOMELAND SECURITY

* * * * * * *

SEC. 311. HOMELAND SECURITY SCIENCE AND TECHNOLOGY ADVISORY COMMITTEE.

(a) * * *

* * * * * * *

(c) TERMS OF OFFICE.—

(1) * * *

[(2) ORIGINAL APPOINTMENTS.—The original members of the Advisory Committee shall be appointed to three classes of three members each. One class shall have a term of 1 year, 1 a term of 2 years, and the other a term of 3 years.]

(2) ORIGINAL APPOINTMENTS.—The original members of the Advisory Committee shall be appointed to three classes. One Class of six shall have a term of 1 year, one class of seven a term of 2 years, and one class of seven a term of 3 years.

* * * * * * *

SEC. 312. HOMELAND SECURITY INSTITUTE.

(a) * * *

* * * * * * *

[(g) TERMINATION.—The Homeland Security Institute shall terminate 3 years after the effective date of this Act.]

(g) TERMINATION.—The Homeland Security Institute shall terminate 5 years after its establishment.

* * * * * * *

TITLE VII—MANAGEMENT

* * * * * * *

SEC. 702. CHIEF FINANCIAL OFFICER.

The Chief Financial Officer shall report to the Secretary[, or to another official of the Department, as the Secretary may direct].

SEC. 703. CHIEF INFORMATION OFFICER.

The Chief Information Officer shall report to the Secretary[, or to another official of the Department, as the Secretary may direct].

* * * * * * *

SEC. 705. CHIEF PROCUREMENT OFFICER.

The Chief Procurement Officer appointed under section 103(d)(5) shall report to the Secretary.

SEC. [705.] *706.* ESTABLISHMENT OF OFFICER FOR CIVIL RIGHTS AND CIVIL LIBERTIES.

(a) IN GENERAL.—The Secretary shall appoint in the Department an Officer for Civil Rights and Civil Liberties, who shall—

(1) * * *

* * * * * * *

SEC. [706.] *707.* CONSOLIDATION AND CO-LOCATION OF OFFICES.

Not later than 1 year after the date of the enactment of this Act, the Secretary shall develop and submit to Congress a plan for consolidating and co-locating—

(1) * * *

* * * * * * *

TITLE VIII—COORDINATION WITH NON-FEDERAL ENTITIES; INSPECTOR GENERAL; UNITED STATES SECRET SERVICE; COAST GUARD; GENERAL PROVISIONS

* * * * * * *

Subtitle D—Acquisitions

* * * * * * *

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.

(e) TASK AND DELIVERY ORDERS.—After the date of the enactment of this subsection, no order may be issued under a task and delivery order contract entered into by the Department of Homeland Security before, on, or after the date of the enactment of this Act if the contractor for such contract is treated as an inverted domestic corporation under subsection (b).

* * * * * * *

CHAPTER 449 OF TITLE 49, UNITED STATES CODE

CHAPTER 449—SECURITY

* * * * * * *

SUBCHAPTER II—ADMINISTRATION AND PERSONNEL

* * * * * * *

44933. Federal Security Managers.

* * * * * * *

44945. Disposition of unclaimed money.

* * * * * * *

§ 44945. Disposition of unclaimed money

Notwithstanding section 3302 of title 31, unclaimed money recovered at any airport security checkpoint shall be retained by the Transportation Security Administration and shall remain available until expended for the purpose of providing civil aviation security as required in this chapter.

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:

[Dollars in millions]

FY 2005 new budget authority	$6,016
FY 2005 outlays resulting therefrom	6,107

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			
	Budget authority	Outlays	This bill	Budget authority
Discretionary	32,000	29,873	32,000	29,848
Mandatory	867	863	867	863
Total	32,867	30,736	32,867	30,711

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:

[In millions of dollars]

Outlays	
2005	18,502
2006	6,158
2007	3,843
2008	930
2009 and beyond	576

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—DEPARTMENT MANAGEMENT AND OPERATIONS

OFFICE OF THE SECRETARY AND EXECUTIVE MANAGEMENT

The Committee includes language providing funds for reception and representation expenses.

OFFICE OF THE UNDER SECRETARY FOR MANAGEMENT

The Committee includes language providing funds for reception and representation expenses and for costs necessary to consolidate headquarters operations at the Nebraska Avenue Complex, including tenant improvements and relocation costs.

OFFICE OF THE CHIEF FINANCIAL OFFICER

The Committee provides funding for activities of the Chief Financial Officer.

OFFICE OF THE CHIEF PROCUREMENT OFFICER

The Committee provides funding for activities of the Chief Procurement Officer.

OFFICE OF CHIEF INFORMATION OFFICER

The Committee provides funding for activities of the Chief Information Officer.

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. The Committee also includes language making funds available until expended.

OFFICE OF INSPECTOR GENERAL

The Committee includes language providing funds for certain confidential operational expenses, including the payment of informants.

TITLE II—SECURITY, ENFORCEMENT, AND INVESTIGATIONS

OFFICE OF THE UNDER SECRETARY FOR BORDER AND TRANSPORTATION SECURITY

UNITED STATES VISITOR AND IMMIGRANT STATUS INDICATOR TECHNOLOGY

The Committee includes language making funds available until expended for the US–VISIT program and includes language requiring the submission of an expenditure plan prior to the obligation of funds.

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; acquisition, lease, maintenance and operation of aircraft; purchase of vehicles; Harbor Maintenance Fee collections; official reception and representation expenses; inspection and surveillance technology, unmanned aerial vehicles, and equipment for the Container Security Initiative; Customs User Fee collections; payment of rental space in connection with pre-clearance operations; compensation of informants; contractual or reimbursable agreements with State and local law enforcement agencies; and Border Patrol checkpoints in the Tucson sector. The Committee includes a provision regarding average overtime limitations and language making funds available until September 30, 2006.

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.

CONSTRUCTION

The Committee includes language making funds available until expended for the planning, construction, renovating, equipping, and maintaining of buildings and facilities.

IMMIGRATION AND CUSTOMS ENFORCEMENT

SALARIES AND EXPENSES

The Committee includes language making funds available for enforcement of immigration and customs laws, detention and removals, and investigations; purchase of replacement vehicles; special operations; official reception and representation expenses; compensation to informants; promotion of public awareness of the child

pornography tipline; Project Alert; and reimbursement of other federal agencies for certain costs. The Committee includes language regarding overtime compensation and forced child labor laws.

FEDERAL AIR MARSHALS

The Committee includes language making funds available until expended for the Federal Air Marshals.

FEDERAL PROTECTIVE SERVICE

The Committee includes language making funds available until expended for the operations of the Federal Protective Service.

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.

CONSTRUCTION

The Committee includes language making funds available until expended for the planning, constructing, renovating, equipping, and maintaining of buildings and facilities.

AIR AND MARINE INTERDICTION, OPERATIONS, MAINTENANCE, AND PROCUREMENT

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 U.S. Immigration and Customs Enforcement unless certain conditions are met. Funds are available until expended.

TRANSPORTATION SECURITY ADMINISTRATION

AVIATION SECURITY

The Committee includes language making funds available until expended for civil aviation security; and establishing conditions under which security fees are collected and credited. The Committee includes language limiting screener staffing levels to 45,000 full time equivalents. The Committee includes language that limits the federal share of any letter of intent to 75 percent for any medium or large airport and 90 percent for any other airport and permits appropriations authorized for aviation security to be distributed in any manner necessary to ensure aviation security and fulfill the government's cost share under existing letters of intent. The Committee also includes language providing funds for reception and representation expenses.

MARITIME AND LAND

The Committee includes language authorizing up to $67,000,000 in fees permitted under Public Law 108–90 is available until ex-

pended and that funds may be used for initial administrative costs of credentialing activities.

RESEARCH AND DEVELOPMENT

The Committee includes language making funds available until expended.

ADMINISTRATION

The Committee includes language making funds available until expended.

UNITED STATES COAST GUARD

OPERATING EXPENSES

The Committee includes a provision regarding passenger motor vehicles; prohibits the use of funds for certain administrative expenses; prohibits the use of funds for yacht documentation except under certain circumstances; and authorizes payments into the Department of Defense Medicare-Eligible Retiree Health Care fund. 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 of the Coast Guard.

RESERVE TRAINING

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

ACQUISITIONS, CONSTRUCTION AND IMPROVEMENTS

The Committee includes a provision requiring a capital investment plan for future appropriations years with certain conditions. The Committee includes language requiring that the Commandant of the Coast Guard submit a new baseline for the acquisition schedule of the Deepwater program along with the fiscal year 2006 budget justification.

RETIRED PAY

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

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 rep-

resentation 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; and provides for two year availability of funds for protective travel. The Committee authorizes the obligation of funds in anticipation of reimbursements for training, under certain. The Committee includes bill language providing $10,000,000 for costs associated with National Special Security Events and makes these funds available for two years.

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 III—PREPAREDNESS AND RECOVERY

OFFICE FOR STATE AND LOCAL GOVERNMENT COORDINATION AND PREPAREDNESS

SALARIES AND EXPENSES

The Committee includes language providing funds for reception and representation expenses.

STATE AND LOCAL PROGRAMS

The Committee includes language that provides funds for grants, contracts, cooperative agreements, other activities, including grants to State and local governments for terrorism prevention. The Committee also includes a provision identifying the amount of funds available for formula-based grants, law enforcement terrorism prevention grants, high-threat, high-density urban area grants, rail and transit security grants, emergency management performance grants and port security grants. The Committee 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. The Committee also includes language that limits the availability of funds for construction, except for port security grants; allows for law enforcement terrorism prevention grants and high-threat, high-density urban area grants to be used for overtime in certain situations; directs grantees to report on use of funds as deemed necessary by the Secretary; and establishes several deadlines for the implementation of Homeland Security Presidential Directive–8, including development of mission essential tasks, guidelines for State baseline assessments, completing a Federal response capabilities inventory, and requesting quarterly reports to the Committee on HSPD–8 implementation.

FIREFIGHTER ASSISTANCE GRANTS

The Committee includes a provision authorizing the transfer of funds for program administration and language making funds available until September 30, 2006.

COUNTERTERRORISM FUND

The Committee includes language authorizing 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.

EMERGENCY PREPAREDNESS AND RESPONSE

PREPAREDNESS, MITIGATION, RESPONSE, AND RECOVERY

The Committee includes language that provides funds for preparedness, mitigation, response, and recovery acitivities.

ADMINISTRATIVE AND REGIONAL OPERATIONS

The Committee includes language that provides funds for administrative and regional operations. The Committee also includes a provision providing funds for reception and representation expenses.

PUBLIC HEALTH PROGRAMS

The Committee includes language that provides funds for countering potential biological, disease, and chemical threats.

DISASTER RELIEF

The Committee includes language making funds available until expended.

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.

FLOOD MAP MODERNIZATION FUND

The Committee includes provisions regarding non-Federal sums for cost-shared mapping activities and limiting total administrative costs to 3 percent of the total appropriation. The Committee also includes language making funds available until expended.

RADIOLOGICAL EMERGENCY PREPAREDNESS PROGRAM

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.

NATIONAL FLOOD INSURANCE FUND

The Committee includes a provision authorizing the transfer of funds for flood mitigation; a provision regarding the cost of modifying loans; and a limitation on operating expenses, agents' commissions and taxes, and for interest on Treasury borrowings. The Committee also includes language making funds for salaries and expenses and flood hazard mitigation available until September 30, 2006.

NATIONAL FLOOD MITIGATION FUND

The Committee includes language regarding authorized activities and authorizing the transfer of funds from the National Flood Insurance Fund. The Committee also includes language making funds available until September 30, 2006.

NATIONAL PRE-DISASTER MITIGATION FUND

The Committee includes language authorizing grant awards to be made on a competitive basis without reference to State allocations, quotas, or other formula-based allocation of funds. The Committee includes a provision limiting total administrative costs to 3 percent of the total appropriation. The Committee also includes language making funds available until September 30, 2006.

EMERGENCY FOOD AND SHELTER

The Committee includes language making funds available until expended and limiting total administrative costs to 3.5 percent of the total appropriation.

TITLE IV—RESEARCH AND DEVELOPMENT, TRAINING, ASSESSMENTS, AND SERVICES

CITIZENSHIP AND IMMIGRATION SERVICES

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

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.

INFORMATION ANALYSIS AND INFRASTRUCTURE PROTECTION

MANAGEMENT AND ADMINISTRATION

The Committee includes language providing funds for reception and representation expenses.

ASSESSMENTS AND EVALUATIONS

The Committee includes language making funds available until September 30, 2006, for information analysis and infrastructure protection.

SCIENCE AND TECHNOLOGY

MANAGEMENT AND ADMINISTRATION

The Committee includes language providing funds for reception and representation expenses.

RESEARCH, DEVELOPMENT, ACQUISITION AND OPERATIONS

The Committee includes language making funds available until expended.

TITLE V—GENERAL PROVISIONS—THIS ACT

Section 501. The Committee continues a provision providing that no part of any appropriation shall remain available for obligation beyond the current year unless expressly provided.

Section 502. The Committee continues a provision providing that unexpended balances of prior appropriations may be merged with new appropriation accounts and used for the same purpose, subject to reprogramming guidelines.

Section 503. The Committee continues a provision providing reprogramming authority for funds within an account and not to exceed 5% transfer authority between appropriations accounts with the requirement for a 15-day advance Congressional notification. A detailed funding table identifying each Congressional control level for reprogramming purposes is included at the end of this Report. These reprogramming guidelines shall be complied with by all agencies funded by the Department of Homeland Security Appropriations Act, 2005.

Section 504. The Committee continues a provision providing that not to exceed 50 percent of unobligated balances remaining at the end of fiscal year 2005 from appropriations made for salaries and expenses shall remain available through fiscal year 2006 subject to reprogramming guidelines.

Section 505. The Committee continues a provision providing that funds for intelligence activities are deemed to be specifically authorized during fiscal year 2005 until the enactment of an Act authorizing intelligence activities for fiscal year 2005.

Section 506. The Committee continues a provision directing the Federal Law Enforcement Training Center to establish an accrediting body to establish standards for assessing federal law enforcement training programs, facilities, and instructors.

Section 507. The Committee continues a provision requiring notification of the Committees on Appropriations three days before any grant allocation, discretionary grant award, letter of intent, port se-

curity grant or Homeland Security Centers of Excellence awards totaling $1,000,000 or more is announced by the Department.

Section 508. The Committee continues a provision providing that no agency shall purchase, construct, or lease additional facilities for federal law enforcement training without advance approval of the Committees on Appropriations.

Section 509. The Committee continues a provision requiring the Director of the Federal Law Enforcement Training Center to ensure that all training facilities are operated at optimal capacity throughout the fiscal year.

Section 510. The Committee continues a provision providing that none of the funds may be used for any construction, repair, alteration, and acquisition project for which a prospectus, if required by the Public Buildings Act of 1959, has not been approved.

Section 511. The Committee continues a provision that none of the funds may be used to require airport sponsors to provide building modifications, utilities and expenses, or space to the Transportation Security Administration without cost for services related to aviation security.

Section 512. The Committee continues a provision that none of the funds may be used in contravention of the Buy American Act.

Section 513. The Committee continues a provision requiring the Department of Homeland Security to research, develop and procure systems to inspect air cargo, and enhance the known shipper program.

Section 514. The Committee includes a new provision regarding Coast Guard housing.

Section 515. The Committee includes a new provision clarifying the lines of authority in the Department of Homeland Security for the Chief Procurement Officer, the Chief Financial Officer and the Chief Information Officer.

Section 516. The Committee includes a new provision requiring the Coast Guard to submit, at the time of the President's budget submission, a list of approved but unfunded priorities and the funds needed for each priority.

Section 517. The Committee includes a new provision authorizing the Transportation Security Administration to retain unclaimed money recovered at any airport security checkpoint for the purpose of providing civil aviation security services.

Section 518. The Committee includes a new provision that permits the Transportation Security Administration to sublease parking and other facilities and offset a portion of the costs for providing these services.

Section 519. The Committee includes a new provision regarding the acquisition of services by the Transportation Security Administration.

Section 520. The Committee includes a new provision authorizing the Department of Homeland Security to conduct background investigations for certain employees.

Section 521. The Committee includes a new provision extending the authorization for the Homeland Security Institute.

Section 522. The Committee includes a new provision making a technical correction to the Homeland Security Science and Technology Advisory Committee.

Section 523. The Committee includes a new provision exempting the formula-based grants and high-threat, high-density urban area grants from the requirements of the Cash Management Improvement Act of 1990.

Section 524. The Committee continues and modifies a provision prohibiting the obligation of funds for the CAPPS II program, except on a test basis, until that the requirements of section 519 of Public Law 108–90 have been met and the General Accounting Office has reviewed such certification. In addition, DHS and GAO shall explicitly review the efficacy and accuracy of any algorithms contained within CAPPS II.

Section 525. The Committee includes a new provision prohibiting the use of funds by the Undersecretary for Management, the Chief Financial Office, or the Office of Management and Budget to review or alter any report directed to be submitted to the Committee on Appropriations in this Act and its accompanying report. This section only applies to those reports related to the operations, programs and activities of the Department of Homeland Security.

Section 526. The Committee includes a new provision regarding contracting with foreign incorporated entities.

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 Rules 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	$340,906
Counterterrorism Fund	NA	NA	NA	10,000
Department Wide Technology Investments	NA	NA	NA	211,000
Office of the Inspector General	NA	NA	NA	82,317
Bureau of Customs and Border Protection, Salaries and Expenses	[1] 2003	$2,739,695	[2] $3,195,094	4,611,911
Bureau of Customs and Border Protection, Salaries and Expenses	[3] 2002	([16])	730,710	4,611,911
Bureau of Immigration and Customs Enforcement, Salaries and Expenses	[4] 2003	2,739,695	[5] 3,032,094	2,377,006
Bureau of Immigration and Customs Enforcement, Automation and Infrastructure Modernization	[6] 2003	2,739,695	[7] 380,000	2,377,006
Grant Programs, Pre-Disaster Mitigation	[8] 2004	NA	200,000	100,000
Flood Map Modernization	[8] 2004	NA	200,000	150,000
National Flood Insurance Program (limitation on expenses)	[8] 2004	NA	110,570	112,593
Preparedness, Mitigation, Response and Recovery	[9] 2003	[9] 50,000	[9] 39,984	210,499
Preparedness, Mitigation, Response and Recovery	[10] 2003	[10] 21,585	[10] 16,778	210,499
Bureau of Citizenship and Immigration Services	[11] 2002	631,745	[12] 707,392	160,000
US Coast Guard, Operating Expenses	2004	4,865,000	[13] 4,816,238	5,171,220

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
US Coast Guard, Environmental Compliance and Restoration	2004	17,000	17,000	17,000
US Coast Guard, Reserve Training	2004	[14] 114,000	95,000	113,000
US Coast Guard, Acquisitions, Construction and Improvements	2004	1,147,000	[15] 1,027,200	936,550
US Coast Guard, Alteration of Bridges	2004	19,250	19,250	16,400
US Coast Guard, Retired Pay	2004	1,020,000	1,020,000	1,085,460
Information Analysis and Infrastructure Protection	NA	NA	NA	854,576
Science and Technology, Research, Development, Acquisitions, and Operations	2003	([17])	NA	1,063,713

[1] Immigration and Naturalization Service—inspection, investigations, Border Patrol, detention and deportation only.
[2] 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.
[3] Agriculture Plant and Health Inspection Service only.
[4] Immigration and Naturalization Service—inspection, investigations, Border Patrol, detention and deportation only.
[5] 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.
[6] Immigration and Naturalization Service—inspection, investigations, Border Patrol, detention and deportation only.
[7] For Entry-Exit system.
[8] Authorized through December 31, 2003.
[9] Fire preparedness only.
[10] Earthquake mitigation only.
[11] INS Citizenship Services.
[12] 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.
[13] Includes funding of $103,183,000 in the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004.
[14] Reserve level is authorized under the National Defense Authorization Act; however, no appropriations level has been specified for reserve training.
[15] Includes funding of $60,000,000 in the Department of Defense Appropriations Act, 2004.
[16] Such sums.
[17] Such sums as necessary for research, development, demonstration, testing and evaluation.

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 3(b) of rule XIII 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 9, 2004.

Measure: Department of Homeland Security Appropriations Bill, FY 2005.

Motion by: Mr. Sabo.

Description of motion: To increase funding for the Office of Privacy and the Federal Air Marshals; proposed offsets are from the Departments' Human Resource System.

Results: Rejected yeas 26 to nays 34.

Members Voting Yea	*Members Voting Nay*
Mr. Berry	Mr. Aderholt
Mr. Bishop	Mr. Bonilla
Mr. Boyd	Mr. Crenshaw
Mr. Clyburn	Mr. Culberson
Mr. Cramer	Mr. Cunningham
Ms. Delauro	Mr. Doolittle
Mr. Dicks	Mrs. Emerson
Mr. Edwards	Mr. Frelinghuysen
Mr. Farr	Mr. Goode
Mr. Hinchey	Ms. Granger
Mr. Hoyer	Mr. Hobson
Mr. Jackson	Mr. Istook
Mr. Kennedy	Mr. Kingston
Ms. Kilpatrick	Mr. Kirk
Mrs. Lowey	Mr. Knollenberg
Mr. Mollohan	Mr. Kolbe
Mr. Moran	Mr. LaHood
Mr. Obey	Mr. Latham
Mr. Olver	Mr. Lewis
Mr. Pastor	Mr. Nethercutt
Mr. Price	Mrs. Northup
Mr. Rothman	Mr. Peterson
Ms. Roybal-Allard	Mr. Rogers
Mr. Sabo	Mr. Sherwood
Mr. Serrano	Mr. Simpson

Mr. Visclosky

Mr. Sweeney
Mr. Taylor
Mr. Vitter
Mr. Walsh
Mr. Wamp
Dr. Weldon
Mr. Wicker
Mr. Wolf
Mr. Young

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 3(b) of rule XIII 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. 2

Date: June 9, 2004.

Measure: Department of Homeland Security Appropriations Bill, FY 2005.

Motion by: Mr. Sabo.

Description of motion: To require the Transportation Security Administration to increase the inspection of cargo carried on passenger aircraft.

Results: Rejected yeas 27 to nays 30.

Members Voting Yea	*Members Voting Nay*
Mr. Berry	Mr. Aderholt
Mr. Bishop	Mr. Bonilla
Mr. Boyd	Mr. Crenshaw
Mr. Clyburn	Mr. Culberson
Mr. Cramer	Mr. Doolittle
Ms. DeLauro	Mrs. Emerson
Mr. Dicks	Mr. Frelinghuysen
Mr. Edwards	Mr. Goode
Mr. Farr	Ms. Granger
Mr. Fattah	Mr. Hobson
Mr. Hichey	Mr. Kingston
Mr. Hoyer	Mr. Kirk
Mr. Jackson	Mr. Knollenberg
Mr. Kennedy	Mr. Kolbe
Ms. Kilpatrick	Mr. LaHood
Mrs. Lowey	Mr. Lathm
Mr. Molloham	Mrs. Northup
Mr. Moran	Mr. Peterson
Mr. Murtha	Mr. Rogers
Mr. Obey	Mr. Sherwood
Mr. Olver	Mr. Simpson
Mr. Pastor	Mr. Sweeney
Mr. Price	Mr. Taylor
Mr. Rothman	Mr. Visclosky
Ms. Roybal-Allard	Mr. Vitter
Mr. Sabo	Mr. Wamp
Mr. Serrano	Dr. Weldon
	Mr. Wicker
	Mr. Wolf
	Mr. Young

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 3(b) of rule XIII 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. 3

Date: June 9, 2004.

Measure: Department of Homeland Security Appropriations Bill, FY 2005.

Motion by: Mr. Sabo.

Description of motion: To require the Department of Homeland Security to review and approve vulnerability assessments and emergency response plans for chemical facilities.

Results: Rejected yeas 25 to nays 30.

Members Voting yea	*Members Voting Nay*
Mr. Berry	Mr. Aderholt
Mr. Bishop	Mr. Crenshaw
Mr. Boyd	Mr. Culberson
Mr. Clyburn	Mr. Cunningham
Ms. DeLauro	Mr. Doolittle
Mr. Dicks	Mrs. Emerson
Mr. Edwards	Mr. Frelinghuysen
Mr. Farr	Mr. Goode
Mr. Fattah	Ms. Granger
Mr. Hinchey	Mr. Hobson
Mr. Hoyer	Mr. Istook
Mr. Jackson	Mr. Kirk
Mr. Kennedy	Mr. Knollenberg
Mrs. Lowey	Mr. Kolbe
Mr. Mollohan	Mr. LaHood
Mr. Moran	Mr. Latham
Mr. Obey	Mr. Lewis
Mr. Olver	Mrs. Northup
Mr. Pastor	Mr. Rogers
Mr. Price	Mr. Sherwood
Mr. Rothman	Mr. Simpson
Ms. Roybal-Allard	Mr. Sweeney
Mr. Sabo	Mr. Taylor
Mr. Serrano	Mr. Vitter
Mr. Visclosky	Mr. Walsh
	Mr. Wamp
	Dr. Weldon
	Mr. Wicker
	Mr. Wolf
	Mr. Young

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 3(b) of rule XIII 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. 4

Date: June 9, 2004.

Measure: Department of Homeland Security Appropriations Bill, FY 2005.

Motion by: Mr. Obey.

Description of Motion: To increase funding for Customs and Border Protection, Air and Marine Operations, Federal Air Marshals, the Transportation Security Administration, first responder grants, and bioterrorism preparedness; increases are offset through a contingent emergency reserve.

Results: Rejected yeas 26 to nays 28.

Members Voting Yea	*Members Voting Nay*
Mr. Berry	Mr. Crenshaw
Mr. Bishop	Mr. Culberson
Mr. Boyd	Mr. Cunningham
Mr. Clyburn	Mr. Doolittle
Mr. Cramer	Mrs. Emerson
Ms. DeLauro	Mr. Frelinghuysen
Mr. Dicks	Mr. Goode
Mr. Edwards	Ms. Granger
Mr. Farr	Mr. Hobson
Mr. Fattah	Mr. Istook
Mr. Hinchey	Mr. Kirk
Mr. Hoyer	Mr. Knollenberg
Mr. Jackson	Mr. Kolbe
Mr. Kennedy	Mr. LaHood
Mrs. Lowey	Mr. Latham
Mr. Mollohan	Mr. Lewis
Mr. Moran	Mrs. Northup
Mr. Obey	Mr. Rogers
Mr. Olver	Mr. Sherwood
Mr. Pastor	Mr. Simpson
Mr. Price	Mr. Sweeney
Mr. Rothman	Mr. Taylor
Mr. Roybal-Allard	Mr. Vitter
Mr. Sabo	Mr. Walsh
Mr. Serrano	Mr. Wamp
Mr. Visclosky	Dr. Weldon
	Mr. Wolf
	Mr. Young

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 3(b) of rule XIII 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. 5

Date: June 9, 2004.

Measure: Department of Homeland Security Appropriations Bill, FY 2005.

Motion by: Mr. Kennedy.

Description of motion: To direct the Department to work with the Institute of Medicine on mental health resiliency after a terrorist attack.

Results: Rejected yeas 25 to nays 30.

Members Voting Yea	*Members Voting Nay*
Mr. Berry	Mr. Aderholt
Mr. Bishop	Mr. Crenshaw
Mr. Boyd	Mr. Culberson
Mr. Clyburn	Mr. Doolittle
Ms. DeLauro	Mrs. Emerson
Mr. Dicks	Mr. Frelinghuysen
Mr. Edwards	Mr. Goode
Mr. Farr	Ms. Granger
Mr. Fattah	Mr. Hobson
Mr. Hinchey	Mr. Istook
Mr. Jackson	Mr. Kirk
Mr. Kennedy	Mr. Knollenberg
Ms. Kilpatrick	Mr. Kolbe
Mrs. Lowey	Mr. LaHood
Mr. Mollohan	Mr. Latham
Mr. Moran	Mr. Lewis
Mr. Obey	Mr. Nethercutt
Mr. Olver	Mrs. Northup
Mr. Pastor	Mr. Peterson
Mr. Price	Mr. Rogers
Mr. Rothman	Mr. Sherwood
Mr. Roybal-Allard	Mr. Simpson
Mr. Sabo	Mr. Sweeney
Mr. Serrano	Mr. Taylor
Mr. Visclosky	Mr. Vitter
	Mr. Wamp
	Dr.Weldon
	Mr. Wicker
	Mr. Wolf
	Mr. Young

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 3(b) of rule XIII 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. 6

Date: June 9, 2004.

Measure: Department of Homeland Security Appropriations Bill, FY 2005.

Motion by: Ms. DeLauro.

Description of motion: To prohibit the Department from entering into contracts with non-U.S. corporations.

Results: Adopted yeas 35 to nays 17.

Members Voting Yea	*Members Voting Nay*
Mr. Aderholt	Mr. Bonilla
Mr. Berry	Mr. Crenshaw
Mr. Bishop	Mr. Dicks
Mr. Boyd	Mr. Doolittle
Mr. Clyburn	Mr. Frelinghuysen
Ms. DeLauro	Ms. Granger
Mr. Edwards	Mr. Hobson
Mrs. Emerson	Mr. Istook
Mr. Farr	Mr. Kirk
Mr. Fattah	Mr. Knollenberg
Mr. Goode	Mr. Kolbe
Mr. Hinchey	Mr. LaHood
Mr. Jackson	Mr. Moran
Mr. Kennedy	Mr. Simpson
Ms. Kilpatrick	Dr. Weldon
Mr. Latham	Mr. Wolf
Mrs. Lowey	Mr. Young
Mr. Mollohan	
Mr. Nethercutt	
Mrs. Northup	
Mr. Obey	
Mr. Olver	
Mr. Pastor	
Mr. Peterson	
Mr. Price	
Mr. Rothman	
Ms. Roybal-Allard	
Mr. Sabo	
Mr. Serrano	
Mr. Sherwood	
Mr. Taylor	
Mr. Visclosky	
Mr. Vitter	
Mr. Wamp	
Mr. Wicker	

DEPARTMENT OF HOMELAND SECURITY
(Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
DEPARTMENT OF HOMELAND SECURITY					
TITLE I - DEPARTMENTAL MANAGEMENT AND OPERATIONS					
Departmental Operations					
Office of the Secretary and Executive Management:					
Immediate Office of the Secretary	2,126	2,388	2,126	---	-262
Immediate Office of the Deputy Secretary	1,109	1,112	1,112	+3	---
Office of Security	19,782	21,044	21,824	+2,042	+780
Chief of Staff	5,017	5,240	5,240	+223	---
Executive Secretary	5,208	5,190	5,190	-18	---
Special Assistant to the Secretary/Private Sector	3,971	3,781	3,781	-190	---
Office of National Capital Region Coordinator	557	1,323	811	+254	-512
Office of State and Local Government Coordination	3,077	3,546	---	-3,077	-3,546
Office of International Affairs	1,158	1,318	1,200	+42	-118
Office of Public Affairs	8,120	10,669	8,120	---	-2,549
Office of Legislative Affairs	5,872	6,627	---	-5,872	-6,627
Office of General Counsel	8,645	10,821	8,645	---	-2,176
Office of Civil Rights and Liberties	12,950	15,025	14,827	+1,877	-198
Citizenship and Immigration Services Ombudsman	1,236	5,858	1,985	+749	-3,873
Homeland Security Advisory Committee	722	1,414	1,350	+628	-64
Privacy Officer	767	3,774	2,270	+1,503	-1,504
Regions	---	3,493	1,746	+1,746	-1,747
Subtotal, Office of the Secretary and Executive Management	80,317	102,623	80,227	-90	-22,396
Office of the Under Secretary for Management:					
Under Secretary for Management	1,270	1,434	1,434	+164	---

DEPARTMENT OF HOMELAND SECURITY
(Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
Business Transportation Office	---	1,832	920	+920	-912
Office of the Chief Financial Officer	10,530	12,275	---	-10,530	-12,275
Office of the Chief Procurement Officer	6,135	7,024	---	-6,135	-7,024
Office of Human Resources	6,703	7,706	6,703	---	-1,003
Office of the Chief Information Officer	60,139	68,396	---	-60,139	-68,396
Secure communications for the Secretary	---	747	---	---	-747
Office of Administration	25,551	27,271	27,270	+1,719	-1
Immigration statistics	---	5,898	5,898	+5,898	---
Headquarters	19,882	65,081	65,081	+45,199	---
Human resources system	---	102,500	70,000	+70,000	-32,500
Investment review board	---	2,500	2,500	+2,500	---
Subtotal, Office of the Under Secretary for Management	130,210	302,664	179,806	+49,596	-122,858
Office of the Chief Financial Officer	---	---	13,000	+13,000	+13,000
Office of the Chief Procurement Officer	---	---	7,734	+7,734	+7,734
Office of the Chief Information Officer	---	---	60,139	+60,139	+60,139
Total, Departmental operations	210,527	405,287	340,906	+130,379	-64,381
Department-Wide Technology Investments					
Information technology services	72,078	92,000	88,000	+15,922	-4,000
Security activities	30,817	31,000	31,000	+183	---
Wireless program	99,410	100,000	89,000	-10,410	-11,000
Salaries and expenses	2,479	3,000	3,000	+521	---
Subtotal, Department-wide technology investments	204,784	226,000	211,000	+6,216	-15,000

DEPARTMENT OF HOMELAND SECURITY
(Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
Transfer from working capital fund	-21,000	---	---	+21,000	---
Total, Department-wide technology investments	183,784	226,000	211,000	+27,216	-15,000
Office of Inspector General					
Operating expenses	58,318	82,317	82,317	+23,999	---
(By transfer)	(22,000)	---	---	(-22,000)	---
Total, Office of Inspector General	(80,318)	(82,317)	(82,317)	(+1,999)	---
Total, title I, Departmental Management and Operations	452,629	713,604	634,223	+181,594	-79,381
(By transfer)	(22,000)	---	---	(-22,000)	---
TITLE II - SECURITY, ENFORCEMENT, AND INVESTIGATIONS					
Office of the Under Secretary for Border and Transportation Security	8,058	10,371	10,371	+2,313	---
U.S. Visitor and Immigrant Status Indicator Technology	328,053	340,000	340,000	+11,947	---
Customs and Border Protection					
Salaries and expenses:					
Headquarters management and administration	1,364,975	1,366,146	1,366,146	+1,171	---

DEPARTMENT OF HOMELAND SECURITY
(Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
Border security inspections and trade facilitation:					
Inspections, trade, and travel facilitation at ports of entry	1,244,100	1,262,800	1,242,800	-1,300	-20,000
Harbor maintenance fee collection (trust fund)	2,823	3,000	3,000	+177	---
Container security initiative	61,390	126,096	126,096	+64,706	---
Other international programs	56,000	58,300	58,300	+2,300	---
Customs trade partnership against terrorism/ FAST	14,017	37,828	37,828	+23,811	---
Inspection and detection technology investments	140,225	115,159	165,159	+24,934	+50,000
Automated targeting systems	12,300	29,800	29,800	+17,500	---
National Targeting Center	16,000	16,100	16,100	+100	---
Other technology investments, including information technology	---	---	1,000	+1,000	+1,000
Training	18,100	18,300	18,800	+700	+500
Subtotal, Border security inspections and trade facilitation	1,564,955	1,667,383	1,698,883	+133,928	+31,500
Border security and control between ports of entry:					
Border security and control	1,363,300	1,413,800	1,413,800	+50,500	---
Air program operations	36,700	37,300	37,300	+600	---
Unmanned aerial vehicles	---	10,000	10,000	+10,000	---
Integrated surveillance and intelligence system procurement	---	64,162	64,162	+64,162	---

DEPARTMENT OF HOMELAND SECURITY
(Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
Training	40,500	21,700	21,700	-18,800	---
Subtotal, Border security and control between ports of entry	1,440,500	1,546,962	1,546,962	+106,462	---
Subtotal, Salaries and expenses	4,370,430	4,580,491	4,611,991	+241,561	+31,500
Automation modernization:					
Automated commercial environment/International Trade Data System (ITDS)	316,810	321,690	321,690	+4,880	---
Automated commercial system and legacy IT costs	121,710	128,219	128,219	+6,509	---
Subtotal, Automation modernization	438,520	449,909	449,909	+11,389	---
Construction (Border patrol)	89,830	91,718	91,718	+1,888	---
Total, Direct appropriations	4,898,780	5,122,118	5,153,618	+254,838	+31,500
Fee accounts:					
Immigration inspection user fee	(421,000)	(441,840)	(441,840)	(+20,840)	---
Immigration enforcement fines	(6,000)	(6,198)	(6,198)	(+198)	---
Land border inspection fee	(28,000)	(28,924)	(28,924)	(+924)	---
COBRA passenger inspection fee	(303,266)	(318,500)	(318,500)	(+15,234)	---
APHIS inspection fee	(194,000)	(204,000)	(204,000)	(+10,000)	---

DEPARTMENT OF HOMELAND SECURITY
(Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
Puerto Rico collections	(87,207)	(96,085)	(96,085)	(+8,878)	---
Small airport user fees	(4,854)	(5,004)	(5,004)	(+150)	---
Subtotal, fee accounts	(1,044,327)	(1,100,551)	(1,100,551)	(+56,224)	---
Total, Customs and Border Protection	(5,943,107)	(6,222,669)	(6,254,169)	(+311,062)	(+31,500)
Appropriations	(4,898,780)	(5,122,118)	(5,153,618)	(+254,838)	(+31,500)
(Fee accounts)	(1,044,327)	(1,100,551)	(1,100,551)	(+56,224)	---
Immigration and Customs Enforcement					
Salaries and expenses:					
Headquarters Management and Administration (non-Detention and Removal Operations):					
Personnel compensation and benefits, service and other costs	31,395	45,676	45,676	+14,281	---
Headquarters managed IT investment	118,226	120,119	120,119	+1,893	---
Subtotal, Headquarters management and administration	149,621	165,795	165,795	+16,174	---
Investigations:					
Operations	849,955	947,347	926,447	+76,492	-20,900
Training	10,536	15,671	15,671	+5,135	---
Subtotal, Investigations	860,491	963,018	942,118	+81,627	-20,900

DEPARTMENT OF HOMELAND SECURITY
(Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
Intelligence:					
Headquarters Reporting Center	4,810	4,882	4,882	+72	---
Operations	50,374	51,130	51,130	+756	---
Subtotal, Intelligence	55,184	56,012	56,012	+828	---
Detention and removal operations:					
Custody management	456,056	482,721	487,721	+31,665	+5,000
Case management	182,052	192,269	192,269	+10,217	---
Fugitive operations	16,869	35,242	35,242	+18,373	---
Institutional removal program	6,561	33,719	33,719	+27,158	---
Alternatives to detention	3,000	14,202	19,202	+16,202	+5,000
Transportation and removal program	294,694	311,492	311,492	+16,798	---
Subtotal, Detention and removal operations	959,232	1,069,645	1,079,645	+120,413	+10,000
Air and marine operations, personnel compensation and benefits	113,830	116,436	133,436	+19,606	+17,000
Rescissions	-54,000	---	---	+54,000	---
Subtotal, Salaries and expenses	2,084,358	2,370,906	2,377,006	+292,648	+6,100
Appropriations	(2,138,358)	(2,370,906)	(2,377,006)	(+238,648)	(+6,100)
Rescissions	(-54,000)	---	---	(+54,000)	---
Federal air marshals:					
Federal air marshals	612,763	612,900	---	-612,763	-612,900
Air-to-ground communications	9,941	---	---	-9,941	---
Management and administration	---	---	593,552	+593,552	+593,552

DEPARTMENT OF HOMELAND SECURITY
(Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
Travel and training	---	---	69,348	+69,348	+69,348
Subtotal, Federal air marshals	622,704	612,900	662,900	+40,196	+50,000
Federal Protective Service	424,211	478,000	478,000	+53,789	---
Offsetting fee collections	---	-478,000	-478,000	-478,000	---
Automation modernization:					
ATLAS/CHIMERA IT connectivity	39,764	39,605	39,605	-159	---
Air and marine interdiction	173,968	222,335	196,535	+22,567	-25,800
Northern border airwing	34,992	35,200	61,000	+26,008	+25,800
Subtotal, Air and marine interdiction	208,960	257,535	257,535	+48,575	---
Construction	26,617	26,179	26,179	-438	---
Total, Direct appropriations	3,406,614	3,307,125	3,363,225	-43,389	+56,100
Fee accounts:					
Immigration inspection user fee	(107,000)	(90,000)	(90,000)	(-17,000)	---
Immigration examinations fee	(25,000)	---	---	(-25,000)	---
Breached bond/detention fund	(116,000)	(70,000)	(70,000)	(-46,000)	---

DEPARTMENT OF HOMELAND SECURITY
(Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
Student exchange and visitor fee	(25,000)	(65,375)	(65,375)	(+40,375)	---
Subtotal, fee accounts	(273,000)	(225,375)	(225,375)	(-47,625)	---
Total, Immigration and Customs Enforcement	(3,679,614)	(3,532,500)	(3,588,600)	(-91,014)	(+56,100)
Appropriations	(3,460,614)	(3,307,125)	(3,363,225)	(-97,389)	(+56,100)
Rescission	(-54,000)	---	---	(+54,000)	---
(Fee accounts)	(273,000)	(225,375)	(225,375)	(-47,625)	---
Transportation Security Administration					
Aviation security:					
Passenger screening:					
Screening pilots	118,726	129,654	129,654	+10,928	---
Passenger screeners:					
Personnel, compensation and benefits	1,316,564	1,445,486	1,445,486	+128,922	---
Training and other	113,838	140,614	140,614	+26,776	---
Subtotal	1,430,402	1,586,100	1,586,100	+155,698	---
Human resource services	150,871	150,000	150,000	-871	---
Checkpoint support	61,857	86,060	86,060	+24,203	---
CAPPS II	34,919	60,000	40,000	+5,081	-20,000
Crew vetting	---	---	10,000	+10,000	+10,000
Registered traveler	4,989	15,000	15,000	+10,011	---
Subtotal, Passenger screening	1,801,764	2,026,814	2,016,814	+215,050	-10,000

DEPARTMENT OF HOMELAND SECURITY
(Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
Baggage screening:					
Baggage screeners:					
Personnel, compensation and benefits.....	772,419	848,860	848,860	+76,441	---
Training and other.....	69,340	203,660	203,660	+134,320	---
Subtotal.....	841,759	1,052,520	1,052,520	+210,761	---
Explosive detection systems:					
Purchase.....	149,655	150,000	170,000	+20,345	+20,000
Installation.....	249,425	---	19,000	-230,425	+19,000
Subtotal.....	399,080	150,000	189,000	-210,080	+39,000
Maintenance.....	74,827	174,940	164,940	+90,113	-10,000
Subtotal, Baggage screening.....	1,315,666	1,377,460	1,406,460	+90,794	+29,000
Airport security direction and enforcement:					
Aviation regulation and other enforcement	274,766	227,000	230,000	-44,766	+3,000
Airport management and staff.....	233,262	284,000	284,000	+50,738	---
Airport information technology and other support.....	138,780	267,890	267,890	+129,110	---
Federal flight deck officer program.....	24,943	25,000	25,000	+57	---
Air cargo.....	29,931	30,000	40,400	+10,469	+10,400
Subtotal, Airport security direction and enforcement.....	701,682	833,890	847,290	+145,608	+13,400
Use of prior year balances.....	-95,000	---	---	+95,000	---

DEPARTMENT OF HOMELAND SECURITY
(Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
Flight school checks (by transfer)	---	(4,600)	(4,600)	(+4,600)	---
Subtotal, Aviation security (gross)	3,724,112	4,238,164	4,270,564	+546,452	+32,400
Offsetting fee collections	-2,070,000	-2,223,000	-1,823,000	+247,000	+400,000
Total, Aviation security (net)	1,654,112	2,015,164	2,447,564	+793,452	+432,400
Maritime and land security:					
Port security grants	124,263	---	---	-124,263	---
TWIC	49,705	55,000	65,000	+15,295	+10,000
Other credentialing activities	---	---	5,000	+5,000	+5,000
Rail security	---	---	11,000	+11,000	+11,000
Intercity bus security	9,941	---	10,000	+59	+10,000
Operation Safe Commerce	16,900	---	---	-16,900	---
Trucking industry security	21,870	---	---	-21,870	---
Hazardous materials security	6,959	17,000	17,000	+10,041	---
Nuclear detection and monitoring	3,976	---	---	-3,976	---
Staffing and operations	27,835	24,000	24,000	-3,835	---
Transfer to credentialing activities	---	-67,000	-67,000	-67,000	---
Subtotal, Maritime and land security	261,449	29,000	65,000	-196,449	+36,000
Credentialing activities	---	67,000	67,000	+67,000	---
Offsetting fee collections	---	-67,000	-67,000	-67,000	---
Intelligence	13,520	14,000	14,000	+480	---
Research and development:					
Research and development at Tech Center	54,874	49,000	49,000	-5,874	---

DEPARTMENT OF HOMELAND SECURITY
(Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
Next generation explosive detection systems and explosive trace detection	44,735	50,000	50,000	+5,265	---
Air cargo	54,676	55,000	75,000	+20,324	+20,000
Subtotal, Research and development	154,285	154,000	174,000	+19,715	+20,000
Administration:					
Headquarters administration	172,675	277,382	267,382	+94,707	-10,000
Mission support centers	39,764	14,000	9,000	-30,764	-5,000
Information technology	196,931	240,470	240,470	+43,539	---
Corporate training	15,309	8,000	8,000	-7,309	---
Subtotal, Administration	424,679	539,852	524,852	+100,173	-15,000
Aviation security capital fund	---	(250,000)	(250,000)	(+250,000)	---
Total, Transportation Security Administration	2,508,045	2,752,016	3,225,416	+717,371	+473,400
United States Coast Guard					
Operating expenses:					
Military pay and allowances	2,553,055	2,812,827	2,807,827	+254,772	-5,000
Civilian pay and benefits	383,219	466,110	456,110	+72,891	-10,000
Training and recruiting	163,271	166,441	166,441	+3,170	---
Operating funds and unit level maintenance	861,395	929,125	929,125	+67,730	---
Centrally managed accounts	128,637	175,438	175,438	+46,801	---
Coast Guard watch standards	---	---	13,000	+13,000	+13,000
Intermediate and depot level maintenance	595,673	623,279	623,279	+27,606	---

DEPARTMENT OF HOMELAND SECURITY
(Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
Emergency appropriations (P.L. 108-106)	23,183	---	---	-23,183	---
Subtotal, Operating expenses	4,708,433	5,173,220	5,171,220	+462,787	-2,000
Less adjustment for defense function	-337,994	-340,000	-1,204,000	-866,006	-864,000
Defense function	337,994	340,000	1,204,000	+866,006	+864,000
Rescissions	-71,000	---	---	+71,000	---
Subtotal, Operating expenses	4,637,433	5,173,220	5,171,220	+533,787	-2,000
Appropriations	(4,347,256)	(4,833,220)	(3,967,220)	(-380,036)	(-866,000)
Defense function	(337,994)	(340,000)	(1,204,000)	(+866,006)	(+864,000)
Emergency appropriations	(23,183)	---	---	(-23,183)	---
Rescissions	(-71,000)	---	---	(+71,000)	---
Environmental compliance and restoration	16,900	17,000	17,000	+100	---
Reserve training	94,440	117,000	113,000	+18,560	-4,000
Acquisition, construction, and improvements:					
Vessels:					
Great Lakes Icebreaker (GLIB) replacement	1,988	7,750	7,750	+5,762	---
41 foot UTB and NSB replacement project	11,929	12,000	12,000	+71	---
Coastal patrol boats	52,190	---	---	-52,190	---
Subtotal, Vessels	66,107	19,750	19,750	-46,357	---
Aircraft:					
Armed helicopter equipment (Phase I) (legacy asset)	---	1,800	1,800	+1,800	---

DEPARTMENT OF HOMELAND SECURITY
(Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
Other equipment:					
Automatic identification system	23,858	4,000	24,000	+142	+20,000
Defense messaging system (DMS)	3,479	---	---	-3,479	---
National distress and response system modernization	133,209	161,000	134,000	+791	-27,000
Port and waterway safety	994	---	---	-994	---
Subtotal, Other equipment	161,540	165,000	158,000	-3,540	-7,000
Personnel compensation and benefits:					
Core acquisition costs	497	500	500	+3	---
Direct personnel cost	69,090	72,500	72,500	+3,410	---
Subtotal, Personnel compensation and benefits	69,587	73,000	73,000	+3,413	---
Integrated deepwater systems:					
Aircraft	141,858	147,250	83,250	-58,608	-64,000
HH-65 re-engining	---	---	75,000	+75,000	+75,000
Surface ships	300,815	354,290	344,290	+43,475	-10,000
C4ISR	100,802	53,590	53,590	-47,212	---
Logistics	45,132	39,870	39,870	-5,262	---
Systems engineering and integration	41,852	45,000	45,000	+3,148	---
Government program management	33,799	38,000	38,000	+4,201	---
Subtotal, Integrated deepwater systems	664,258	678,000	679,000	+14,742	+1,000
Shore facilities and aids to navigation:					
Shore operational and support projects	---	1,000	1,000	+1,000	---
Shore construction projects	---	1,600	1,600	+1,600	---

DEPARTMENT OF HOMELAND SECURITY
(Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
Small arms range at ISC Honolulu, HI.....	---	1,600	1,600	+1,600	---
Waterways aids to navigation infrastructure...	---	800	800	+800	---
Subtotal, Shore facilities and aids to navigation.....	---	5,000	5,000	+5,000	---
Integrated deepwater systems: Aircraft (rescission).....	---	---	-33,000	-33,000	-33,000
Subtotal, Acquisition, construction, and improvements.....	961,492	942,550	903,550	-57,942	-39,000
non-print for linking excluding rescission	961,492	942,550	936,550	-24,942	-6,000
Alteration of bridges.....	19,136	---	16,400	-2,736	+16,400
Research, development, test, and evaluation.....	14,912	---	---	-14,912	---
Subtotal, U.S. Coast Guard discretionary.....	5,744,313	6,249,770	6,221,170	+476,857	-28,600
Retired pay (mandatory).....	1,020,000	1,085,460	1,085,460	+65,460	---
Total, United States Coast Guard.....	6,764,313	7,335,230	7,306,630	+542,317	-28,600
Appropriations.....	(6,812,130)	(7,335,230)	(7,339,630)	(+527,500)	(+4,400)
Emergency appropriations.....	(23,183)	---	---	(-23,183)	---
Rescissions.....	(-71,000)	---	(-33,000)	(+38,000)	(-33,000)
United States Secret Service					
Salaries and expenses:					
Protection:					
Protection of persons and facilities.....	567,923	571,640	571,640	+3,717	---

DEPARTMENT OF HOMELAND SECURITY
(Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
National special security event fund	---	---	10,000	+10,000	+10,000
Protective intelligence activities	52,277	53,989	53,989	+1,712	---
White House mail screening	16,268	16,365	16,365	+97	---
Subtotal, Protection	636,468	641,994	651,994	+15,526	+10,000
Field operations:					
Domestic field operations	203,831	221,489	221,489	+17,658	---
International field office administration, operations and training	18,592	19,208	19,208	+616	---
Electronic crimes special agent program and electronic crimes task forces	29,447	31,536	36,536	+7,089	+5,000
Subtotal, Field operations	251,870	272,233	277,233	+25,363	+5,000
Administration:					
Headquarters, management and administration	191,481	197,747	197,747	+6,266	---
National Center for Missing and Exploited Children	7,058	2,100	7,100	+42	+5,000
Subtotal, Administration	198,539	199,847	204,847	+6,308	+5,000
Training:					
Rowley training center	43,693	45,051	45,051	+1,358	---
Subtotal, Salaries and expenses	1,130,570	1,159,125	1,179,125	+48,555	+20,000

DEPARTMENT OF HOMELAND SECURITY
(Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
Acquisition, construction, improvements and related expenses (Rowley training center)	3,558	3,633	3,633	+75	---
Total, United States Secret Service	1,134,128	1,162,758	1,182,758	+48,630	+20,000
Total, title II, Security, Enforcement, and Investigations:					
New budget (obligational) authority	19,047,991	20,029,618	20,582,018	+1,534,027	+552,400
Appropriations	(19,149,808)	(20,029,618)	(20,615,018)	(+1,465,210)	(+585,400)
Rescission	(-125,000)	---	(-33,000)	(+92,000)	(-33,000)
TITLE III - PREPAREDNESS AND RECOVERY					
Office for State and Local Government Coordination and Preparedness					
Salaries and expenses	---	---	41,432	+41,432	+41,432
State and local programs:					
Basic formula grants	1,689,970	700,000	1,250,000	-439,970	+550,000
Law enforcement terrorism prevention grants	497,050	500,000	500,000	+2,950	---
Urban area security initiative:					
High-threat, high-density urban area	671,018	1,200,000	900,000	+228,982	-300,000
Critical infrastructure	---	200,000	---	---	-200,000
Port security grants	---	46,000	---	---	-46,000
Rail and transit security	49,705	---	100,000	+50,295	+100,000
Subtotal, Urban area security initiative	720,723	1,446,000	1,000,000	+279,277	-446,000

DEPARTMENT OF HOMELAND SECURITY
(Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
Emergency management performance grants	---	170,000	170,000	+170,000	---
Port security grants	---	---	125,000	+125,000	+125,000
National domestic preparedness consortium	134,204	80,000	130,000	-4,204	+50,000
Continuing and emerging training	---	3,000	---	---	-3,000
Competitive training grants	59,646	---	50,000	-9,646	+50,000
Rural domestic preparedness consortium	---	---	5,000	+5,000	+5,000
Citizen Corps	39,764	50,000	20,000	-19,764	-30,000
Metropolitan medical response system	---	---	50,000	+50,000	+50,000
Technology transfer	---	---	50,000	+50,000	+50,000
National exercise program	49,705	52,000	52,000	+2,295	---
Technical assistance	29,823	7,600	7,600	-22,223	---
Equipment and testing	16,900	---	---	-16,900	---
Evaluations and assessments	---	14,300	14,300	+14,300	---
Management and administration	29,823	38,355	---	-29,823	-38,355
Subtotal, State and local programs	3,267,608	3,061,255	3,423,900	+156,292	+362,645
Firefighter assistance grants	745,575	500,000	600,000	-145,575	+100,000
Total, Office for State and Local Government Coordination and Preparedness	4,013,183	3,561,255	4,065,332	+52,149	+504,077
Counterterrorism Fund					
Counterterrorism fund	9,941	20,000	10,000	+59	-10,000

DEPARTMENT OF HOMELAND SECURITY
(Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
Emergency Preparedness and Response					
Office of the Under Secretary for Emergency Preparedness and Response	3,430	4,211	4,211	+781	---
Operating expenses (rescission)	-3,000	---	---	+3,000	---
Preparedness, mitigation, response and recovery:					
Operating activities	164,027	201,499	203,499	+39,472	+2,000
Urban search and rescue teams	59,646	7,000	7,000	-52,646	---
Subtotal, Preparedness, mitigation, response and recovery	223,673	208,499	210,499	-13,174	+2,000
Administrative and regional operations	166,015	146,939	203,939	+37,924	+57,000
Defense function	---	50,000	---	---	-50,000
Subtotal, Administrative and regional operations	166,015	196,939	203,939	+37,924	+7,000
Public health programs:					
Strategic national stockpile	397,640	---	---	-397,640	---
National disaster medical system	33,799	34,000	34,000	+201	---
Metropolitan medical response system	49,705	---	---	-49,705	---
Subtotal, Public health programs	481,144	34,000	34,000	-447,144	---
Biodefense countermeasures	884,749	---	---	-884,749	---
Advance appropriations	4,703,000	---	---	-4,703,000	---
Advance appropriations, FY 2005	---	2,528,000	2,528,000	+2,528,000	---
Subtotal, Biodefense countermeasures	5,587,749	2,528,000	2,528,000	-3,059,749	---

DEPARTMENT OF HOMELAND SECURITY
(Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
Disaster relief	1,789,380	2,151,000	2,042,380	+253,000	-108,620
(Transfer to Office of the Inspector General)	(-22,000)	---	---	(+22,000)	---
Emergency appropriations (P.L. 108-106)	500,000	---	---	-500,000	---
Emergency rescission (P.L. 108-199)	-225,000	---	---	+225,000	---
Subtotal, Disaster Relief	(2,042,380)	(2,151,000)	(2,042,380)	---	(-108,620)
Disaster assistance direct loan program account:					
(Limitation on direct loans)	(25,000)	(25,000)	(25,000)	---	---
Administrative expenses	557	567	567	+10	---
Flood map modernization fund	198,820	200,000	150,000	-48,820	-50,000
Radiological emergency preparedness program	---	-1,000	-1,000	-1,000	---
National flood insurance fund:					
Salaries and expenses	32,663	33,336	33,336	+673	---
Flood mitigation	77,809	79,257	79,257	+1,448	---
Offsetting fee collections	---	-112,593	-112,593	-112,593	---
(Transfer to Mitigation grants)	---	(-20,000)	---	---	(+20,000)
(Transfer to National flood mitigation fund)	(-20,000)	---	(-20,000)	---	(-20,000)
Subtotal, National flood insurance fund	110,472	---	---	-110,472	---
National flood mitigation fund (by transfer)	(20,000)	---	(20,000)	---	(+20,000)
National pre-disaster mitigation fund	149,115	---	100,000	-49,115	+100,000
Mitigation grants	---	150,000	---	---	-150,000
(By transfer)	---	(20,000)	---	---	(-20,000)
Emergency management performance grants	178,938	---	---	-178,938	---
Emergency food and shelter	152,097	153,000	153,000	+903	---

DEPARTMENT OF HOMELAND SECURITY
(Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
Cerro Grande fire claims	37,837	---	---	-37,837	---
Total, Emergency Preparedness and Response	9,351,227	5,625,216	5,425,596	-3,925,631	-199,620
Total, title III, Preparedness and Recovery:					
New budget (obligational) authority	13,374,351	9,206,471	9,500,928	-3,873,423	+294,457
Appropriations	(8,399,351)	(6,678,471)	(6,972,928)	(-1,426,423)	(+294,457)
Advance appropriations	(4,703,000)	(2,528,000)	(2,528,000)	(-2,175,000)	---
Emergency appropriations	(500,000)	---	---	(-500,000)	---
Rescissions	(-3,000)	---	---	(+3,000)	---
Emergency recsissions	(-225,000)	---	---	(+225,000)	---
(Limitation on direct loans)	(25,000)	(25,000)	(25,000)	---	---
(Transfer out)	(-42,000)	(-20,000)	(-20,000)	(+22,000)	---
(By transfer)	(20,000)	(20,000)	(20,000)	---	---
TITLE IV - RESEARCH AND DEVELOPMENT, TRAINING, ASSESSMENTS, AND SERVICES					
Citizenship and Immigration Services					
Operating expenses	155,205	---	---	-155,205	---
Backlog elimination initiative	79,528	---	---	-79,528	---
Subtotal, Operating expenses	234,733	---	---	-234,733	---
Backlog reduction initiative:					
Contracting services	---	120,000	120,000	+120,000	---
Other	---	20,000	20,000	+20,000	---

DEPARTMENT OF HOMELAND SECURITY
(Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
Digitization	---	---	20,000	+20,000	+20,000
Subtotal, Backlog reduction initiative	---	140,000	160,000	+160,000	+20,000
Adjudication services (fee accounts):					
Pay and benefits	---	(621,000)	(621,000)	(+621,000)	---
Operating expenses:					
District operations	---	(244,000)	(244,000)	(+244,000)	---
Service center operations	---	(197,000)	(197,000)	(+197,000)	---
Asylum, refugee and international operations	---	(73,000)	(73,000)	(+73,000)	---
Records operations	---	(65,000)	(65,000)	(+65,000)	---
Subtotal, Adjudication services	---	(1,200,000)	(1,200,000)	(+1,200,000)	---
Information and customer services (fee accounts):					
Pay and benefits	---	(78,000)	(78,000)	(+78,000)	---
Operating expenses:					
National Customer Service Center	---	(46,000)	(46,000)	(+46,000)	---
Information services	---	(14,000)	(14,000)	(+14,000)	---
Subtotal, Information and customer services	---	(138,000)	(138,000)	(+138,000)	---
Administration (fee accounts):					
Pay and benefits	---	(43,000)	(43,000)	(+43,000)	---
Operating expenses	---	(190,000)	(190,000)	(+190,000)	---
Subtotal, Administration	---	(233,000)	(233,000)	(+233,000)	---

DEPARTMENT OF HOMELAND SECURITY
(Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
Fee accounts:					
Immigration user fee	(4,000)	---	---	(-4,000)	---
Immigration examinations fund	(1,550,000)	---	---	(-1,550,000)	---
H-1b Visa fees	(10,000)	---	---	(-10,000)	---
Subtotal, fee accounts	(1,564,000)	---	---	(-1,564,000)	---
Total, Citizenship and Immigration Services	(1,798,733)	(1,711,000)	(1,731,000)	(-67,733)	(+20,000)
Appropriations	(234,733)	(140,000)	(160,000)	(-74,733)	(+20,000)
(Fee Accounts)	(1,564,000)	(1,571,000)	(1,571,000)	(+7,000)	---
Federal Law Enforcement Training Center					
Salaries and expenses	154,506	158,440	183,440	+28,934	+25,000
Acquisition, construction, improvements and related expenses	37,137	37,917	37,917	+780	---
Total, Federal Law Enforcement Training Center	191,643	196,357	221,357	+29,714	+25,000
Information Analysis and Infrastructure Protection					
Management and administration:					
Office of the Under Secretary for Information Analysis and Infrastructure Protection	4,772	5,864	5,864	+1,092	---
Other salaries and expenses	99,609	121,200	126,200	+26,591	+5,000
Department of Homeland Security Command Center	19,882	35,000	---	-19,882	-35,000
Subtotal, Management and administration	124,263	162,064	132,064	+7,801	-30,000

DEPARTMENT OF HOMELAND SECURITY
(Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
Assessments and evaluations:					
Critical infrastructure outreach and partnerships.	71,271	71,592	71,592	+321	---
Critical infrastructure identification and evaluation	64,479	77,861	77,861	+13,382	---
National Infrastructure Simulation and Analysis Center (NISAC)	27,000	16,000	16,000	-11,000	---
Protective actions	192,919	191,647	191,647	-1,272	---
Biosurveillance	---	11,000	11,000	+11,000	---
Cyber security	65,233	67,380	67,380	+2,147	---
NS-EP Telecommunications	140,168	---	140,754	+586	+140,754
Defense function	---	140,754	---	---	-140,754
Competitive analysis and evaluation	18,788	18,868	3,868	-14,920	-15,000
Threat determination and assessment	28,232	21,943	21,943	-6,289	---
Infrastructure vulnerability and risk assessment	83,703	71,080	71,080	-12,623	---
Evaluation and studies	18,291	14,387	14,387	-3,904	---
Department of Homeland Security Command Center	---	---	35,000	+35,000	+35,000
Subtotal, Assessments and evaluations	710,084	702,512	722,512	+12,428	+20,000
Total, Information Analysis and Infrastructure Protection	834,347	864,576	854,576	+20,229	-10,000
Science and Technology					
Management and administration:					
Office of the Under Secretary for Science and Technology	5,138	6,315	6,315	+1,177	---

DEPARTMENT OF HOMELAND SECURITY
(Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
Other salaries and expenses	38,770	46,235	62,271	+23,501	+16,036
Subtotal, Management and administration	43,908	52,550	68,586	+24,678	+16,036
Research, development, acquisition, and operations:					
Biological countermeasures:					
Operating expenses	264,928	---	362,650	+97,722	+362,650
Defense function	---	407,000	---	---	-407,000
Use of prior year balances	-67,599	---	---	+67,599	---
Subtotal, Biological countermeasures	197,329	407,000	362,650	+165,321	-44,350
Nuclear and radiological countermeasures	126,251	129,300	122,614	-3,637	-6,686
Chemical countermeasures	51,693	53,000	53,000	+1,307	---
High explosives countermeasures	9,444	9,700	9,700	+256	---
Threat and vulnerability, testing and assessment	92,948	101,900	68,900	-24,048	-33,000
Conventional missions in support of DHS	33,799	34,000	44,000	+10,201	+10,000
Rapid prototyping program	74,558	76,000	76,000	+1,442	---
Standards	38,770	39,699	39,699	+929	---
Emerging threats	20,876	21,000	21,000	+124	---
Critical infrastructure protection	66,108	61,000	27,000	-39,108	-34,000
University programs/homeland security fellowship	69,587	30,000	70,000	+413	+40,000
National Biodefense Analysis and Countermeasures Center construction	87,481	---	35,000	-52,481	+35,000
Defense function	---	---	---	---	---
Subtotal	87,481	---	35,000	-52,481	+35,000

DEPARTMENT OF HOMELAND SECURITY
(Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
Consolidated transferred accounts	---	24,150	24,150	+24,150	---
Counter MANPADs	---	---	61,000	+61,000	+61,000
Safety act	---	---	10,000	+10,000	+10,000
Defense function	---	---	---	---	---
Subtotal	---	---	10,000	+10,000	+10,000
Cyber security	---	---	18,000	+18,000	+18,000
Interoperability and communications	---	---	21,000	+21,000	+21,000
Subtotal, Research, development, acquisition, and operations	868,844	986,749	1,063,713	+194,869	+76,964
Total, Science and Technology	912,752	1,039,299	1,132,299	+219,547	+93,000
Total, IV, Research and Development, Training Assessments, and Services: New budget (obligational) authority	2,173,475	2,240,232	2,368,232	+194,757	+128,000

DEPARTMENT OF HOMELAND SECURITY
(Amounts in thousands)

	FY 2004 Enacted	FY 2005 Request	Bill	Bill vs. Enacted	Bill vs. Request
Grand total, Department of Homeland Security:					
New budget (obligational) authority.....	35,048,446	32,189,925	33,085,401	-1,963,045	+895,476
Appropriations.....	(30,175,263)	(29,661,925)	(30,590,401)	(+415,138)	(+928,476)
Advance appropriations.....	(4,703,000)	(2,528,000)	(2,528,000)	(-2,175,000)	---
Emergency appropriations.....	(523,183)	---	---	(-523,183)	---
Rescissions.....	(-128,000)	---	(-33,000)	(+95,000)	(-33,000)
Emergency recsissions.....	(-225,000)	---	---	(+225,000)	---
(Limitation on direct loans).....	(25,000)	(25,000)	(25,000)	---	---
(Transfer out).....	(-42,000)	(-20,000)	(-20,000)	(+22,000)	---
(By transfer).....	(42,000)	(20,000)	(20,000)	(-22,000)	---

ADDITIONAL VIEWS OF DAVID OBEY

It has been a thousand days since al Qaeda launched its first successful attack within U.S. borders. Since that time many changes have taken place inside our country and in the way we deal with other nations around the world. Most of those changes have been justified as steps that were necessary to insure that nothing like September 11th ever happens again. But how much progress have we really made? How far have we come in reducing the likelihood that it will happen again?

One thousand days has often been viewed as a period of time for communities and even whole nations to stop and take stock. What have we done right? What have we done wrong? What are our largest remaining areas of vulnerability? What are our prospects of getting hit again?

I think our efforts to prevent future terrorist attacks can be divided into three stages. The first step was to hit al Qaeda and hit them hard. Take the battle to them. Destroy their leadership; their ability to communicate; their ability to raise and transfer funds; their ability to obtain weapons and to move members between countries and most importantly, their capacity to organize attacks against the United States.

The second step was to understand the factors in the Arab and Muslim worlds that feed this kind of senseless anger and why that anger has been directed toward the United States. Why did so many ordinary people in the Muslim world cheer on September 11th and what does it take to reduce or at least redirect the anger that is now so focused on us.

Thirdly, what are we doing to upgrade our defenses here at home? What goals have we set? Do they make sense? How well have we performed in reaching those goals?

ATTACK AGAINST AL QAEDA

With respect to the first goal, I think the United States has for the most part performed well particularly if we look at the early stages of our effort and if we view al Qaeda as an organization, rather than an idea or a cause. The organization's leadership has been significantly diminished. While a number of its most senior leaders have survived, the best evidence indicates that they have grave difficulty communicating with others in the organization or playing any kind of day-to-day leadership role. Significant numbers of lesser figures in the organization are still at large and they are very dangerous. But they face much greater challenges moving about the world, receiving the training necessary to successfully execute large scale attacks and getting the materials and support necessary to launch such attacks.

The initial phases of our attack against al Qaeda were highly successful. The planning and execution of the overthrow of the

Taliban in Afghanistan was a high-water mark in our efforts again terrorism. The initial cooperation that we received in the wake of September 11th—from our traditional allies in Europe and also from nations across the globe that have at times been less than friendly to U.S. interests was also impressive.

LOSING FOCUS IN AFGHANISTAN

But somehow, we lost our focus. Having destroyed the Taliban's capability to rule Afghanistan we did not move aggressively to insure that the government that we support in its stead could fill the void. We did not invest anything like the level of resources for Afghanistan that was needed to make rapid, noticeable changes in the quality of life. Because of that, in a large portion of the country, we did not have the leverage to strengthen the hand of central government, extend the rule of law, and deny terrorists safe haven. We also did not sufficiently exert our influence to insure that the Afghan army that we were attempting to build was representative enough of the various ethnic and tribal groups across the country to become a credible force for stability and unification.

But the attack on al Qaeda began to loose steam outside of Afghanistan as well. Talented intelligence operatives with highly specialized knowledge of Arab culture, language and political behavior were diverted from the listening posts and operations centers across the Arab world where al Qaeda activity was most likely to surface to undertake a quite different mission. Financial resources, talented administrators and trainers who might have helped our allies in the Arab world improve their own military and intelligence capabilities against indigenous terrorist organizations were also diverted. The striking momentum that characterized the early phases of our efforts against Al Qaeda has greatly dissipated. The organization has lost much of its backbone, but many of its pieces are still out there attempting to reorganize and regenerate the segments that have been lost. We no longer have the focus to our effort to insure that that does not happen.

Still, you would have to say that our efforts against al Qaeda have been a success—at least if al Qaeda is viewed simply as an organization. The problem is that al Qaeda is as much an idea as it is an organization and ideas are hard to kill. Bullets can kill organizations—they sometimes only strengthen ideas.

As General Anthony Zinni said recently in a lecture before the Center for Strategic and International Studies, while we may be winning the war on terrorism on a tactical level, on the strategic level we don't appear to even have a plan.

Osama bin Laden never intended al Qaeda to be the command structure for the jihad against the United States. The term "al Qaeda" means simply, "the base." Bin Laden wanted to create a network to support and encourage jihad. He wanted to attack and overthrow the Arab governments around the world that he viewed as corrupt and out of sync with his views on the teachings of the Koran and he wanted to attack the foreign power that stood behind most of those governments—the United States. Bin Laden's challenge was to create a blueprint that could be used for such attacks and to inspire large numbers of disgruntled members of the Arab and Muslim world to follow that blueprint. He wanted to create a

movement that represented more than a small army of terrorists—a movement that could bring down moderate Arab governments and, with the overwhelming support of Arab peoples, drive the United States from the Middle East.

AMERICAN IMAGE IN ARAB WORLD

While bin Laden has suffered huge organizational setbacks over the past thousand days, he has been enormously successful in progress made toward his one strategic objective. He has captured the attention of the Arab world and much of the Muslim world. To a remarkable degree he has even won their sympathies, and in some instances, their commitment. If we wish to reverse that, we must begin to think strategically as well as tactically. We must succeed in our efforts to take the second step, to reshape the image of the United States in the Arab and Muslim worlds. We must not only strengthen the determination of our friends in the region to resist terrorism but also encourage them to address the underlying problems that feed it. Even for many of the brightest and most industrious young people in many Arab countries, hope is in short supply. While the energy resources of the region have brought great wealth to a few, a chance has largely been missed for many governments to use those resources to build opportunity economies.

How we change our image in the Arab world and what policies we should pursue to accomplish it is an issue that will spark debate and some division in this country. That debate needs to begin and it is the responsibility of leaders in both the executive and legislative branches to begin it.

UPGRADING OUR DEFENSES AT HOME

Given how poorly we have done over the past thousand days in stemming the anti-American passions in the Middle East, it is even more important that we do a good job in the third step required for a successful strategy: upgrading our defenses here at home.

In evaluating our performance on that front, it is important that we distinguish motion from movement. I am afraid that in many respects we have had more activity than we have had progress.

On September 11th, we had more than 130 agencies and activities of the federal government engaged in some aspect of homeland security. Those pieces of the bureaucracy were spread across most of the Departments of the federal government. There was no central capacity to oversee or monitor how well they worked together. Many of these agencies had only a fraction of the resources necessary to accomplish the security tasks that experts in the field believed could prevent future attacks.

So, after a thousand days, what has changed?

HOMELAND SECURITY ON THE CHEAP

Well, we are certainly spending more money. The government is spending about $5 billion a year more just on airport baggage and passenger screening. We have expanded the size of the customs service and the immigration service. We have bought new equipment in our ports to screen cargo coming into the United States from international shipping and we have had a significant growth

in law enforcement activities. But if you compare the challenge we face with the resources we are using to meet those challenges, it is clear we are trying to do this on the cheap. We are like someone with a good paying job who must get to work on time every day in order to keep that job. But instead of buying the most reliable car he can find, he gets a fifteen year old model—one that will get him there most of the time but will eventually cost him his good paying job.

Failure in establishing our defenses against terrorism places lives at risk. It also puts at risk our capacity as a society to generate wealth. Although the greatest loss would most certainly be measured in human life, penny pinching on necessary security is foolhardy from a simple economic perspective.

THIS LEGISLATION CONTINUES FUNDING FAILURES

Many in government, including the President and the Attorney General, have warned that we are likely to be attacked by terrorists on our homeland within the next nine months. Given this information, you would think that we would be doing everything humanly possible to improve the security of our homeland. The legislation accompanying this report is the prime vehicle to provide the resources to do that. Unfortunately, it represents a stark failure to improve protection of our citizens in any meaningful way against the wide-ranging scope of the threat facing us today.

The fact is that we are not doing all we can to protect Americans from another terrorist attack. The legislation accompanying this report provides an increase of $2.8 billion or 9.4 percent over the previous year. Yet excluding Project Bioshield and user fees, the bill is only $1.1 billion or 5 percent above the previous year. Despite the Department's huge security responsibilities, this is only slightly above inflation.

This legislation provides a resource level equal to only slightly more than inflation for our customs and border protection and enforcement operations and for port security. Worse, this legislation cuts funding for programs designed to improve the response capabilities of our local police, firefighters and emergency responders by $327 million or seven percent from 2004.

OMB'S HOMELAND SECURITY SPENDING ANALYSIS

OMB has prepared an analysis of homeland security spending which is seriously flawed. Programs that were not counted as homeland security a few years ago have now suddenly been shifted into the homeland security category in order to convey the impression of a greater increase in effort than has actually taken place. Nonetheless, the OMB exercise is instructive for getting a big picture sense of what we are doing to address critical security issues. In total, OMB argues that we have gone from sending $20 billion a year—or about two tenths of one percent of GDP in fiscal 2000—to $46 billion a year, or less than four-tenths of one percent today. That means that, even based on OMB accounting, our increase in homeland security spending has been less than two tenths of one percent. To provide some perspective on that number, the share of GDP paid in federal taxes has dropped from 20.8% to 16.4% during

that same period—a decline of 4.4% or twenty two times the size of the increase in spending to protect against terrorism.

Another perspective on the level of effort we have made thus far is the oft-used analogy of Pearl Harbor. Pearl Harbor led us to the creation of the concept of Gross Domestic Product. The Roosevelt Administration believed that it might require 50% of our total output to take on the Germans and the Japanese simultaneously. They asked the Commerce Department to develop a method of measuring national output. They not only produced the concept that is now used around the world to measure economic activity, but they were also actually able to reach that goal of spending nearly half of the nation's output on the war effort.

We do not need to put 50% of our output into this war or even 5%. Whether you think that our war effort in Iraq is associated with the war on terror or is a separate and competing activity, expenditures related to that activity account for more than 1% of GDP—more than twice as much as we are spending on activities directly related to protecting the homeland. Given that fact, it is blatantly ridiculous to pretend that we cannot afford what we need to protect against terrorist attacks.

Another major attack could erase a trillion or two trillion dollars from the total valuation of the New York Stock Exchange. It could substantially slow the pace of economic growth for a year or more. Again, the most important consequence of a terrorist attack is the loss of human life, but penny pinching on homeland security makes no sense. Even if we consider only the economics of the issue, the Institute for the Analysis of Global Security found that the cost of the 9/11 attack was nearly 2 trillion dollars, including the loss in stock market wealth, lower corporate profits and higher discount rates for economic volatility.

Now it should be noted that the Administration's FY 2005 budget attempts to make a case that in future years we can reduce the size of federal deficits from the current record levels and still afford additional tax cuts. In making that case their projections for future year spending levels in various categories of the budget are revealing. Homeland Security spending is essentially locked into place at current levels. In fact, what OMB is telling us is that unless the American people or the Congress force a change in priorities, what we have now for securing the nation is all that we are going to get and could decline by as much as $900 million.

But the question we should be asking is: Are we really doing enough? Are there things that we really ought to be doing that the resource levels we have allocated to the problem prevent us from doing?

AVIATION SECURITY GAPS REMAIN

One lesson from September 11th that virtually no one could miss is the need to secure our airlines and our airways. We have spent considerably more on this objective than on any area of homeland security. But there are a surprising number of resource issues still unaddressed with respect to protecting our airways.

For example, we still do not have an effective system of explosive detection. Put more directly, it is still much too easy to get explosive materials onto passenger airlines.

The Transportation Security Administration has identified equipment that could have provided us with that capability. It's expensive, (it would have cost close to $3 billion to install the equipment nationwide) but it would have dramatically improved our capacity to detect explosive materials. It also would have significantly reduced the number of screeners required in airports around the country. In fact, the savings in TSA personnel costs from the use of this equipment was estimated to be large enough to offset the entire cost of the equipment.

The Transportation Security Administration proposed to OMB that the agency purchase much of the needed equipment when it was preparing its plans to meet the 2002 explosive detection requirement set in law. But OMB decided that the expense could not be accommodated within the tight, arbitrary limits for homeland security spending which the President and the Director of OMB had decided to impose. Republicans in Congress then adopted a budget resolution that did not provide the Appropriations Committee with the latitude to move forward with the purchase. As a result we do not have an effective system of detecting explosive materials and that failure is due entirely to artificial constraints on resources and incompetent budgeting. TSA has recently acknowledged that the more expensive machines would pay for themselves within 3 to 5 years.

Following September 11th there was broad recognition of the fact that we needed to restart the sky marshals program and insure that there were enough marshals on domestic and international passenger flights so that potential highjackers would always have to think twice about the likelihood that a sky marshal might be present on a targeted flight.

Now the exact number of marshals that the President and the Congress agreed were necessary has remained classified. But few people realize that we are no longer operating at that level. No one has come forward with convincing arguments that the level was too high or that adequate safety can be assured at a lower level. We have simply once again allowed arbitrary budget limits, applied to one small portion of the budget, to drive a decision that may unnecessarily put a great many Americans at risk. Under the President's budget submission for Fiscal 2005, we will have 20% fewer sky marshals than the President and the Congress agreed that we needed just two years ago. That is in spite of the fact that there has been a significant increase during that period in the number of domestic and international flights and in the number of passenger miles flown.

We have had—and continue to have—serious communications problems between military pilots who have the ultimate responsibility to insure that commercial aircraft are not used to crash into buildings (and the commercial aircraft and the FAA system that controls them). Quite simply, military and commercial flight systems cannot easily and quickly talk to one another and the potential that leaves for miscalculation and mistakes is horrific.

Despite the fact that this problem could be solved for relatively little money, the military felt the commercial system should foot the problem and the FAA and the airlines felt it should be ad-

dressed in the military budget. OMB decided the cheapest solution was not to decide.

Finally, last fall, I decided for them. The $10 million that was needed was earmarked in the Defense Appropriation bill. I suppose that's a good ending to the story, except that the delay in funding means that the system will not be operative until 2006. That gives you one more thing to think about when you board a plane. It also provides more than a little insight into how decisions about homeland security are being sorted out within the executive branch.

RAIL VULNERABILITIES

These examples of inaction with respect to airway security are serious, but they do not begin to compare with the nearly total abdication of our responsibility to assure the safety of rail transportation. As the recent attacks in Spain have demonstrated, our enemy is not wedded to attacks on any single transportation mode. He will watch and wait until he finds a vulnerability that can be exploited.

Rail is vulnerable in two ways. One is from attacks against our freight rail system that handles a huge portion of the materials, products and chemicals that allow our economy to function. The second is from attacks (like those in Spain) against the roughly 13 million Americans who use passenger rail systems each day.

Luckily, the Department of Transportation and other agencies in the executive branch began a process of sharing classified threat information with the nation's rail freight carriers in the late 1990s. The plans developed as a result of that process are in place and provide a foundation for significant security upgrades. But the plans are dependent upon the federal government meeting certain obligations it accepted during the planning process. Under those plans federal security forces are specifically required to monitor tracks and facilities. Not only have we failed to do that but we have not even designated the agency or department that will supply the forces or establish a means of training them.

As disquieting as the lack of progress in securing our heavy freight and passenger rail systems may be, the security efforts on behalf of transit systems is even worse.

LACK OF PROGRESS IN TRANSIT SECURITY

The White House has failed to mediate the dispute between the Departments of Homeland Security and Transportation over who is actually in charge of transit security. A General Accounting Agency report recommending a resolution of the issue has been rejected by both departments. The impasse continues despite the fact that it is halting any significant progress in securing the systems and despite the fact that transit systems have been the most frequent worldwide targets of terrorist attacks.

Neither Department is willing to spend even a small fraction of the security related costs most experts feel is necessary. Department of Transportation security funding for transit systems totals $37 million in the current year and the Department of Homeland Security has allocated only $115 million over the past two years. This legislation contains only $111 million for rail and transit security needs. In contrast, the transit industry estimates that $6 bil-

lion is needed for security training, radio communications systems, security cameras and limiting access to sensitive facilities.

What is the Department of Homeland Security's answer to these unmet needs?

They testified this spring that more funds are not necessary until they have had a better opportunity to define the problem. Now, that is an orderly approach, which we should applaud as long as the Department can guarantee al Qaeda's cooperation with their schedule. My concern is that the Department is likely to get some help they have not asked for in developing a definition of the transit security problem.

The Department has clearly become aware of how vulnerable they are to criticism about their lack of serious attention to transit issues. Only two weeks ago, in a classic move to cover their bureaucratic backsides, they issued a directive to transit systems ordering them to take a series of actions that the Department's own data collection system indicates have already been completed by the vast majority of transit authorities across the country.

CARGO CONTAINER VULNERABILITIES

Since September 11th the vulnerability that has most troubled many experts has been maritime cargo and the exposure of our ports to a nuclear, chemical or biological attack from a weapon placed in a shipping container. As the president of the U.S. Chamber of Commerce, Tom Donohue, has pointed out, such an event could cause death and destruction on a scale far beyond the attacks launched on September 11th. It could virtually shut down our global trading system for an extended period of time. The economic consequences would be almost incalculable. Terms like "economic downturn" or "recession" would not begin to describe the aftermath.

The Bush Administration has spent billions looking for new technologies with the capacity to knock a nuclear warhead out of the sky if it were launched in the nose cone of an intercontinental ballistic missile. It has invested heavily in the development of other technologies that are intended to serve that purpose but probably cannot. But they seem unresponsive to the fact that a rogue state or a terrorist organization can simply place such a weapon in a shipping container and explode it upon arrival in New York Harbor or in Los Angeles, San Francisco, New Orleans or Boston. A ship can bring into this country a far less complicated weapon than one which could be placed on an ICBM. It can be massive in size and it does not need to even be thermonuclear in order to cause massive numbers of casualties, destruction and economic chaos.

So what have we done to protect ourselves? Protecting our ports is not unlike protecting our airports. We need to have multiple security perimeters. The first should be overseas. That requires a whole new approach to cargo inspection. It requires that our inspectors leave the United States, establish cooperative relationships with port security officials in countries around the world that ship to the United States. It requires that they establish a system of certification and best practices with major exporters around the world.

This is not a Democratic proposal. This is roughly the proposal that George Bush's own appointed head of the Customs Service, Bob Bonner, took to the White House in months immediately following September 11th. It is the proposal that the Council on Foreign Relations Task Force, headed by former Senators Rudman and Hart had endorsed. It is the proposal that the U.S. Chamber of Commerce has written editorials to support.

But the White House waited until last year to request the first dime for this effort. What ever presence the United States has had in foreign ports over the past one thousand days has been entirely as a result of Congressional increases to homeland security spending—increases that were opposed by the White House, increases that the White House threatened at various stages in the legislative process to veto, and increases which on one occasion the White House did veto.

Last year, the White House reversed themselves and finally requested a portion of the funds that were needed for container security. Their position changed from, "we can't afford it" to "we needed to wait." That is a turnaround and I suppose we should welcome it. But the $126 million that the President has proposed for FY2005, and is contained in this legislation, will not adequately fund the program. It will not even allow us to fully staff the 45 foreign ports where DHS had planned to inspect all manifest documents. It will not permit our current foreign inspection programs to become permanent. We are currently in only 17 ports. We currently have no container security presence in China, the biggest U.S. trading partner in terms of cargo containers. The number of cargo containers arriving to the U.S. from China is more than three times those arriving from Hong Kong.

More troubling than the mere question of resources is the lack of political or bureaucratic clout behind this critical initiative. If having inspection agents working with foreign customs officials is to be a truly effective means of understanding what is in foreign ships before they leave for U.S. ports, it requires developing long term relationships between our agents and those who control the foreign ports we wish to monitor.

This involves a new level of training and expertise for our customs agents. It involves establishing continuity in the relationship we have with host governments in terms of what we expect to get and what incentives we can provide to those who cooperate. Nothing could be more destructive to this effort than to rotate in and out of foreign ports agents with only a few months of experience based on a deliberate system of staffing through temporary assignment. But that is precisely what we have done. In the few foreign ports where we do have a presence, that presence is a U.S. customs officer detailed there on a six-month temporary duty assignment. Those agents don't even know what the problems were between the U.S. and the host government when the program was initiated. They are certainly not people that officials of the host government would want to invest much time in getting to know—they will be gone before there is any payoff from developing a relationship.

PORT VULNERABILITIES

If the overseas effort to identify the contents of cargo containers is the outer perimeter for protecting our ports, the ability of the Coast Guard to interdict, board and inspect U.S. bound shipping at sea is the next perimeter. Yet the Coast Guard's capacity to perform that function has also been restrained by lack of resources. The Administration frequently states that the Coast Guard is now boarding all vessels that are deemed to be "high interest." That means 80% of all other vessels are not boarded.

Observing, tracking and controlling ships as they approach and enter into American waters is the next perimeter in securing our ports. Systems have been developed that are very similar to the systems by which air traffic control directs airplanes entering into U.S. airspace and approaching U.S. airports. These systems, however, are available in only nine ports, leaving 45 major ports without such a system. Again, this is penny wise and pound foolish. It is also a bad decision in terms of long-term cost effectiveness. More automated systems permit more rapid detection of ships that are not following control directives; they can be operated by fewer people and are long-term cost savers.

And, inside our ports, there are numerous critical issues. One is preventing unauthorized persons from having access to ships, containers or port storage areas. A second is protecting hazardous chemicals and materials from attack. The Coast Guard estimated that the 185 commercial seaports in the United States would need about $7 billion to assess vulnerabilities and take necessary action to correct those vulnerabilities. These port authorities do not, in most instances, have the revenue raising authority to pay any significant portion of these costs. This year was the first time the Administration requested any money whatsoever for this purpose, and it only requested $46 million. The Congress has been able to appropriate only $587 million or less than 10% of the money needed to do the job. This legislation includes an additional $125 million for port security, which will keep us on the slow-moving path to addressing all of our port vulnerabilities.

SECURING OUR LAND BORDERS

Another major priority has been securing our land borders—in particular, the 3000 mile U.S. border with Canada or 5000 miles if we include Alaska. Despite our continuing strong economic and political ties to Canada, the situation of the two nations with respect to potential terrorist attacks is quite different. Canada's smaller role in world affairs and the image of Canada in the eyes of the international community make it a much less likely target of attack than the U.S. At the same time, Canada's vast geography and relatively small population have led to far more lenient immigration policies than those in place in the United States.

As a result there will continue to be significant differences between the two countries on how external security concerns are managed. That means that the question of how to control our border and the movement of people and cargo across that border is suddenly a matter of much greater concern.

Recognizing that concern, the Congress included language in the Patriot Act calling for the tripling of the number of border agents and inspectors on the Canadian border above the levels we maintained on September 11th. As of October 2003, we were still more than 2000 people short of this goal. In addition, there was a clear need for significant additional equipment on the Canadian border to insure that those new people would be efficiently put to work: equipment like air stations, radiation monitors, and surveillance equipment.

To date we have fewer than 4000 agents and inspectors on the border. In other words, about one third of the positions promised in the Patriot Act are still unfilled. The FY 2005 budget promises no increases from current levels. And the President's out-year budget projection provides a strong indication that personnel strength at the border will actually decline rather than increase over the next five years. With respect to equipment, we have provided the first air station (again one not requested by the Administration) and some radiation monitors, but have made no critical investments in things such as surveillance equipment.

PREPARING THOSE WHO RESPOND TO TERRORIST ATTACKS

The events of September 11th made clear that the brave men and women serving in the police, fire and emergency medical units in New York, New Jersey, Virginia, District of Columbia and Maryland needed a significant amount of additional equipment and training to more effectively respond to the types of attacks that occurred on that day. It was also apparent that first responder units across the nation did not have most of the equipment they would need to deal with a nuclear, chemical or biological attack.

The needs of local first responders were spelled out in considerable detail in the Rudman-Hart reports. But the federal government has already allowed most of the burden to fall on local governments. Since the capacity of those local governments to support such investments in the tough economic times is limited, progress in equipping first responders has been minimal.

Of the $98 billion in first responder needs identified by the Rudman-Hart report, the Feds have provided less than $14.5 billion, or 15%. As a result only 13% of fire departments can effectively respond to a hazmat incident. An estimated 57,000 firefighter's lack the personal protective clothing needed in a chem-bio attack. An estimated ⅓ of firefighters per shift are not equipped with self-contained breathing apparatus and nearly half of the available units are 10 years old. Only half of all emergency responders on shift have portable radios. And we still have massive needs for interoperable communications equipment. On site emergency personnel working for different agencies need to be able to talk to each other. We will probably never know how many victims in the World Trade Centers could have been saved if they had known that they needed to evacuate the buildings. We know that was a communication problem of disastrous proportions.

This legislation cuts funding for programs designed to improve the response capabilities of our local police, firefighters and emergency responders by $327 million or seven percent from 2004. These professionals are put on the front line risking their lives

every day. They are especially put at risk when terrorists attack our homeland, as we saw from the number who died at the World Trade Center. These professionals need to be prepared for the various types of attacks we may face and they are not fully prepared today. It is disgraceful that this legislation provides less funding in this area, not more.

These are only a few examples of where corners have been cut in establishing the line of defense here at home.

INADEQUATE HOMELAND SECURITY LEADERSHIP

But there is more to the story than simply talking about resources. In many instances, we have not had the leadership necessary to organize available resources in effective ways.

Prior to the creation of the Department of Homeland Security, the White House identified 133 separate agencies and activities within the federal government that played a role with respect to homeland security. The creation of a Department was the Administration's answer as to how to better manage and coordinate those disparate activities. The problem, however, is that only 22 of those 133 activities became part of the new department. A total of 111 agencies and activities, including the FBI, the CIA, the Defense Department and many other key components of the overall effort remained on the outside.

But for whatever reason, the effort to have centralized control and coordination of all of those activities within the White House was diminished. When Tom Ridge went to DHS his replacement within the White House was not given the same clout to knock heads together and insure that Departments and agencies are working together toward a common mission. Too frequently, we have had 112 units of government headed off on their own with no central coordination, as Attorney General Ashcroft's press conference and the reaction within the administration to that press conference last week so clearly demonstrated.

And even within the new department there have been serious problems. In its first year of operation, DHS has disappointed even those with low expectations. Bureaucratic snarls have been so intense that on its first anniversary the Department still did not have a working phone directory. My staff has been asking for one for more than six months and has yet to receive it. It has also been reported that when callers phone the Department's hotline number, it just rings and rings. Members of Congress from the President's own party have expressed grave concerns about the inability of the Department to respond to requests for information in any kind of a reasonable time frame.

One possible cause of the rampant chaos at the department has been the injection of a huge number of political appointees. Since the creation of the Department more than one quarter of all personnel who have been hired for departmental operations have been political appointees. These individuals often appear more fixated on positioning themselves politically than on the nuts and bolts security problems, which the Department must address. We have seen a huge number of press releases promoting the Departments efforts but we have few concrete efforts worthy of such self-promotion. We, for instance, still do not have regulations regarding the licensing

and registration of hazardous material truckers nor do we the detailed guidance for flight and cabin crew training to prepare for potential threat conditions which was mandated by the Aviation and Transportation Security Act more than two years ago.

Typically, political appointees remain in their appointed positions for less than 24 months. At that point, they are off to some other part of the administration or headed back into the private sector. That means building true long-term competency within any Department is heavily dependent on recruiting a committed professional career staff. But the 114 political appointees now swarming the halls at DHS have—if anything—impeded that process. Of the 500 career positions needed to run the department, 171 remain vacant. One of the most critical positions in any Department is that of Budget Director. In only 14 months DHS has had three budget directors.

Ironically, this legislation provides funding that is sixty-two percent higher than this year for Departmental Operations. Even though we were told that formation of the Department of Homeland Security would not cost us a dime, it now appears that the Administration has realized that this was not true: $65 million is provided in this legislation for the Department's headquarters and $70 million is provided for the "security-critical" new personnel system. I do not question the need for this funding. But I do think that it is instructive that these are higher priorities for the Administration and the Committee majority than are protecting our border, ports, transit, and aviation systems.

• Instead, this $135 million could have been used to purchase and install hundreds of additional radiation portal monitors at our borders and ports. The Committee majority admits that it is, and I quote this report, "aware of a need for over 1,000 more" radiation portal monitors than are funded by the Committee.

• Instead, this $135 million could have been used to inspect a much greater percentage of air cargo for explosives than we do today. While the Committee report calls for a doubling of the screening for explosives of cargo carried on passenger airplanes, this "doubling" still leaves a large percentage of such cargo at risk.

• Instead, this $135 million could have been used to secure additional critical infrastructure, like chemical facilities, transit systems and ports. The Committee majority agreed with the Administration's plan to have only thirty-five percent of protective actions that it recommends actually implemented for "first tier priority critical infrastructure components". What this means is that sixty-five percent of the actions the Department recommends to protect the public will not be implemented next year.

The Administration and the Committee majority seem to be very patient when it comes to protecting our citizens on our homeland. Unlike them, I remain unconvinced that terrorists will wait a decade for their next attack.

CONGRESS SHOULD NOT ABDICATE ITS ROLE

About a year and a half ago I spoke to a group of reporters at the National Press Club about where the country stood at that time in protecting itself against terrorist attacks. I feel that the coverage of that event was fair and I think we exposed some prob-

lems that, as a result of that coverage, have been fixed. But I also think that the press and the public have a presumption that this is such a complex issue that we simply have to trust the President and his advisors in the Executive Branch to do what is right. I think many of my colleagues in Congress have felt the same way. While I understand people's tendency to leave this complex calculus to the "experts," I think this town is currently awash in new information about the decision making process within this administration which indicates that is a bad idea!

First of all, that is not the approach to decision making that the Constitution requires of us. It is our job to second-guess. When so much is at stake, the Congress, the press and the public have the clearest possible obligation to insure that the decision making within the Executive Branch is measured, deliberate, based on the best available information, and consistent with the quality of judgment befitting the seriousness of the risks to which we are exposed. Had that happened in the wake of 9/11 or even a year and a half ago there are many points in this statement that I might have been able to leave out.

One problem in all of this, frankly, is that it was hard for the press and the public to believe much of what I reported a year and a half ago. While the facts presented in that statement were well documented they presented a picture of executive branch decision-making that was wholly inconsistent with what the nation or the press corps wanted to believe. It was hard to accept the idea that in this moment of great national crisis we did not have systematic methods of screening information, examining policy choices, debating the pluses and minuses of each alternative, and making strategic choices based on an exhaustive effort to find the best possible alternative. But in recent months we have learned time and time again that this was not the nature of decision-making within this administration.

Ron Suskind, using the exhaustive notes and papers of Treasury Secretary Paul O'Neill, tells of an extraordinary decision making process in which information is collected on the basis of decisions that preceded them. Richard Clarke describes a process both before and after 9/11 that was quite similar. So does Bob Woodward.

My own experience with the President himself, demonstrates that this President has listened as infrequently to those in the Congress who know something about homeland security as he did to our allies or the career American military before rushing into Iraq.

But any one who has been listening these last few months is pretty well aware of the fact that we were not vigilant and were not picking up on clear information of elevated threat levels prior to 9/11. We did not respond in the summer of 2001 to that threat in the same manner that we responded 18 months earlier when similar threat information triggered a massive response to the millennium threat. We not have an orderly or honest process to measure the pluses and minuses of invading Iraq. People at the highest levels silenced, dissent and criticism and irreversible actions were taken based on flawed information.

We based our plans for security and reconstruction of Iraq on intelligence from a single organization outside of this government which both the State Department and the CIA said was unreliable.

Unfortunately, that is all spilt milk. Even if we understand those mistakes, we can't go back and try it again.

What I am talking about today is not spilt milk. We can correct these policy mistakes and we can possibly correct them in a time frame that will prevent the next attack. It all depends on whether we are ready to get real.

Now, I am not optimistic by nature. Perhaps it is merely my nature that leads me to believe that the cauldron that is today boiling in Southwest Asia, North Africa and the Middle East will likely spill over once more onto the shores of North America. If we are not ready, I do not want to look myself in the mirror for the rest of my life and wonder why I didn't ask tougher questions or insist on more responsible and responsive policies. I think the overall performance of our government to date in the area of homeland security merits a greater sense of skepticism and urgency on the part of the press and the general public as well.

We lived in a more dangerous world prior to September 11th than most Americans realized. Our efforts to making the world safer have met with mixed results and the numbers of persons who wish us harm and will go to great lengths to inflict harm have grown steadily during the past thousand days. Clearly some of our efforts have done little more than fed the flames of discontent and hatred.

That places even greater pressure on our last lines of defense, protecting our borders, our transportation systems and our capacity to respond to terrorist acts in this country if, God forbid, they are again committed. But as the facts I have today outlined well document, those efforts remain underfunded and poorly managed. The President proposed that we have 20% fewer sky marshals than we had a little more than a year ago. We have hired only two-thirds the people that the Patriot Act mandated for protecting our Northern Border. We have invested one-tenth what is needed to protect our ports. We have only just begun to take the steps needed to protect our rail and transit systems. Our first responders have only a fraction of the tools they need. And worse still, the agencies that have been entrusted with the responsibilities are still wallowing in bureaucratic chaos.

As we saw last week the Justice Department and the Homeland Security Department are still in the business of surprising each other. Simply hoping that these problems will somehow work out is not unlike the wishful thinking that many engaged in as they prepared to invade Iraq. Misinformation and bad planning can lead to excruciatingly painful results. The time to reexamine our security, our security budgets and our whole thinking in this area is now. The Congress must act to put a stop to this mindless, non-information based approach to policy and national strategy. It is as likely to prove catastrophic in the defense of our homeland as it has been in installing democracy in Iraq.

Congress may control nothing more than the purse strings—but that is enough. The Congress has all the power it needs to reopen this discussion, insure that assumptions are well founded, the information is the best available, the management is sound and the resources are adequate. What it will take to significantly improve the systems that protect this nation is small in the relative scheme

of things—a few tenths of a percent of GDP may be no more than we are now spending on Iraqi reconstruction and one-twentieth of what we have handed out in tax breaks. Given the stakes, we cannot afford to do less.

AMENDMENT OFFERED IN COMMITTEE TO PROVIDE $3 BILLION MORE

That is why I offered an amendment in Committee to provide $3 billion to fix some of the most critical security holes.

Our homeland security agencies could do more with this additional funding—

- They could put more radiation and surveillance monitors at our borders and ports;
- They could increase surveillance on our transit systems;
- They could increase surveillance by local police of critical infrastructure facilities;
- They could improve the ability of our police and firefighters to communicate with each other and be suited properly;
- They could inspect additional containers coming into the United States;
- They could put more air marshals on flights;
- They could increase our stockpile of antibiotics;
- They could increase air patrols of our borders; and
- They could fix some holes in our current aviation security screening system.

This $3 billion, however, would have only been available to do this if the President agreed. It is disappointing and shortsighted that the Committee voted along party lines not even to give him that choice.

The Chairman of the Committee said during markup that he would probably support my amendment if he had additional budget allocation. The budget allocations are severely restricted because the Administration has decided that tax cuts and the costs of a war should go hand-in-hand. This squeezes spending on virtually everything else.

We need to stop being penny-wise and pound-foolish. We need to push the Department of Homeland Security to make needed security investment now, so that we can be protected tomorrow. If we do not make those investments until tomorrow, our protection may come too late.

DAVE OBEY.

ADDITIONAL VIEWS OF HON. MARTIN OLAV SABO

The legislation accompanying this report falls seriously short in funding some critical programs of the Department of Homeland Security. While the Committee followed a logical path in distributing the $32 billion allocation, this measure does not provide the resources needed to significantly improve our ability to detect terrorist activity or respond to a terrorist attack.

The House-passed budget resolution—which attempts to perpetuate the fiction that the United States can simultaneously cut taxes, provide services, fight terrorism and fund a war—has put the Committee in a position where it could not provide more resources for homeland security.

Therefore, the Committee was forced to make trade-offs among programs to improve disaster preparedness and response, immigration services and programs to stop terrorists. As a result, we have some worrisome gaps, and few homeland security programs are funded at the level they should be.

The first responder funding cuts are one of my biggest concerns. This legislation provides $327 million less for first responders programs than was enacted in 2004. Within this total, funding for grants to fire departments—which Secretary Ridge acknowledges are primarily used to address terrorism response needs—is cut by $146 million, or nearly twenty percent.

Of equal concern is the $440 million cut in domestic preparedness grants that are distributed to the states by formula. If sustained, funding for these domestic preparedness grants would fall twenty-six percent below the 2004 funding level.

While funding to certain high threat urban areas is increased, overall first responder funding in this legislation decreases by seven percent. If these cuts hold, next year most states and localities will end up with less homeland security funding than they have today.

This situation is particularly troubling given that the American people recently saw live television coverage of the Attorney General and FBI director giving us alarming warnings of imminent terrorist attack. At their press conference, Mr. Ashcroft said that our own intelligence and al Qaeda's "public statements indicate that it is almost ready to attack the United States," and that they intend to hit us hard.

If terrorists attack us again, our local police, firefighters and emergency workers will be the first on the scene. It frustrates me that there is little sense of urgency to ensure that these first responders have the tools they need to do their jobs.

This legislation also fails to address other critical homeland security issues. Two of my chief concerns are the inadequate inspection of cargo carried on passenger planes, and lax federal oversight of chemical plant security practices. I offered amendments in Com-

mittee to strengthen security in these areas. However, they were defeated.

Unlike passenger baggage, the cargo on passenger aircraft is not rigorously inspected even though it is carried in the same hold. Furthermore, cargo carried on all-cargo aircraft is not inspected at all.

My cargo amendment would have increased by five-fold the inspection of air cargo carried alongside passenger baggage, and established a pilot inspection program for all-cargo air carriers.

The Aviation and Transportation Security Act, which became law in November 2001, states the following: "The Under Secretary of Transportation for Security shall provide for the screening of all passengers and property, including United States mail, cargo, carry-on and checked baggage, and other articles that will be carried aboard a passenger aircraft operated by an air carrier or foreign air carrier." Today, the Bush Administration is not abiding by this law. It should be.

Nearly three years after 9/11, the failure to robustly screen air cargo is one of our most glaring homeland security gaps. While the Committee bill provides for a "doubling" of such screening, doubling a small number is still a small number. To supplement this modest screening effort, the Committee is relying on the Transportation Security Administration's implementation of the "known shipper" program to keep us safe. I am not satisfied with this approach.

Up until a few months ago, TSA did not even know who all the "known shippers" were because the airlines—not TSA—certify them. The inadequacy of this program is made plain if we only recall that last September an employee of a "known shipper" shipped himself in a crate from New York to Dallas. It is unfortunate that the Administration and the Committee majority appear unwilling to take aggressive steps to close the air cargo security gap.

I also offered an amendment in Committee to require chemical facilities to submit vulnerability assessments and security plans for review by the Department. The Justice Department has concluded that the risk of a terrorist attack on a chemical facility is both real and credible. As well, a 1992 Brookings Institution report ranks an attack on a chemical facility as the third most lethal type of attack, behind only biological or nuclear weapon attack. Again, this amendment was defeated.

A 2003 General Accounting Office study found that there are no federal laws requiring chemical facilities to assess security risks and take action; neither the federal government nor anyone else has comprehensively assessed security vulnerabilities facing the chemical industry; and the chemical industry's voluntary initiatives to date have reached only a portion of the 15,000 chemical facilities required by the Environmental Protection Agency to have risk management plans. It astounds me that we have achieved so little in chemical plant security despite the clear warnings from many quarters.

Another amendment I offered in Committee would have made a modest, but important, funding adjustment. The Committee provided $70 million for the Department to implement its new human resource system. However, in response to my questions, the De-

partment confirmed that it planned to spend only $62.5 million in 2005 for this system—leaving a surplus of $7.5 million.

My amendment would have shifted this $7.5 million into two areas: $2 million to properly fund the Department's Privacy Office, which has huge responsibilities and is now relying on a large number of staff voluntarily detailed to the office; and $5.5 million to allow for staffing increases in the Federal Air Marshal program. Once again, my amendment was defeated in Committee.

Finally, I would like to point out a bill provision concerning the CAPPS II air passenger pre-screening system that is being developed by TSA and will likely be tested by the end of the year.

The FY2004 Homeland Security Appropriations Act mandated that the General Accounting Office review the development of CAPPS II against eight security and privacy criteria that must be met before the system could be implemented. The GAO found in February that TSA had met only one of the eight criteria.

This legislation updates the CAPPS II provision by requiring that before implementation of this program, the Secretary certify that these eight criteria have been met and GAO review this certification. It also clarifies that the GAO review should explicitly include the algorithms used in the CAPPS II system to predict which airline passengers may be terrorists.

In conclusion, I am disappointed that the Committee has chosen not to press the Administration more aggressively to close known homeland security gaps. The American people continue to demand our best efforts to protect our homeland. Unfortunately, we have yet to meet their expectations.

MARTIN OLAV SABO.

ADDITIONAL VIEWS OF REPRESENTATIVES ROSA DELAURO AND MARION BERRY

We are very pleased that the Committee passed, with a strong bipartisan vote of 35–17, our amendment, which closes loopholes in the current Department of Homeland Security corporate expatriates contracting ban and prevents the Department from moving forward with a recently announced contract with one such corporate expatriate. Corporate expatriates cost this nation an estimated $5 billion in lost income, but according to a 2002 report by the General Accounting Office, they continue to receive $2.7 billion in government contracts.

In July 2002, during debate on the Homeland Security Act of 2002, the House of Representatives passed, with a vote of 318–100, a measure that prohibited the Department from awarding contracts to companies which have incorporated on paper overseas for the purpose of avoiding paying U.S. taxes. Unfortunately, the measure was significantly watered down before it was signed into law. Among the loopholes added was one allowing any company which had already incorporated in Bermuda to remain eligible for government contracts.

While this loophole allows Accenture to retain technical eligibility for contracts from the Department of Homeland Security, we believe the Homeland Security Department's contract award flies in the face of Congressional intent. In addition, by incorporating overseas in order to reduce their tax burden, Accenture has not only cost the U.S. treasury millions of dollars which could be put to use in improving our homeland security, but they have placed loyal U.S. companies at a permanent competitive disadvantage. This move should not be encouraged with the award of the Department's largest contract to date.

We believe that inclusion of this amendment strengthens this legislation and our ability to equip our first responders and ensure the safety of our ports and air transit. We believe that being a good corporate citizen of the United States is about more than the bottom line. Companies that feel American citizenship is worth rejecting to lessen their tax liability should not be rewarded with billions of taxpayer dollars.

ROSA DELAURO.
MARION BERRY.

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