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# United States Senate

COMMITTEE ON  
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS  
WASHINGTON, DC 20510-6250

April 26, 2013

The Honorable Mary Landrieu  
Chairman  
Subcommittee on Homeland Security  
Committee on Appropriations  
135 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Daniel Coats  
Ranking Member  
Subcommittee on Homeland Security  
Committee on Appropriations  
125 Hart Senate Office Building  
Washington, DC 20510

Dear Chairman Landrieu and Ranking Member Coats:

Thank you for the opportunity to provide my views regarding as appropriations for the Department of Homeland Security as you deliberate on the Fiscal Year 2014 Department of Homeland Security Appropriations Bill.

When I was named Chairman of the Senate Homeland Security and Governmental Affairs Committee (HSGAC) I made it my top priorities to keep our homeland secure and to find ways to get better results for less money, both at the Department of Homeland Security (the Department) and across the federal government. In the absence thus far of a grand bargain on the deficit and debt, the work Congress can do in this regard is even more important.

The President's budget request for the Department seeks \$39 billion in net discretionary funding for FY 2014, with an additional \$5.6 billion for the Disaster Relief Fund (DRF) requested separately, pursuant to the Budget Control Act of 2011. The Fiscal Year 2014 request for \$39 billion in net discretionary funding is lower than the funding level of \$39.9 billion enacted for Fiscal Year 2013, prior to the implementation of reductions due to sequestration, which further reduced the funding by over \$2 billion.

The funding sought in this budget is actually lower than what Congress appropriated for the Department in 2009. Stepping back and thinking about all of the challenges that our country and this Department have faced since 2009 it's easy to become concerned with this budget request. That said, we are facing extremely difficult budgetary times and sacrifices must be made.

The demands on the Department of Homeland Security to keep the American people safe are great and the ever-changing threats we face as a nation continue to pose new and increasingly complex challenges. The recent series of tragic events-- the bombings at the Boston Marathon, the explosion of the fertilizer plant near Waco, Texas, and the ricin letters sent to President Obama and Senator Wicker -- serve as a reminder of the critically important missions given to the Department. Adequately resourcing it is essential, even in the very difficult budget situation we currently face. As a result, I believe that the Department should be funded in Fiscal Year

2014 at a minimum at the President's requested level of \$39 billion. This funding level is necessary to support a number of critical existing and emergent operational priorities at the Department, including border security and cybersecurity, and to sustain vital management and preparedness initiatives.

As we embrace these priorities, however, we must continue to find efficiencies and cost savings throughout the Department. The leadership team at the Department should be commended for their efforts in this regard. Their Department-wide Efficiency Review (ER), which began in 2009, as well as other cost-saving initiatives, has already identified over \$4 billion in cost avoidances and reductions, and redeployed those funds to mission-critical initiatives across the Department. In Fiscal Year 2014, these initiatives will result in an additional \$1.3 billion in proposed savings. These efforts must be continued where possible. I intend to use my position to see that they are. For example, I plan to have the committee explore finding efficiencies and savings in the Department's components in areas such as the use of common aircraft, boat fleets, and weapons and ammunition, and the development of common logistics management and training practices.

Additionally, as you formulate the Fiscal Year 2014 appropriation for the Department, I urge you to work diligently to ensure that we do not ignore necessary investments in its personnel, assets and facilities. We must continue to build a capable, strong Homeland Security workforce and maintain the facilities, assets and infrastructure the Department will require in order to continue to successfully and cost-effectively achieve its mission in the coming years.

Finally, as a general matter, I also wish to call attention to the many problems that the severe funding cuts required by sequestration would cause if such cuts were applied to the Department's Fiscal Year 2014 budget request of \$39 billion. Further cuts, as currently envisioned, would, as testified to by Secretary Napolitano in her recent appearance before this Committee, require the Department to furlough frontline law enforcement personnel and hamper the progress that has been made in recent years in improving Department-wide management and oversight, border security, and disaster response. Additional cuts would also increase waits at airports and other ports of entry and delay the development and implementation of vitally important cybersecurity infrastructure protections. We must find a better way than this to rein in our fiscal problems, and not continue to reduce only discretionary funding without equal or more emphasis on achieving a grand bargain, which would address entitlement programs and revenues as well.

In this letter I will limit my remarks to areas in the budget where I have particular concerns or where I strongly support budgetary increases.

***Management of the Department:*** The President's request would make significant cuts to management which, if implemented, would raise serious concerns about the ability of the Department to continue to address the management issues that have been highlighted over the years, including those on the recently-released GAO "High Risk" list, while denying the Secretary the tools she needs to direct the components as a single, unified Department. His request calls for a cut of nearly 6 percent to the Office of the Secretary and Executive

Management from the Fiscal Year 2012 level and a cut of 2.7 percent from the Fiscal Year 2013 level. The proposed cut for the Under Secretary for Management is even larger – a cut of nearly 14 percent from the Fiscal Year 2012 level, and a cut of nearly 7 percent from the Fiscal Year 2013 level. The budget also proposes a 4 percent reduction to the Office of the Chief Financial Officer and a reduction of 5 percent from the Fiscal Year 2013 level. The overall base of funding for the Office of the Chief Information Officer is reduced by 9 percent, although the office does request additional funding for completing the consolidation of Department data centers, which is projected to yields savings.

Sustained base funding for strong Department-level management is needed to ensure that its components operate cohesively while controlling the components' costs through disciplined oversight of acquisitions, information technology, human capital, and financial management. Recently, GAO issued a report noting the considerable progress that the Department has made over the past decade in transforming its agencies into a single cabinet-level department. GAO cautioned, however, that "continued progress is needed in order to mitigate the risks that management weaknesses pose to mission accomplishment and the efficient and effective use of the department's resources." Better management, then, leads to better results in the Department's missions.<sup>00</sup> Without strong management, the risk of wasteful spending and poor decision-making increases. I therefore urge the Subcommittee, to the greatest extent possible, to avoid cuts to management functions below the Fiscal Year 2013 levels, before sequestration.

***Homeland Security Department Headquarters Consolidation:*** In order for the Department to fulfill its mission and create a unified culture, it is crucial that its leadership be brought together in consolidated and fully functioning offices at St. Elizabeths. The new headquarters is needed to bring the more than 30 disparate offices that make up the Department together. The next stage of this project, which involves moving Departmental leadership and key operational elements to St. Elizabeths, is a vitally important element of the Department's efforts to gain further efficiencies and cost savings over time. I understand that the General Services Administration (GSA) is exploring the use of innovative tools, such as advance appropriations or public-private partnerships, to advance the consolidation at St. Elizabeths. I applaud that approach and recommend that you accommodate those efforts, in addition to fully funding the requested DHS and GSA funding in the FY 2014 budget requests.

Investing in a DHS headquarters is also a matter of basic fiscal responsibility. As of today, the U.S. Coast Guard's new headquarters on St. Elizabeths West Campus will open on time in 2013, but the rest of the project lags far behind schedule due to lack of funds. These delays will lead to higher costs for the project as efficiencies are lost and current leases are extended, often at a higher rate. Accordingly, I urge the Subcommittee to continue supporting this project with predictable appropriations, so that the Department and the nation can reap the benefits of the substantial infrastructural investments already made at St. Elizabeths.

***Office of Inspector General:*** The Office of the Inspector General plays a critical role in helping to improve management and operations at the Department, and in particular in weeding out waste, fraud, and abuse. The President's request seeks \$143.3 million for the Office of the

Inspector General, an increase of \$2 million, or 1.6 percent, from the Fiscal Year 2012 enacted budget, and a decrease of \$2 million, or 1.1 percent from the Fiscal Year 2013 enacted budget. Given the current importance of pinpointing every dollar of savings we can, we cannot afford to weaken this critical office. I therefore support funding the DHS OIG at at least the President's request.

***Customs and Border Protection (CBP):*** CBP is one of the few areas in the Department's budget for which the President is requesting increases. Overall, his budget seeks \$12.9 billion for CBP in Fiscal Year 2014, a 9 percent increase from the \$11.78 billion that was appropriated in Fiscal Year 2012 and an increase of \$1.02 billion (or 8.6 percent) from the \$11.89 billion that was appropriated in Fiscal Year 2013. Most of this increase is tied to a proposal to add 3,477 officers to work at the ports of entry, and to a proposal to transfer 101 ports of entry from the GSA to CBP.

During my visits earlier this year to the Arizona border, and to parts of our northern border near Detroit, Michigan, I heard frontline officers, local officials, and business leaders say that we need to provide additional resources to our ports of entry in order to expedite commerce while continuing to safeguard our security. I have always said that if something is worth having, it is worth paying for. That is why I support the President's proposal to pay for 1,877 of the requested additional officers for the ports of entry by modestly increasing the main immigration and customs fees collected by CBP. These fees are intended to cover the costs associated with inspecting travelers and goods at air and sea ports; however, they have not been adjusted in many years and currently fail to cover the full costs of these inspections—leaving American taxpayers to foot the bill. The customs fee is currently set at \$5.50 with the immigration fee set at \$7. The Administration is proposing to raise each fee by \$2.

CBP is also requesting legislation to allow it to receive funding from private sector entities to pay for infrastructure improvements or enhanced operations at ports of entry. I believe that this idea may have some merit and we should give it careful consideration.

During my trip earlier to the Arizona border with Secretary Napolitano, Senator McCain and House Homeland Security Committee Chair Michael McCaul, I saw first hand how challenging the terrain is for our frontline Border Patrol agents to navigate. I heard about a number of force-multiplying technologies that can help us deploy agents more effectively. I support the President's request to maintain for now Border Patrol staffing at 21,370 agents, the level that's been maintained since Fiscal Year 2012. I am also pleased that CBP's budget for technology also includes an increase of \$37 million to transfer the Tethered Aerostat Radar System (TARS) program to CBP from the Department of Defense. These blimp-mounted radars allow DHS to identify low-flying aircraft in the border region, and have proven to be a cost-effective and worthwhile way to monitor the border. Having said that, however, I am concerned that funding for technology programs will otherwise remain largely unchanged in Fiscal Year 2014, and does not include any funding for key force multiplying technologies, such as the deployment of additional VADER systems or the modification of single engine aircraft, such as the C-206, to add Electro-Optical/Infra-Red sensors to make them more effective. And while the President's

budget includes funds for the deployment of one integrated fixed tower system, I am concerned that the schedule for deploying these systems has been continually delayed and that the first system may not be deployed until Fiscal Year 2015.

In addition, I am very concerned that flight hours in support of the Border Patrol have declined steadily over the past five years. For example, in Fiscal Year 2010, the Office of Air and Marine flew more than 106,000 hours supporting operations by frontline agents. The Fiscal Year 2014 request includes funding for only 62,386 flight hours for this vital mission—a cut of more than 40 percent. One of the things I saw first hand in Arizona was how crucial aerial support is for the Border Patrol. We need to be increasing aerial support, not cutting it back.

Lastly, I was troubled to learn that CBP is able to operate only half of the Unmanned Aerial Systems it owns in Arizona because of funding constraints. I urge the Subcommittee to do what is necessary to ensure that we are not wasting taxpayer dollars by having expensive technologies sitting idle.

***Immigration and Customs Enforcement (ICE):*** Another key aspect of our efforts to secure our borders is Immigration and Customs Enforcement's (ICE) ability to investigate and ultimately dismantle the criminal organizations that thrive near our southern border by taking advantage of the vulnerabilities that exist there. To this end, I urge the Subcommittee to maintain support for ICE and carefully look at the proposed reductions for the agency included in the President's request.

The President is proposing an appropriation of \$5.34 billion for ICE in Fiscal Year 2014, a 10.7 percent reduction from the enacted funds of \$5.98 billion in Fiscal Year 2012, and a reduction of \$396 million (or 7 percent) from Fiscal Year 2013. In fact, the Fiscal Year 2014 request for ICE is \$100 million less than the funding it will receive after sequestration in Fiscal Year 2013. The President's budget for Fiscal Year 2014 includes reducing personnel across ICE by more than 1,100 positions, or roughly 5 percent. This includes the elimination of more than 300 frontline criminal investigators. These cuts raise concerns about the ability of ICE to effectively complete its mission—particularly if sequestration is allowed to kick in in Fiscal Year 2014.

Lastly, the President's proposal for ICE would reduce the average daily population of detention beds to 31,800 from the current level of 34,000. I have concerns about whether this is adequate to handle high-priority detainees, particularly in light of recent actions to release some detainees with serious criminal backgrounds due to budget constraints. On a related matter, I urge the Subcommittee to also support the Alternatives to Detention program, which not only ensures humane treatment of non-criminal aliens who pose little flight risk or threat to public safety, but also saves the taxpayers tens of millions of dollars by reducing the need to house these individuals at ICE detention centers. I am concerned that the President is proposing to reduce the number of expensive detention beds it must maintain, but has not tied that request to a modest increase in funding for alternatives to detention that will ensure individuals arrested for immigration violations are monitored even if they are not detained.

As we look ahead to the Senate's debate on immigration reform, I urge the Subcommittee to ensure that ICE also has the resources it needs to police our workplace and immigration laws.

***Transportation Security Administration (TSA):*** The President requests almost \$7.4 billion in total funding for the Transportation Security Administration (TSA) in Fiscal Year 2014, \$458 million (or almost 6 percent) less than the \$7.85 billion that was appropriated in Fiscal Year 2012, and a \$156 million (or 2 percent) decrease from the \$7.56 billion appropriated in Fiscal Year 2013. I am particularly concerned with the proposed decreases for TSA's Visible Intermodal Prevention and Response (VIPR) Team program (a \$12 million cut), and the elimination of all funding (\$25 million) for the Federal Flight Deck Office and Flight Crew Training Program. I encourage the Subcommittee to find ways to restore some of these reductions to ensure that security at our rail, transit, and aviation systems is not inadvisably reduced.

The President's budget for TSA also includes a proposal to restructure and slightly increase the Passenger Security Fee to help pay for existing aviation security programs. I support this fee changes, though I believe the additional funds it would generate should be used exclusively to play for aviation security programs. In doing so, we would be able to reduce TSA's overall need for appropriated funds and thereby contribute to deficit reduction.

***United States Coast Guard (USCG):*** The President proposes reducing the Coast Guard's budget by \$628 million (6 percent) compared to Fiscal Year 2012, and \$773 million (7.3 percent) less than the agency received in Fiscal Year 2013. Notably, this proposal calls for the elimination of 850 military and 81 civilian personnel, and the transfer of more than 1,000 ready reservists into inactive status. While the President does include funding for the completion of the seventh National Security Cutter (NSC) in his budget, he also proposes cutting the Coast's Guard's Acquisition, Construction and Improvements budget by \$594 million. His request would also cut Coast Guard training by more than \$43 million. I encourage the Subcommittee to find ways to restore some of the reductions proposed in the President's request to ensure a stable and predictable flow of funds for recapitalization of the Coast Guard's operational assets, and so that the agency may continue to effectively fulfill its critical environmental, safety, and homeland security missions.

***U.S. Secret Service (USSS):*** The President's proposed budget for the Secret Service is \$1.8 billion, a \$113 million decrease (6 percent) from its appropriated level in Fiscal Year 2012 and a \$56 million decrease (3 percent) from its appropriated level in Fiscal Year 2013. Though the Secret Service's budget is typically cyclical, and tends to decline after a Presidential election cycle, reductions generally do not include the loss of personnel. However, the President's proposal would result in the loss of 220 agents, officers, and support staff. As a result, some experienced agents will have to work longer protection assignments, and some less seasoned agents could be assigned to protection details ahead of schedule. This concerns me. I encourage the Subcommittee to closely examine any proposed cut which would result in the loss of front line personnel for the Secret Service.

***National Protection and Programs Directorate (NPPD):***

***Cybersecurity:*** The threats to our nation's computer networks continue to grow at a rapid pace. To help address these threats, the President recently issued a critically important Executive Order to enhance the security of our critical infrastructure from cyber attacks. The President requests \$810 million for cyber security programs at the National Protection and Programs Directorate, an increase of \$55 million from the Fiscal Year 2013 level. I strongly support this increase, which I believe is necessary to help combat the ever-growing cyber threat our country faces.

***Chemical Facility Security:*** The Chemical Facility Anti-terrorism Standards program is a critical effort to enhance security at facilities, some in or near densely populated areas, which make, use, or store hazardous chemicals. The recent explosion at the West Fertilizer Company near Waco, Texas is a salient reminder of the danger these facilities can pose and how they might prove an attractive target for terrorists. While much work still needs to be done to improve the program, significant progress has been made. It is imperative that we keep this program moving forward by maintaining an adequate base of funding. To the extent there have been problems, they must be fixed and not allowed to become an excuse for undermining a vital program that protects and secures potentially life-threatening materials.

***Federal Emergency Management Agency (FEMA):***

***Homeland Security and First Responder Grants:*** Homeland security grants provide essential funding assistance to state and local governments to prevent, prepare for, and respond to acts of terrorism and natural disasters. As we recently saw in Boston, state and local officials are the ones who will inevitably be on the front lines responding to a terrorist attack, and it is important that they continue to receive our support. These grants have been successful in helping to build our national capabilities and strengthen our nation's preparedness, and it is important that we maintain the level of preparedness we have built over the last ten years. That said, it is also important for FEMA to continue its efforts to improve accountability and begin to examine the appropriate role for the federal government in helping grant recipients prepare for natural and man-made disasters given the fiscal constraints we currently face.

The grants have received substantial cuts in recent years, and I am concerned that the President's budget proposes additional reductions of approximately 10.5 percent in FY 2014. We should fund these vital programs in FY 2014 at a level that is adequate to help recipients achieve the preparedness goals established by the Department, particularly as they relate to preventing and responding to the kind of attack we saw in Boston.

Additionally, the President's budget proposes major changes to the current statutory framework for grants that involved consolidating several of the existing grant programs and replacing them with a single grant program called the National Preparedness Grant Program. This proposal was also included in last year's budget but proved controversial. Given the decline in grant funding

over the last few years, some consolidation of existing programs may be necessary, but changes should only be made through authorizing legislation after full Congressional debate.

**Fire Grants.** The President's budget has SAFER and AFG—respectively, the program that helps fire companies recruit and retain and the one that helps with training and equipment needs - funded at a combined request of \$670 million. This is a decrease of \$5 million from the Fiscal Year 2013 enacted amount. Given the importance of these programs, I support funding them at Fiscal Year 2013 levels, prior to sequestration.

**FEMA Operations:** The President requests \$1.042 billion for FEMA's Salaries and Expenses account—the main account through which FEMA funds its operations. This represents a 4 percent decrease from Fiscal Year 2013 and is of significant concern given that FEMA is still building improved capabilities following the failed response to Hurricane Katrina. Appropriations for FEMA's operations have been essentially flat or have decreased in recent years despite the continuing need for the agency to effectively implement the lessons learned from Katrina and other response efforts. I urge the subcommittee to try to keep FEMA funding at the Fiscal Year 2013 level, prior to sequestration. This will help ensure that FEMA can effectively manage disasters—which seem to be increasing due to the extreme weather we have recently been experiencing—and continue to build the capabilities it so painfully lacked during Hurricane Katrina.

**Pre-Disaster Mitigation Fund (PDM):** The President did not seek new funding for the Predisaster Mitigation Program—a program that has been valuable in reducing future disaster costs. Indeed, a 2007 Congressional Budget Office study (CBO) found that future losses are reduced by \$3 for each \$1 spent on mitigation efforts. Given the vital importance of mitigation, I support the continued funding of the Predisaster Mitigation Program.

**U.S. Citizenship and Immigration Services (USCIS):** The President's request seeks \$3.2 billion for USCIS, of which \$3.095 billion is fee funded authority and \$124 million is requested as a discretionary appropriation. The \$3.2 billion is a 4.6 percent increase from their FY 2012 enacted funding and a 7.4 percent increase from the FY 2013 enacted appropriation. I support the increase in fee authority that supports the immigration examination fee account, and the fraud prevention and detection account. This FY 2014 increase in requested discretionary funding provides \$114 million for support to E-Verify and \$10 million for Citizenship and Integration Grants, for a total of \$124 million in discretionary funds

**Federal Law Enforcement Training Center (FLETC):** The President's request for the Center is a modest increase tied to the training of additional CBP officers who are key to providing a trained workforce at the ports of entry. I fully support the requested funding for this center for training these officers, and also endorse the increase requested for expanding the "Active Shooter Threat Training" initiative to train state and local law enforcement agencies. As we further understand the recent incident in Boston, we may also need to increase funding for local law enforcement training to address threats posed by improvised explosive devices.



***Science and Technology Directorate (S&T):*** The work done by S&T is vital to our capacity to develop counter measures and detection techniques against conventional explosives and nuclear material and to strengthen our defenses against cyber attacks and bioterrorism. In recent years, however, S&T has faced some critical funding challenges due to inconsistent appropriations levels for research and development that have made it difficult to effectively conduct the kind of long-term research the Directorate was created to conduct. Given the important work S&T performs, I urge the Subcommittee to find adequate and consistent funding for the Directorate. Wisely and strategically investing in its work can help improve the Department's effectiveness and save money over time by providing the Department with the information and tools it needs to make smarter acquisitions.

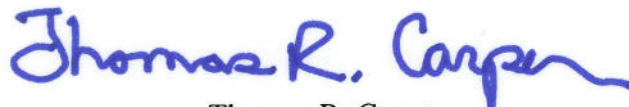
The President seeks \$1.53 billion for S&T, a 127 percent increase from its 2012 enacted funding of \$673 million and an 82 percent increase from its Fiscal Year 2013 enacted funding of \$835 million. However, \$714 million of the requested \$1.53 billion is dedicated to fully funding construction of the main laboratory of the National Bio- and Agro- Defense Facility in Manhattan, Kansas. This is a multi-year construction project, but the President proposes funding the entire project in Fiscal Year 2014 – a move that would force cuts in other critical areas within the Department's budget. While I support this project, I understand that only \$404 million of the \$714 requested is actually needed this coming fiscal year to keep our agreement with the State of Kansas and secure the state's financial contribution to this project. Therefore, I urge the Subcommittee to provide only \$404 million for this project in Fiscal Year 2014 and use the remaining \$310 million to make strategic investments and to mitigate at least some of the many significant reductions proposed for other components to the Department mentioned in my letter.

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Thank you very much for consideration of my comments on the Fiscal Year 2014 request for the Department of Homeland Security.

With best personal regards, I am

Sincerely yours,



Thomas R. Carper  
Chairman