

# **Transcript of House Homeland Security Committee Hearing on the Proposed Fiscal 2012 Budget Request for the Homeland Security Department**

---

Hearing Held on March 3, 2011

---

KING:

The Committee and Homeland Security come to order.

The committee is meeting today to hear testimony from Secretary Janet Napolitano relating to the President's fiscal year 2012 budget request for the Department of Homeland Security.

I'd advise the members of the secretary's office has notified us in advance that she has a commitment to be at the White House, and she must leave the hearing before noon. And in fairness to the secretary, she has rearranged her schedule to be here today, because we had to cancel out two weeks ago when we had a whole series of votes on the floor all day.

So, Secretary, I want to thank you for adjusting your schedule for us. And we will certainly have the hearing done in time for you to be at -- at the White House.

Today's hearing is, as I said, to address the president's budget for 2012. And in a time of budget restraint and cuts have to be made, I actually commend the secretary for putting forth a budget which I believe, while obviously we have certainly disagreements with it, is very much on target and is trying to accommodate the needs for cuts and also to protect our nation.

We saw just to get last week the importance of this, when we saw the arrest of Aldawsari, a Saudi Arabia national in Texas. This was another reminder of how serious the threat to our nation is.

Secretary, in your appearance here on February 9th, you said that our nation is at its highest level of terrorist threat since September 11, 2001, and that's why to me we have to always equate Homeland Security with national security. And whatever money can be saved as far as programs and grants, et cetera, would be offset immediately, if we should see a successful attack launched in the United States. Apart from the tragic loss of human life, the devastating impact on our economy would be there as well.

I'm not going to make a full five-minute statement, because I think it's important to get on, but I would say in view of the -- the threats against the country and the deficit crisis we face, if you would in the course of your testimony specifically address why you make certain cuts, why you kept certain programs going forward as they are, how you think that does accommodate the threats that we face.

For instance, you and I have discussed the issue of dirty bomb attacks over the years, and I certainly commend the secretary for including the Secure the Cities initiative in the budget, which will affect cities across our nation.

Also, a concern I do have, though, is the cuts that were made as far as border protection in -- in your budget -- also in the Republican budget, so I'm not trying to make a partisan issue here. But do you think that considering the importance we've attached to border security in recent years, whether or not there is sufficient funding in your budget to secure the border and to go forward with some of the significant movements that have been made under your watch?

Also, the whole issue of the Saudi national who was arrested last week -- do you feel that more should be done with visa analysis? I know the State Department is involved in that, but also is, obviously, the Department of Homeland Security is involved as well with the large numbers of foreign students in our country. And we do try to encourage that, but at the same time, should there be more of a level of surveillance, more of a level of scrutiny when they're coming into the country, to try to avoid the situations we saw last week?

KING:

In closing, of course, we have to express our thoughts and prayers to the family of the ICE agent, Jaime Zapata, who was murdered, killed several weeks ago, as well as his partner, Victor Avila. And I just want you to know that on both sides of the aisle the committee obviously - our thoughts and prayers go out to them. I look forward to the testimony today. As I said, I know the tough job you have, whether or not we always agree, there's no doubt of your commitments and I think that the good faith efforts that's made in this budget is an example of that and I hope we can have an honest dialogue as we go forward.

With that, I yield back the balance of my time and I recognize the Ranking Member of the committee, the gentleman from Mississippi, Mr. Thompson.

THOMPSON:

Thank you very much Mr . Chairman and today, as you know, we're here to receive testimony from Secretary Napolitano about the DHS budget request for fiscal year 2012. While I'm keenly interested in the programs and plans that the secretary has in mind for the next fiscal year, there are two potentially devastating developments outside this budget request that demands attention.

First, we have the matter of the fiscal year 2011 budget. The 112th Congress has not produced any of the 12 appropriations bills needed to fund the government. Instead to keep the government operating, the House leadership has chosen to kick the can down the road with continuing resolution after continuing resolution. HR1 as approved by the House would reduce funding for the Department of Homeland Security by \$1.1 billion or three percent in the middle of the fiscal year.

My colleagues on the other side of the aisle have consistently emphasized the business community's need for predictability and certainty. Yet the same principle does not seem to extend to the public sector and the operations of government. Surely DHS has a right to expect some predictability and certainty as it pursues its counter-terrorism and homeland security activities.

Turning to my second concern. There is a very real threat that the funding for DHS operations for the next fiscal year, 2012, will plunge to 2006 levels. My staff provided an analysis for how DHS's fiscal year 2012 budget would be negatively impacted by HR408, the bill put forward by the Republican Study Committee.

The picture it presents is potentially devastating to the department. DHS's budget would be cut by \$10.7 billion. This proposal would mean that customs and border protection would lose \$3 billion. Over 8,200 border patrol agents or 2,800 CBP officers will have to go. So much for operational control.

It would also require that the federal air marshal's budget be cut by 20 percent jeopardizing the security of the flying public. Our efforts to address one of the nation's greatest threats, cyber attacks from rogue nations, terrorists and lone wolf activists, would be severely hampered also. NPPD, the home of DHS's Cyber Security Operations would be cut by \$275 million.

The Coast Guard, which protects our nation's waterways, rescues boaters in distress and was the first to respond to the Deep Water Horizon oil spill, will have to eliminate over 2,700 positions. The list goes on and on. I invite those who have an interest in this analysis to go to my committee's website. Madam Secretary, we all have a stake in DHS getting the resources it needs to keep the homeland secure.

The president also recognizes the importance of DHS's role. Even in these austerity budgetary times, under the president's budget, DHS will receive a slight increase. That said I do have some questions about the proposal to make significant cuts for first responder grants. I also want to hear from you about the proposed cuts in university programs.

Before I yield back, I'd like to note for the record my deep concern that HR1, the continuing resolution approved by the House could create the kind of budgetary sinkhole that will swallow many of the quality proposals that you are here to present.

I yield back.

KING:

Thank you Ranking Member. Madam Secretary I want to thank you again for being here with us. And this is your third year of service as Secretary of Homeland Security. It probably feels like 300 at times, but it is good to have you back.

And I recognize Secretary Napolitano?

NAPOLITANO:

Well thank you Mr. Chairman, Representative Thompson, members of the committee. First of all I appreciate the flexibility of your schedule with this hearing this morning. President Calderone of Mexico will be at the White House at noon and that's what causes the schedule jam, so very grateful for your flexibility.

I too will be somewhat brief in my opening comments in order to reserve, or save time for the member's questions, but I think it's fair to say that the demands on the department have never been greater. This is especially true as we remember those at the department who have given their lives in service to our mission, including most recently Border Patrol Agent Brian Terry and ICE Special Agent Jaime Zapata.

Now Mexico is leading the criminal investigation into the death of Agent Zapata. We are supporting them through a joint DOJ/DHS Task Force that the Attorney General and I announced two weeks ago. Recently Mexican authorities have announced that they have apprehended some of the alleged killers of Agent Zapata and we are conducting a number of operations in the United States related to the drug cartels from Mexico.

But I can speak for the entire administration when I say we are not only saddened by the loss of an agent, we are outraged by this act of violence against an officer of the United States. And make no mistake, justice will be brought to those involved. We owe nothing less to the memory of Agent Zapata and to those who are still on the job in Mexico.

Now the loss of these brave agents is a stark reminder of the sacrifices made by the men and women of DHS every day. It also strengthens our resolve to continue to do everything in our power to protect against, mitigate and respond to threats and to make our nation more resilient. Today's threat picture features adversaries who evolve quickly and are determined to strike us here at home, from the aviation system and the global supply chain to surface transportation, to critical infrastructure, to our cyber networks.

President Obama's FY12 budget for the department allows us to continue to meet these evolving threats and challenges by prioritizing our essential operational requirements while reflecting an unprecedented commitment to fiscal discipline that maximizes the effectiveness of every dollar we receive. Reflecting the current fiscal environment in building the FY2012 budget, all DHS components identified savings associated with the department's 33 efficiency review initiatives.

And we cut administration and overhead, including my office's budget by over \$800 million. We also delayed construction of FIMA at the new DHS Headquarters at St. Elizabeth's and we deferred a number of office co-locations. That accounts, Mr. Chairman for some of the numbers at ICE that make it look like that budget is going down. That is almost all related to building, building maintenance and not having office co-locations that we otherwise would have.

Now my written statement includes the comprehensive list of the operational priorities in the budget. Today I will only highlight a few. Preventing terrorism and enhancing security was the founding mission of the department. It remains our top priority today. This budget safeguards transportation modes through a layered detection system including the deployment of additional transportation security officers, behavioral detection officers, canine teams and advanced imaging technology machines at domestic airports while expanding watch list vetting through the Secure Flight Program and enhancing screening and targeting of international travelers before they board U.S. bound flights through the Immigration Advisory Program.

This budget also strengthens surface transportation security by supporting 12 new visible and mobile prevention and response, otherwise known as VIPR Teams, which conduct operations throughout the transportation sector to prevent potential terrorist activity. The request also provides funding for Securing the Cities Program, to protect our highest risk cities from a radiological or nuclear attack and makes a significant investment in the National Bio and Agro defense Facility which will provide enhanced diagnostic capabilities to protect our country from foreign animal and emerging diseases.

And the request expands support for the national network of state and local Fusion Centers, to provide local law enforcement with the tools to address threats to our communities. Now to secure and manage our borders, the request continues the administration's historic border security efforts by supporting 21,370 border patrol agents and 21,186 U.S. Customs and Border Protection officers, both all time highs.

This budget also includes \$242 million for the continued deployment of proven, effective surveillance technology along the highest trafficked areas of the southwest border to better meet the operational requirements of our agents on the front lines. For the northern border, this budget request supports investments in technology tailored to the maritime and cold weather environment. And for our nation's maritime borders, this budget includes funding to continue the essential National Security Cutter Program and it makes historic investments to recapitalize the Coast Guard's aging assets including six fast response cutters and 40 response boats.

NAPOLITANO:

This budget also continues the department's focus on SMART, an effective enforcement of our nation's immigration laws while streamlining and facilitating the legal immigration process. Building on our record over the past two years, the department will continue to prioritize the identification and removal of criminal aliens who pose a threat to public safety and target employers who knowingly and repeatedly break the law.

This request enables ICE to fund 33,400 detention beds, remove over 200,000 criminal aliens and deploy secure communities to 96 percent of all jurisdictions nationally in FY2012 while promoting compliance with work site related laws through criminal prosecution of egregious employers, form I9 inspections and continued expansion and enhancement of E-Verify.

The request also funds integration efforts, including programs supporting English language and citizenship education, and continues the detention reform efforts currently under way.

Now, to safeguard and secure cyberspace, this budget increases resources to identify and reduce vulnerabilities to our nation's key cyber networks. The request includes significant investments to expedite the deployment of Einstein 3, to prevent and detect intrusions on government computer systems, increase federal network security, and continue to develop a robust cyber security workforce.

Now, to ensure resilience to disasters, the budget request focuses on moving resources out of Washington, D.C., and into the hands of state and local responders by sustaining federal funding for state and local preparedness grants, providing over \$3.8 billion in fiscal year 2012.

This funding includes 670 million for assistance to firefighter grants, and that includes 420 million to re-hire an estimated 2,300 laid-off firefighters and retain veteran first responders.

To lead and support a central national and economic security effort, this budget also expands the Coast Guard's operational capacity by funding 50,682 military and civilian positions and establishing the Coast Guard's first incident management response team -- assistance team, excuse me, which will be deployed rapidly to support incidents of national significance.

Mr. Chairman, this budget is the culmination of a major first-of- its-kind effort by the department through their Quadrennial Homeland Security Review and the associated bottom-up review to align our resources with a comprehensive strategy to ensure a safe, secure and resilient homeland, while making an unprecedented commitment to fiscal discipline.

Chairman King, Representative Thompson and members of the committee, thank you for this opportunity to present some testimony to you. I have a more complete statement that I asked to be included in the record. And I'm happy to answer questions.

KING:

Thank you, Madam Secretary. The issues seem to evolve week by week. Last year, of course -- last week, of course, was the Khalid Aldawsari case in Texas, and which shows we still have vulnerabilities in our student visa program.

And following the September 11th attacks, Congress passed a visa security program to deploy DHS personnel to high-risk visa issuing posts. Section 428 of the Homeland Security Act specifically requires that DHS personnel be assigned to Saudi Arabia.

Can you describe for us the role that DHS plays in analyzing these visa applications -- how and if that overlaps with the State Department? And can you get -- are there any lessons learned from last week? Is there anything that occurred in that case that could be prevented in the future, as far as addressing are visa procedures?

NAPOLITANO:

Mr. Chairman, actually, I think that case is a good news story, and I'll -- and I'll tell you why.

First of all, the individual involved entered the country the first time on a student visa, attended college, went back to Saudi Arabia, and then was issued a second visa -- there was, to my knowledge, no derogatory information discovered either by DHS or the State Department in connection with that -- returned to the United States.

ICE -- what ICE does with students who are here on -- on these kinds of visas is it monitors them on a continuing basis, and through that monitoring discovered a SAR, a suspicious activity report of unusual banking activity by this individual. It notified the FBI. The FBI and ICE then pursued an investigation. And, of course, that led ultimately to the arrest of the individual involved.

I think what they case illustrates is a need to have a layered approach here. At any one time you may not have derogatory information about an individual. It may develop subsequently. So what we have been working on and developing in our country is we want students to come from other lands. There is a huge benefit for the United States in that. We also need to attend to our security concerns. This kind of layered approach allows us to do that.

KING:

OK. Without discussing the details of the case, because, obviously, the case is still proceeding, but was he found it because of what ICE detected with the questionable bank transactions? Or was it because the person in the chemical supply company notified the FBI that he was asking to have the materials sent to his home?

NAPOLITANO:

My understanding is that the first notice to the FBI was from ICE, from the SAR report.

KING:

OK. Would that have been sufficient, do you think? Oh, yes, I'm not trying to find fault. I'm just saying...

NAPOLITANO:

Yes.

KING:

... can there be any lessons learned from this? What could be possible also is that ICE did learn of this, something was done, but there was not sufficient follow-through, because my understanding is if he had gotten the phenol, the bomb would have been ready to go, so even though ICE had made this initial discovery, still he was in a position, though, to possibly launch an attack.

NAPOLITANO:

I think that illustrates why you have to have many layers in the -- in the homeland security arena.

It's why the See Something, Say Something campaign has been instituted by the department to go national, because we want individuals and companies, particularly those that -- that run things like chemical plants, to know if they see something unusual, they need to report it as well.

It increases the likelihood that we will pick up something before an action be completed. So we give -- we give credit there. We give credit to ICE. We give credit to the FBI. They all ultimately were converging on one individual.

KING:

You may have violated Chairman Lundgren's copyright on the layered defenses. He started using the term five years ago. And that one issue we had, he was able to plug the layered defense rationale. I agree with you on that.

Just one final question on D Block. In light of the president's announcement that he fully supports the reallocation of the D Block to public safety, do you insist that your department get involved in that effort in doing all that can be done to work with Congress and the administration to get it through?

NAPOLITANO:

Yes. Yes. In fact, we were -- the DHS and the Department of Justice were heavily involved in the decision to stop the option of the D Block and to reserve it for public safety. And we anticipate being involved on an ongoing basis.

KING:

I know there has been continuing controversy over it, certainly, within Congress, but right now I think we are getting closer to getting the votes we might need. I'm working with Senator Rockefeller, Senator McCain, Senator Lieberman, so any assistance you can give us. And I look forward to working with you and the attorney general on that.

NAPOLITANO:

Yes, sir. Yes, absolutely.

KING:

Thank you, Madam Secretary.

I now recognize the gentleman from Mississippi.

THOMPSON:

Thank you very much, Mr. Chairman.

Madam Secretary, recently, GAO released its high-risk list. Once again, many of the processes of integration and transformation of DHS have been identified. In light of this budget, the new initiatives that you are putting forth, would you be able to address some of those issues that GAO highlighted?

NAPOLITANO:

Yes, Mr. Chairman. They GAO report -- it was -- it had good and bad. It had good in the sense that it recognized a number of the transformational management activities that have been under way over the -- over the past years as we worked to integrate these 22 agencies into one large department.

It also pointed out, as you -- as you note, some other areas where we need to -- to put in some continued effort. I believe that those efforts will continue under the president's budget.

I will say that if the -- the H. CR that was passed by the House becomes effectively the FY '12 budget as well, that -- that is going to have some impact on the department both on frontline operations, but also on -- on the management side.

THOMPSON:

Let's take maritime cargo. As you know, Congress some time ago passed a 100 percent screening mandate, and there have been issues around it. You testified last year that you couldn't meet it. And some of us are convinced that it was a congressional mandate, and we want to know how and what you plan to do to address this congressional mandate that, obviously, you won't be able to meet.

NAPOLITANO:

Yes, Representative Thompson. And -- and that -- I could give you a very, very long answer, but let me try to keep it brief.

First of all, I think the mandate was constructed at a time before we had really a mature understanding of -- of what that meant and what -- what the possibilities were or were not in that regard.

One of the things that's happened over the past eight years is we've developed a much more mature understanding of what homeland security means and how we link with national security and with issues around the world. And what sounds easy and foolproof in the end turns to be neither easy nor foolproof. And that is really what's happened with that requirement.

So what we are doing is working on an entire global cargo security initiative that involves the International Maritime organization, involves the International Aviation Organization, involves the World Customs Organization, really dealing with the point of time from which a good enters the global stream of commerce to the time that it reaches its end user and different things along that entire chain that need to be done to make sure that cargo remains secure -- is secure at the outset, remains secure through the stream of commerce.

We would be happy to brief you in greater detail on that work.

THOMPSON:

Well, I would really like to have it, because, you know, it was not -- Congress passed the mandate. We didn't say to the department, "Look at it. Tell us what you think."

And I think part of the discomfort for some of us is that if Congress decides in its wisdom to so do it, then we expect the agencies to follow the congressional mandate. And, obviously, that was not followed. I know you inherited part of it, but nonetheless, the mandate stands.

NAPOLITANO:

The statute also provides, however, that the secretary can extend the time. And as we have been doing that, we've been keeping the committee briefed, and we will keep you briefed, Mr. Representative Thompson.

THOMPSON:

Well, that's fine. And I think ultimately by extending the time, I think the scanning mandate would be something that some of us would expect to be followed.

I yield back.

KING:

Thank you, Ranking Member Thompson.

Now recognize members of the committee for five minutes of questions. There seemed to be (ph) that Secretary Solis (inaudible) before noon.

So I would ask the members, observe the five-minute rule and not go over, in accordance with our committee rules. I plan to recognize members who were present at the start of the hearing by seniority on the committee.

Recognize the gentleman from California, Mr. Lungren.

LUNGREN:

I thank the chairman. And I hope that caution wasn't just directed at me, but I will try and stay within the five minutes.

First of all, Madam Secretary, I want to thank you for going forward with things such as "See Something, Say Something".

I think that makes a good deal of sense and gets us in a cooperative venture, if you will, with the citizens of this country. And I think we need to go forward.

The context in which we're appearing here today, you're appearing here today, is set really by the Chief of -- the Joint Chiefs of Staff, chairman of the Joint Chiefs of Staff last year, who said that the greatest threat to national security is our fiscal irresponsibility.

I mean, he told us that, even from his vantage point, we've got to get our fiscal house in order.

So that puts constraints on all of us, Democrat, Republican, executive branch, legislative branch. I want to applaud you for your answer to the last question, with respect to 100 percent cargo screening or scanning.

We need to do what works, and we need to use layered approach. And the height of insanity is to keep doing the same thing over and over again and expect different results.

And if you've run into bumps on the road in doing 100 percent cargo screening, the idea that you are going with layered approach, with the entire supply chain, makes eminent sense, at least to this member.

And I thank you for it.

I would like to ask you a question, though, in these tough budget times about a couple of the priorities you have set. One for which I would applaud you is your fiscal year '12 request for cybersecurity.

It appears to be the largest increase in the category of NPPD. And I think that makes eminent sense. And maybe you could tell us exactly why you have that as a priority.

On the other hand, I have a concern on the customs and border patrol, where it appears in the 2012 budget justification documents that your border patrol plans to only maintain the current 1,007 miles under control for the rest of fiscal year 2011 and 2012.

So, on the one hand, there appears to be, I think, an appropriate emphasis and priority given to cybersecurity.

On the other hand, there does not appear, at least from my reading of your budget documents, a similar stress on the area of border control. Now maybe you can talk to those two things, please.

NAPOLITANO:

Well, yes. With respect to cyber, we have identified that as one of the five key mission areas of the department.

One of the things I've tried to do as the secretary is to take all the myriad agencies, departments, whatever, that were merged in the DHS, with all of the hundreds of missions that they have, but to consolidate into five major mission areas. We've identified cyber.

And the point of fact is, is that between DHS and DOD, we possess probably 95 percent of the cyber responsibilities in the -- in the United States government.

We need to protect civilian side of the federal networks in the TAC (ph). We need to -- we need to accelerate the deployment of Einstein 3, which is the program we are using to do that.

There are a whole other host of activities we need to undertake, including increasing our cyber workforce.

This is a key need of the department and the federal government at large, is to have more cyber-competent individuals working for us.

OPM has now -- Office of Personnel Management has now given us direct hire authority. We're actively going out.

We're actively going to your state to try to recruit individuals to come into the public service and to -- and to help us out.

With respect to the border, I think you're referring to a GAO report on operational control.

And I think what your question presumes is that, A, that report is correct and, B, that the president's budget is not the most aggressive in history with respect to the border.

As I've explained before, operational control is used to -- and referred to in our GAO report -- is a -- is a very narrow term of art (ph).

It doesn't include, for example, force multipliers like all the technology and infrastructure that's been deployed to the border.

If the president's budget is adopted, we will have more border patrol agents at the border than at any time in our nation's history.

They will be accompanied, however, by a technology laydown that will greatly expand their ability to make great use of their man- hours.

And as you also know, the president has also sent the National Guard to the southwest border.

In contrast, however, I must say that I'm very troubled by the House concurrent resolution 411, particularly if it becomes the basis for the '12 budget, because it does not fully protect those expansions in CBP and ICE in all of their operations that we have seen under the president's budget.

So I would ask the House, as it gets us, hopefully, out of continuing resolution land and into a real budget for FY11 and looks at FY12, that we really reexamine those priorities.

KING:

The gentelady from California, Ms. Sanchez.

SANCHEZ:

Thank you, Mr. Chairman.

And thank you, Madam Secretary, for being before us once again.

There's several issues I would like to ask you about. The first one is about the UASI grants, the Urban Area Security Initiative grants, which you know are to do basically mutual benefit for regions of the United States.

I know that, in 2012, you've increased the president's budget 33 million. But the Republicans cut out 67 million from the program during the C.R. debates these past two weeks.

Can you explain to me how detrimental it is to -- if you think the UASI grant program is, in fact, something we should have and how detrimental it is, if we should begin to cut it?

I mean, if in two weeks they go to cut -- I mean two weeks to go to cut 67 million -- 87 million from it, if we continue to see those sorts of cuts, what that would do with your local partnerships that you're trying to do from a terrorist or national disaster situation?

NAPOLITANO:

Representative Sanchez, the House concurrent resolution, as I understand it, actually ends up cutting almost a billion dollars from FEMA grants. And that's a -- troublesome in a -- in a number of areas.

I think it reflects a -- perhaps a different philosophy about what grants are for. But what these grants are for is to make sure that we have a homeland security architecture that works.

And that means states and localities all have to have certain base capabilities. And then in particular areas of the country, we need even more than that. In addition, I mentioned fusion centers in my opening statement.

And what these are are a network of 72 centers. This is -- they're relatively new, only a few years old. Most of the things in the department are relatively new.

What they are designed to be are federal, state, local collocated entities where information intelligence from Washington, D.C., at the secret and above level, can be transmitted as well as trends and tactics, techniques, things that we are seeing, as well as real-time threat information, so you can get quickly out to the country, and also so we can receive information back about tactics and trends and things they see.

Let me give you a practical example. The Zazi case, Zazi was an individual who was participating in a plot to come into the New York subways and blow up the subways.

He was going to use explosives that used a lot of hydrogen peroxide as part of the basis for those.

And so one of the things you could do through a fusion center is immediately go out and look around the country for unusually large purchases of that material by individuals who normally purchase it.

And so the fusion centers really become a way to share intel across the country and come back.

Part of our budget allows us to place our own intelligence analysts in the fusion centers, which is a way, also, to increase that capability around the country outside of the beltway.

So these grants serve a lot of different purposes and they begin, however, with the philosophy that we need a comprehensive Homeland Security architecture at the state and local level.

SANCHEZ:

Thank you, Ms. Secretary.

And I also believe that obviously.

Been working with my local state as well as the federal agencies that protect areas like Orange County, where we have Disneyland, and some of the largest entertainment venues, where we're 25 minutes' drive away from the port of Los Angeles and Long Beach. And the list goes on and on.

Let me ask you about the U.S. visit program, because the last time you were before us, I asked you about that. I see that in the president's budget, the program has been cut by 19 percent.

So, of course, I'm very interested about this visa overstay (ph) issue, which has a lot of implications like with visa waiver programs and, of course, when we saw the 9-11 people, a lot of them overstayed, terrorists overstayed their visas.

So my question is this: we're cutting the monies to visa -- to the exit -- to the visit program. How are we going to get this exit piece done with respect to the U.S. visit program?

NAPOLITANO:

Well, that, again, probably requires a longer answer than I have time right here. But let me just respectfully suggest that, again, we'll provide you with some supplemental information.

But a biometric exit program is, for a country like the United States, where you have air, sea and huge land borders, is going to be extraordinarily expensive to accomplish.

And our view is that, at this point in time, that is -- that is something that we could better accomplish right now in terms of detecting or picking up overstays by making sure that ICE is properly funded to go ahead and pick up people.

So you have to look, I think, at ICE and U.S. visit and identify all of those things together.

SANCHEZ:

(OFF-MIKE) (inaudible).

KING:

The time has -- the time has expired.

(Inaudible) Alabama, Mr. Rogers, will be followed by Ms. Jackson Lee, Mr. McCaul and Mr. Cuellar.

Gentleman from Alabama is recognized for five minutes.

And, Secretary, thank you for being here. I always look forward to -- to having your -- your feedback.

Recently, I had Chief Fisher in here for my subcommittee and was -- we had a problem in coming up with the definition that DHS is using for determining whether or not they've -- they've secured the Southwest border. The term is defined in the law. Operational control is defined as being the prevention of all unlawful entries into the United States, including entries by terrorists, other unlawful aliens, instruments of terrorism, narcotics and other contraband.

But when we asked Chief Fisher to define operational control, he had the department's definition, which was different. Why don't you all use the definition that's used in -- that's set out in federal law?

NAPOLITANO:

Well, Senator, I think you'll probably find throughout federal law different definitions of different things where securities concerned. What we are certain about is making sure that that border regions, both the northern and southern, are safe and secure.

We have some key concerns there. We've been making a lot of progress, as you know. The president has put more resources on the border, the southwest border, and then at any time in our nation's past. Numbers that need to go up are going to and down or going down. We want to continue that progress.

I would say that the -- the House concurrent resolution, by the way, again, if it -- if that's what we have to live under, is very problematic in that regard.

ROGERS:

Well, I understand, but I do want to point out that I'm talking about the Secure Fence Act of 2006. That is a pretty specific federal statute that deals with that definition, and it seems to me that the department ought to be adhering to that definition when trying to determine whether or not they've actually achieved operational control.

Another thing, ICE -- as you know, I've talked to you in the past about my concerns that we have not adequately funded ICE to increase the number of ICE agents in the field, particularly, of course, when you look at what we've done with CBP is just there's been no significant increase in ICE agents.

But recently -- earlier this week, I met with some ICE folks about the detention of people here in the country that are found to be illegal and was surprised to find that if somebody in Alabama is detained, we have two jails in north Alabama where they're held until they could be taken to New Orleans for a hearing, which is the closest immigration judge.

And my question is why don't we have an immigration judge in Alabama, because just the transportation costs alone are just unbelievable? So to that end, I've spoken with Chairman Aderholt of the Homeland Approp. Subcommittee, and he and I are going to work to try to get an ICE judge -- immigration judge in Alabama. And we're going to work with Lamar Smith of Judiciary to that end.

My question is would you support that?

NAPOLITANO:

Well, we certainly would -- would look at that, because you're right to identify the -- the transportation costs and delay, because then you taken ICE agent off the line to do the transportation.

I -- I think your question, though, also illustrates when you're talking about immigration, we really -- we -- we go from CBP and ICE to Justice. It's a system. And from a jurisdictional standpoint, there is kind of a break, so this committee looks at all the way up to apprehension and detention, and then everything else is over in -- on the Justice side of -- of the ledger. And -- and that's where the -- the judges would be found.

ROGERS:

And that's -- and I'm going to work to that end, but I would like for you to be supportive in that effort to the extent that you can be.

NAPOLITANO:

Thank you.

ROGERS:

And then finally, my staff and I have been engaged with TSA regarding using CR funds for the procurement of vapor wake canines. And my question is are you on board with allowing those CR funds to be used to procure those assets?

NAPOLITANO:

Well, we are, but I will -- I will tell you that as -- as we look at the FY '11 H. CR, it -- it has a big cut for the canine teams, so that also is problematic. And as we look at what our FY '11 budget really ought to be and FY '12, I think you and I both agree that canines should be maximized.

ROGERS:

Great. Thank you very much.

I yield back, Mr. Chairman.

KING:

The gentlelady from Texas, Ms. Jackson Lee, is recognized for five minutes.

JACKSON LEE:

Mr. Chairman, I thank both you and the ranking member.

And, Madam Secretary, I don't know how often you hear this, but let me personally thank you for your service. Let me thank the Department of Homeland Security for their service. We interact with your team every day of our lives and recognize that you are on the front line. I would almost say that we are all working to put ourselves out of business, but we realize the challenges that we are facing.

Let me quickly lay the groundwork for my questions and -- and just, first of all, thank you for the 2012 budget and your commitment to federal air marshals surge after the Christmas Day bombing incident. I join with my good friend from Alabama. We are canine teams supporters, and I hope that we can work against H.R. 1 -- at least, I want to work against it in terms of those potential cuts.

I am also -- I believe you were questioned extensively about the passenger security fee. I would almost say that most Americans would accept that fee. Every time I'm traveling through airports, I see a sense of comfort and recognition that they are being secured by the enhanced services that they see.

I am concerned as I notice the H.R. 1, and I just jumped from your budget 2012 to H.R. 1 and saw that you would actually lose under this budget some 50 percent in technology, tactical communications, on the border security. You'd use some 800 positions under border security. And what disturbs me is the AIT machines. You lose a number of them.

So I'm concerned about that, and I wish to ask these questions, if I might. And I'm just going to ask them and then you to you.

The H.R. 1, \$1.1 billion in reductions -- I'd just like from you losing that money in -- in our present state. And I think most people don't realize this is to finish out what you'd already committed to.

Also, do you support the position of Mr. Pistole on SSP? And I am reminded of how we were rushing around after 9/11 to find out what happened.

I also would appreciate -- I'd ask you a question in your last meeting with us about the minority personnel, whether you have a chief human services officer that looks at that and looks at procurement.

And then lastly, this is an issue that has struck me. I am a supporter of comprehensive immigration reform. You might want to comment on maybe how that would even save some money. But I would like to know how ICE might interface and be of help to local law enforcement.

I have lost two alleged criminals. One drunk driver killed two teenagers, and one ultimately committed suicide -- under 15 -- because she thought she should have died in the accident. And that person was allowed to go home. They left for Nepal.

In the last three days or four days, a woman who has a Nigerian relative was a caretaker for seven babies. Four died in a fire. The allegation is that she left the home and went shopping, and these babies died. She was not picked up, and she left for Nigeria.

It seems that maybe our local enforcement could interact with ICE and say, "We have suspicions. Can you hope this person?" But even not, if I can get in a discussion with you on that, we are just outraged. The Nepal person has not been found, and the person in Nigeria we're still looking for.

So I would just appreciate your commentary. And might I just add my sympathy and respect for Mr. Zapata and his family and his partner. And we know that we have to do better with respect to our ICE nations and those who serve overseas, particularly those who are unarmed.

Madam?

NAPOLITANO:

With respect to cooperation between ICE and local law enforcement, I think a key tool is our Secure Communities program. If they are -- if they make an arrest, if a locality makes an arrest, and they have Secure Communities in the jail, that means when the fingerprints are run, they are run not only against the FBI criminal databases, but also against the immigration databases to determine legal presence.

And if an individual is not legally present, there is a transfer over to ICE after whatever criminal punishment is -- is merited, is -- is carried out. So that is why the budget continues funding into FY '12 for Secure Communities. We'll be almost 100 percent complete by the end of FY '12.

With respect to hiring and diversity in hiring, we have been aggressively moving in that direction. From SES and above positions, we have increased diversity hires by 17.5 percent over the last year, which is a significant increase.

And the percentage overall employees who are members of ethnic minorities or who led to our diversity is well over -- I think I have an actual number. I think it's -- we've gone from 38 percent to 40.6 percent in the last -- from January '09 to December 2010.

So -- and so we're really moving aggressively on -- on both of those fronts, the SES and then the -- the other positions within the department.

JACKSON LEE:

But there are dollars out of H.R. 1 that you're losing.

NAPOLITANO:

Well, as I've mentioned before, it'll mean -- because we're halfway through the fiscal year, so, you know, H.R. 1, you almost have to multiply everything times two from a management perspective. And I'm not sure everybody understands that, but because we're already halfway into the here, that's what the practical impact is.

But it'll cut the number of AIT machines we were intending to deploy by half. It will cut the number of portable explosive trace detection machines by half. It will cut the number of canine teams by almost two-thirds. I think it will result in longer wait times in -- in the airports for the passengers. It will cut funding for 250 ICE agents along the Southwest border. It will reduce the FEMA grants. I've already commented to that.

It cuts science and technology research by 50 percent. And if I might comment that, people are always asking me, you know, when are we going to be able to keep our shoes on and take bottles of water on the planes and so forth? Well, that's the kind of technology and science research that -- that S&T funds. And that's -- those will be cut dramatically under -- under H.R. 1.

KING:

The gentleman from Texas, Mr. McCaul, is recognized for five minutes.

MCCAUL:

Thank you, Mr. Chairman.

Madam Secretary, thank you so much for being here today. I want to first express my sympathy to the family of Agent Zapata and, as I know you do as well, in the survival of Agent Avila, which is nothing short of a miracle, given what happened down there. I think it was an intentional ambush. A bit of a game changer that they are now targeting our guys down there, U.S. law enforcement. Eighty three rounds fired from this AK47 and first I want to thank you for the good work to apprehend these suspects down there.

It was their view that this was a case of mistaken identity, that this was a rival drug cartel gang. The briefings I have received were that the two agents were American diplomats. They have a U.S. diplomatic tag. I saw reports the Mexican Army seemed to be reporting what the Zetas were saying in terms of mistaken identity.

What is the position of this administration with respect to the claim that this was mistaken identity?

NAPOLITANO:

Well, Representative McCaul thank you for your expressions and your support on this matter. I think it would be inappropriate for me to comment on the actual evidence that will come in. This obviously is a matter that is being, you know, prosecuted. My understanding is that it will be prosecuted in the United States, but again those are decisions that are yet to come.

MCCAUL:

And - but I appreciate that, but I just - on my own behalf I'll take the eyewitness account of our agent over the Zetas who have been apprehended any day. And I hope the administration would back that eyewitness account. With respect to extradition, I'm glad you brought that up. Is it the administration's position that we will be seeking extradition into the United States?

NAPOLITANO:

Yes.

MCCAUL:

That's very good news. I know President Calderon is in the United States and it's probably a good time to talk to him about that. Before I get into the budget, one last question with respect to that shooting, was that I was surprised to find out that there's a 1990 agreement that prohibits our officers from carrying weapons down in Mexico. Things have dramatically changed from 1990, there is a war going on as you know. And it seems to me, our agents should be armed if we're going to put them down there in harms way.

Would you support a revision of that agreement?

NAPOLITANO:

Well I think - let me - the issue of agents and arming is one that is something that probably should be discussed in a more classified setting than a public hearing. And perhaps we can provide for that Mr. Chair, because it's an issue that involves not just Mexico but some other countries as well.

MCCAUL:

Okay. I look forward to that as well. On the budget, I note that it has SBInet to decrease the border security fencing, infrastructure and technology account by \$300 million. So from \$800 million to \$500 million if what I have in front of me is correct.

Is that - this was given to us by staff. Is this - do you know what happened to that account or whether the monies have decreased?

NAPOLITANO:

It's not - no what is happening is we're not buying SBInet. Because SBInet doesn't work. I think for the first, the Tucson and the Ajo (ph) sectors it was far enough along that we completed it and given the topography there it made sense, but border wide it doesn't make sense. So what the budget requires, or what the budget buys is \$242 million of technology that the border patrol agents can actually use.

It's remote video, video surveillance equipment. It's mobile video equipment, a whole laundry list of things that our agents can actually use right ...

(CROSSTALK)

MCCAUL:

So that discrepancy, that's probably just a cancellation of SBInet that - it appears but that money will still be used towards technology down on the border.

NAPOLITANO:

Yes there's an entire technology that we have developed ...

MCCAUL:

That's critically important and I know in my state of Texas was really able to do technology down there. Congressman Cornyn and I took (inaudible) as you know down to the border of Laredo with some very good sensor surveillance technology that the Department of Defense had been using. I think he was receptive to that idea and I, I commend you.

I would ask that you look at deploying that type of technology all across the southwest border. I think technology is going to be the answer down there and then of course we need the manpower to respond to it and so ...

NAPOLITANO:

Indeed.

MCCAUL:

Well thank you so much. I yield back.

KING:

The gentleman from Texas, Mr. Cuellar.

CUELLAR:

Thank you Mr. Chairman. I want to thank you and the Ranking Member for having this meeting and thank you Madam Secretary for being here with us. Again I also want to extend my prayers and sympathies to the ICE family, not only the immediate family but to the ICE family here also. He was from Brownsville, from Mr. Farenthold's area and he was stationed in Laredo and was part of the best program, which is again a good coronation program that you all have there.

What I want to do is focus on the budget. When you look at all the accounts, I believe it's about \$500 million, impact cut to the CBB budget. Could you tell us what the continued resolution if it passes as is, what sort of impact it would have on border security operations and again, look at all the accounts and tell us what sort of impact it would have on us.

NAPOLITANO:

Well we'll give you a thorough list, but as I said, it basically stops our progress in its tracks. And if anything reduces our ability to move ahead. As you know, we've been adding record amounts of agents and record amounts of technology as Senator McCaul just mentioned to that - to our border and if anything we're going to have to cut back.

CUELLAR:

Alright. And one other thing the American people have been saying, especially because of what's been happening across the river, that we've got to do more for border security, but then with this \$500 million cut, that pretty much stops the progress that you're referring to. Isn't that correct?

NAPOLITANO:

Yes and what we want to do is continue to add to the border. Our goal, as you know, is to have a safe and secure border zone. Both for the public safety of our communities along the border, some of which Mr. Cuellar you represent, but also recognizing the amount of legitimate trade and travel that needs to traverse that border. And if its not safe and secure, it will impact the commerce and that impacts jobs so there are lost of ramifications for not continuing with the president's program.

CUELLAR:

Yes and I want to, as Mr. Rogers mentioned a few minutes ago, a lot of people when they talk about border security, they talk about just that - the men and women in green which are the Border Patrol which I support, but you've got

to have the ICE agents. You've got to have other agents there. You've got to have the men and women in blue, which are the ones that guard our bridges, the ports of entry which are so important.

And those are the areas especially trying to find the right border security with the right legitimate balance of trade and tourism which is so important. Laredo is the largest inland port in the southern part and that's why the men and women are so important to us. So I mean I certainly agree with Mr. Rogers that we've got to find that balance.

In my opinion, the \$600 million that we added last year, that was probably the largest infusion of cash, will be taken back by cutting at least \$500 million from the CBB budget for all the advances that we're trying to do.

NAPOLITANO:

Representative, if HR1 becomes the basis for the FY12 budget, that's really the - a concern because it will not annualize all of the additions that the Congress has put down at the border.

CUELLAR:

And I think that we're talking about seven months - we're already - it's not a full year. This is just addressing part of the remaining year, which makes it a greater impact.

NAPOLITANO:

Indeed.

CUELLAR:

I've got about a minute and 20 seconds. Let me ask you, what about detention beds that HR1 doesn't help maintain the 33,400 detention beds we need. Because when we catch somebody here without the proper documentation, we just can't catch them and release them. We've got to detain them before we hit them - before we send them off. How does that hit the detention bed needs that we have?

NAPOLITANO:

Well again we think we need 33,400 detention beds. Now we don't need them 33,400 every day. I mean, you know it fluctuates a little bit. But we think you need to have constant presence of thirty-three-four to support the removal of all of the individuals we seek to remove from the country this year and next year.

CUELLAR:

Right.

NAPOLITANO:

So and if you, and if you - in a way we're caught because you fund the detention bed at 33,400 and the officers necessary to guard those beds, then the cuts can only come out of one place and that, that means the officers that are out in the field. And I don't think either make sense. You have to have the officers in the field and you have to have the officers in the detention centers.

CUELLAR:

I've got 11 seconds. Just real quickly, last time you said that it would be a good idea to have a fusion center in Laredo. We've been talking to your folks who have a different opinion. We don't have a fusion center at the border and would ask you to consider adding a fusion center to the border.

Thank you very much Mr. Chairman.

KING:

You were only three seconds over. Good job Henry.

The gentleman from Minnesota, Mr. Cravaack?

CRAVAACK:

Thank you Mr. Chairman and I too - I want to extend appreciation for all the Homeland Security Officers and their families for what they do on a daily basis. I actually had homeland security credentials as a federal flight deck officer when we first started that program so, that was many years ago, but thank you very much for all the homeland security for just what they do on a daily basis, so.

I agree with you very much and appreciate you working with this CR and unfortunately you're at the tail end of this, it's been going back and forth and I appreciate you as a manager being able to work through this. And I'll also assure you that this Congress, the 112th will provide a budget for you that will be able to give you stability to make sure that you can make those critical decisions that you need to make in the future, ensuring that we get the right money to the right missions to protect the homeland and people within the United States.

So I thank you very much for that. One of the things I did want to ask you about though is just recently you were able to ...

NAPOLITANO:

I'm going to write that down, by the way.

CRAVAACK:

Yes, you betcha! I want to make sure that - I just have a couple questions in regards to just recently you went over to Afghanistan.

NAPOLITANO:

Yes.

CRAVAACK:

And you're thinking about deploying agents over in Afghanistan. Could you expand upon that and why you think that is necessary?

NAPOLITANO:

Yes what we're doing, and we have about 25 total over there right now, but what we are engaged in is basically a training capacity building on the customs side with Afghanistan so that they can develop their own customs service, particularly at their big land ports like Torkham Gate which is a port between Afghanistan and Pakistan, governing

who goes back and forth, but also the ability to collect customs revenues so they have some revenue for their government to exist upon as we continue to convert from a military to a civilian presence.

CRAVAACK:

Thank you for that. And I take that - it's a critical mission as well. So thank you for that. Also, being an airline pilot, I took a look at the aviation passenger security fee. You're planning to increase that by \$1.50 for reimbursement. In the reports that I read that's basically to fund TSA costs that have risen by like 400 percent.

NAPOLITANO:

That's true.

CRAVAACK:

Can you tell me why we've had such a dramatic increase in costs in the TSA?

NAPOLITANO:

Well, because the threat to aviation has increased. And also because we are - the amount of security we have to supply now in airports and for aviation is a - is a very layered approach. But it means behavior detection officers. It means K9s. It means explosive trace detection equipment. It means the conversion from magnetometers to AIT machines. And it means, most importantly, personnel.

And what's happened with the fee is that the fee's never been increased. It was established in 2002 and it has never been increased at all. So it doesn't cover - and it was intended to cover the cost of security for aviation. When it was enacted that was Congress's intent. But because the fee hasn't gone up you have now this huge gap. It's about a \$600 million gap between what we will pay - need to pay for security in the aviation environment in '12 and fees.

We believe it's time for Congress in this fiscal environment. We will work with the authorizing committees, like this one. We will work with the appropriations committees. But it is time to increase that fee.

CRAVAACK:

So you're saying basically the fees are going towards personnel and capital investment. Would that be a fair statement?

NAPOLITANO:

Yes.

CRAVAACK:

OK. The other thing is, being a former flight deck officer, where do you see the Federal Flight Deck Officer Program? I know it's under TSA but do you still consider that a vital portion in our layered defense and terrorism for aircraft?

NAPOLITANO:

Yes.

CRAVAACK:

Well that was a great answer. I appreciate that.

NAPOLITANO:

I'm trying to help the committee with (inaudible).

CRAVAACK:

I appreciate it. And with my 51 seconds left - I will yield, sir. Madam Secretary, in the 45 seconds I have if you - on a serious matter - they've all been serious matters but especially in view (ph) of the shootings in Germany yesterday, does DHS have any information whether or not this was a lone wolf attack or any links to Al-Qaeda or any other terrorist organization?

NAPOLITANO:

We - let me just say that, Mr. Chairman, I think that matter is under investigation and with lead (ph) of course by German authorities since it occurred in Germany. But I think any information about that should be released in a classified setting.

CRAVAACK:

If you get it (ph), let us know - any data or information does come in. We'd greatly appreciate that.

NAPOLITANO:

Yes.

KING:

Thank you. Thank you, Madam Secretary. The gentleman from Michigan, Mr. Clarke.

CLARKE:

Thank you, Mr. Chair. Secretary Napolitano, it's great seeing you again. And I wanted to thank you for your leadership, your knowledge, your ability to be able to handle the threats that our country is facing, and also for considering proposals from people like us in the legislature.

My concerns about the - are about the security of the Detroit sector border, in particular about the northern border. I've got three questions. My first is about the president sending 12 proposals And it's regarding the recent Canada Vision agreement that was entered into between the US and Canada and if you had thoughts on how that agreement could better supplement security in the northern border.

NAPOLITANO:

Well, I think that agreement is - is a landmark agreement for a number of reasons. But one of them is because it recognizes the need to have a perimeter security around Canada so that we begin utilizing some of the same criteria for who can enter Canada as (inaudible) enter the United States as we begin to understand the need to exchange information about travelers and the like.

That will have an impact on the actual physical border, such as the border at Detroit, because we will have the ability I think to have equivalent information and equivalent standards and the like. That will facilitate I believe the legitimate trade and travel that needs to be able to cross, particularly at the Detroit area.

CLARKE:

Thank you, secretary. And my other two questions go to the impact that the House passed continuing resolution would have on border security. As I mentioned to you before, the Detroit sector's the busiest international border crossing, huge population center, international airport, large regional water system.

And because of our declining state and local revenue our first responders really don't have the capacity to protect us. And in my opinion I believe that that sector warrants a tier-one consideration rather than the current tier-one status. And I appreciate your willingness to listen to me earlier this month on that issue.

One concern I have in the House passed CR is that it limits the Urban Area Security Initiative funding to the top 25 urban centers. And do you think this restriction will impact your department's ability to protect urban areas?

NAPOLITANO:

Well, I think the intent of that provision is to make sure that our largest, highest risk areas do not get shorted on grant monies. And without commenting on that, let me just say that overall HR 1, by cutting almost a billion dollars out of the grant process, it's going to affect everybody. I don't - you're going to - up and down the list of cities. So without commenting further on - on the amendment that was passed, again, nobody will escape unscathed if that budget remains the budget.

CLARKE:

Thank you. And my last question deals with the border security sensing infrastructure and technology account that's within CBP. The current CR made a huge cut to that. What type of impact would that have on the security of the Detroit sector border, if you have any opinion of that?

NAPOLITANO:

I don't know that I've broken it out sector by sector to that level of detail. But it would certainly limit our ability to invest in new technology. And I think a number of members on both sides have recognized that you can't do this job with manpower alone. What we need to be able to deploy the best available technology that our agents can use in the field.

CLARKE:

Thank you, secretary. I yield back, Mr. Chair.

KING:

Thank you. The gentleman from Virginia is recognized for five minutes.

RIGELL:

Thank you, Mr. Chairman, and Secretary Napolitano, thank you very much for your testimony today. I'd like to just share with you a comment that was made to me by a local sheriff and just get your perspective on it.

He commented that the sheriff's office is required by law to notify ICE every time that they have an illegal immigrant. Very rarely does ICE respond back if they are or are not an illegal alien. However, it would make no difference because they would not put a hold on them anyway. This is due to funding problems since ICE does not have enough beds to act on the reported aliens.

And the court process takes 18 months to determine whether or not that person is indeed an illegal alien. This would require more cells, prosecutors, clerks and attorneys, and on one would fund what it actually costs to deport all the illegal aliens. The local sheriff's office does not have the resources to do ICE's job.

Now I've learned in life that there are always two sides and there's more to this than maybe what's here. So would you kindly comment on that and give that some perspective?

NAPOLITANO:

Well yes, representative, and I'd kind of like to know which sheriff we're talking about. I think I actually do know. But in any event, we work very closely with the sheriffs and police chiefs around the country.

One of the key challenges we have is estimates vary but estimates vary from between 8 to 12 million people who are in this country illegally. Plain fact of the matter is that if you look at the cost of removing an individual you can - the Congress has funded the removal of about 400,000 a year. We have prioritized in that 400,000 to say that the number-one priority is for those who are convicted of crimes.

That's why the president's budget expands what's called Secure Communities and puts it in the jails of our country, which are operated by the sheriffs, and the prisons of the country, which are operated by state bureau prisons. Because that's a - that is a way to make sure that those are committing crimes in addition to being in the country illegally are being removed through the immigration process.

So in that 400,000, last year we removed over 200,000 who were criminal aliens, which was a record number by a large percentage. That's what Secure Communities enables us to do. Now I don't know whether this particular sheriff has a jail where Secure Communities is not yet installed. If it is, it's something that we could get that information from and work with him on. But that's probably the easiest way to deal with his base concern.

RIGELL:

OK. Thank you for your response. You know, I've come to this body as a - as an entrepreneur business owner, first-time elected official, and I've just been struck by frankly the tangled web of reporting relationships and the complexity of the committee structure and the organizational chart of the House, and I'm sure that like every organization it can be refined and improved upon. Would you kindly give us your perspective on the number of committees that oversee Homeland Security and how that might be streamlined?

NAPOLITANO:

I appreciate that question. This is something the chairman and I have discussed. If oversight is a blessing I guess you could say DHS is particularly blessed. When we were created what happened was a number of departments were merged into DHS and we all carried with - everyone carried with them their committees. And none of the committees were reorganized really to match the department.

So the end result is we report to 108 committees of the Congress. The overwhelming majority of those are committees and subcommittees of the House. In the 111th Congress we testified 285 times, 140 times with (ph) component heads who had to - who had to come down and testify. We provided 3,900 briefings to the Congress in the 111th Congress, 3,900. And we are required to file something about - something around 425 written reports a year. So it's a huge manpower drain on the department. We would like to take some of those resources and put them into operations, particularly given the fiscal environment we -- we are in, and we will support any effort by the -- the committee to help us achieve that goal.

RIGELL:

Well, thank you. And I would want to join you in that effort, and I believe the committee generally would. Thank you for your testimony.

I yield back.

KING:

I can safely say this is one issue where the secretary, the ranking member and I agree 1,000 percent. It's absolutely disgraceful, the current system we have.

The gentlelady from New York, my colleague, Ms. Clarke?

(UNKNOWN)

Mr. Chair, how are we doing questions? Mr. Davis was here. I was here -- several members. It seems like we're getting a little out of order, although I love my (inaudible) here.

(UNKNOWN)

Mr. Chairman, no problem. I yield the...

KING:

Fine, OK. I'll recognize Mr. Davis.

Mr. Davis is recognized for five minutes.

DAVIS:

Thank you very much, Mr. Chairman.

And thank you, Madam Secretary, for being here and for your testimony. And I also want to express the sentiments conveyed by my colleagues in reference to imminent danger that all of our personnel involved in homeland security and other aspects of government face on a daily basis. And so we appreciate their services.

There has been a great deal of progress in relationship to surface transportation, but I also think that buses still remain pretty easy targets. What funding options do you think might help sustain our security for this sector of transportation?

NAPOLITANO:

Well, Representative, that -- that funding, because buses are operated primarily, you know, at the municipal level, you would find funding for that. There are -- there are transit security grants, but there are also UASI grants, other sorts of grants that can be used for transportation security. So you would find those, you know, primarily under FEMA and primarily under the grant programs there.

DAVIS:

I noticed that the transportation security grant program has been reduced to \$200 million below the current levels. Does DHS have a way or do you have any thoughts about how you can help again with the security needs of -- of this type public transportation in -- in local areas?

NAPOLITANO:

What we have recommended, Congressman, is that the number of grant programs under FEMA be consolidated from 17 to 9. That will reduce overhead at FEMA, which is where we put our grants. It will reduce overhead in localities in terms of how many applications they have to submit and making sure that the grants that remain are broad enough to include local decisions. If that's where they want to put their security money, they can put it into, say, the bus system, the subway, wherever.

DAVIS:

I also think we've made a tremendous amount of progress in this area, but I note that the president's requested funding calls for an increase in -- in video agents that will bring us up to over 3,000. What civil rights, human rights and -- and private rights protections are we dealing with in order to assure that these individuals are not...

NAPOLITANO:

Profiled.

DAVIS:

That's right. They're not racially profiled or ethnically.

NAPOLITANO:

Yes. I think it's very important, given the -- the very important constitutional safeguards Americans have. But our video program has been developed with internal oversight by our own civil rights component and our own office of privacy component. The training has been viewed and -- and approved.

We're constantly looking at what best practices are so that we do not fall into the trap of profiling, which, by the way, does not give -- you know, you want to do intelligence-based, you want to be looking for tactics, you want to be looking for techniques and behaviors, not ethnicity or race, when you're really providing security.

DAVIS:

Thank you. And finally, do you support TSA Administrator Pistole's decision not to expand the SPP program for private airport screeners? And do you think this is good for security?

NAPOLITANO:

I think Administrator Pistole, who, of course, was a former deputy director of the FBI, has -- has made the right call here for several reasons. One is he wants to maintain flexibility to surge resources when he needs to, and -- and there are issues there when you're talking about privatization of the screening population.

Secondly, the studies that have been -- you know, they still have to meet TSA requirements in terms of what they -- what they do, so it's not like there's different screening requirements. They are more expensive than simply maintaining it within the TSA structure, and that's an issue.

And thirdly, I think it's important to recognize that even when you privatize, you still have unions. Several of the privatized workforces are indeed also unionized.

DAVIS:

Thank you very much

Thank you, Mr. Chairman. And I yield back.

KING:

The gentleman from -- the gentleman from Missouri, Mr. Long, is recognized for five minutes.

LONG:

Thank you, Mr. Chairman. Did you need me to yield a minute?

KING:

No, you don't. Thank you very much.

LONG:

OK. They told me earlier, but...

Thank you, Secretary, for being here. Back in December, you announced that additional DHS officers were being sent to Afghanistan to assist in border control and customs. And would you please further explain the value of having DHS employees overseas and expand on some of the work being done by DHS officials in Afghanistan and other countries around the world?

NAPOLITANO:

Yes, this is actually one of those things one recognizes is that Homeland Security actually has a footprint that -- that is around the world.

As I explained a little bit earlier, we have about two dozen employees in Afghanistan. They are training customs and customs officers so that Afghanistan can have its own customs force and also learn how to -- or exchange about how we operate major ports of entry like the ports between Pakistan and Afghanistan.

But we also have employees around the world at international airports, where they are a last point of departure for the United States. We have immigration officials at embassies abroad the world, such as Riyadh, for example, to help do security checks on individuals seeking visas.

We have individuals around the world, who are working on protecting against human trafficking into the United States, protection of our intellectual property from the United States. There's actually quite an extensive international force laydown from the department.

LONG:

So the employees that we have over there are not training themselves. They are doing the training.

NAPOLITANO:

Correct.

LONG:

OK. That's not how I interpreted it.

You also mentioned that more Border Patrol agents than ever would be employed under this budget, and Black Hawk helicopters have become an effective and safe weapon in the toolbox of our Customs and Border Patrol agents. The Customs and Border Patrol have a great need of Black Hawk helicopters in carrying out their missions. Are you aware of this, and does your budget request reflect this?

NAPOLITANO:

Well, yes, but we request other kinds of air support as well as fixed -- as well as helicopters, also fixed wing support. There's also UAV support in the FY '12 budget so that we have and want to have total air coverage, particularly on the southwest border all the way from El Centro through Texas.

LONG:

Oh, the agents, Border Patrol agents and ones who have contacted us expressing interest, they feel that the Black Hawk is probably their best, and if they could -- I know that it's surplus equipment, and Wednesday by the Black Hawks, they're surplus, so just if we can look at that for them, I'd appreciate it.

NAPOLITANO:

Oh, absolutely. And -- and the Black Hawks have many uses. I will share with you that there is a great demand for Black Hawks by the Department of Defense, by us, by others, so they -- they are really greatly in demand around the world.

LONG:

One other thing, small business -- I, like Mr. Rigell, come with a small business background, not a political background, ran my own business 30 years, of which part was real estate broker.

A title company in our district in the 7th recently had \$400,000 stolen, sent to Pakistan through cyber. And the Secret Service has jurisdiction over these crimes, I understand, but what they did, effectively they came and emptied their bank account, which was not their money. And the title company, of course, it's fiduciary. They're holding money for real estate closings.

Secret Service, as I said, has jurisdiction over these crimes. How does the president's budget help protect our small business from -- from these types of crimes, where they can come in and empty out bank accounts? The money goes to Pakistan. Secret Service has jurisdiction. Is there anything in the budget to help or give small business a solace?

NAPOLITANO:

I'd have -- well, first, number one, I'd have to know more about the -- the facts to -- to say definitively the Secret Service has jurisdiction, but the president's budget includes a great increase for cyber security on the civilian side.

That means the protection of the civilian side of the federal government and our intersection with key sectors like the banking sector in the United States in terms of how they protect their own cyber networks, because realize the government, you know, doesn't own the banking structure. I mean, that's owned by -- by the banks themselves. They have their own cyber protection.

What we are doing is working with them as to what that protection entails. We are working with them to let us know when they've been hacked into and funds have been stolen and issues like that. So the president's budget greatly increases the amount available to us for cyber protection generally.

LONG:

OK. Thank you again for being here today and fitting us in your schedule.

And I have no time to yield back, but if I did, I would.

KING:

The gentlelady from California, Ms. Richardson, is recognized for five minutes.

RICHARDSON:

Thank you, Mr. Chairman.

Madam Secretary, let me start off by saying thank you for coming, as always, and your work in this area has been, I think, when you look at the history of the secretaries in -- in this area has been really commendable, so thank you.

I want to join in with Chairman Thompson in asking for the briefing on the cargo inspection and security piece.

And also I want to reference a question I asked, seems like a couple of weeks ago when you were here last, about a briefing on continuing of government.

And when I say continuity of government, I'm not reference agencies. I'm talking about with elected officials and how we respond and assist, if and when a disaster occurs.

Thirdly, I want to commend you. I have observed one of the new Coast Guard cutter response vehicles. There was an oil spill in my district last week.

And I saw the 45 and the ability to navigate from side to side, the ability to stop on a dime. I mean, it just seemed like we're really finally getting to the point where we can be as good as the bad guys. So congrats on that effort.

My questions are as follows: number one, I want to talk about the trade agreements.

I asked you last time had your department had an opportunity to work with Ambassador Kirk to see if we could engage some of these cargo screening issues, because last time when I asked you the question about two years ago, you said the reason why we couldn't deploy it was because we needed all this global cooperation.

So my question is, with the impending trade agreements, have you had an opportunity to work with Ambassador Kirk to make sure we can resolve these issues?

NAPOLITANO:

To date (ph), I have not yet been involved with Ambassador Kirk.

(UNKNOWN)

OK. When could I expect that, because I did ask it last time when you were here.

NAPOLITANO:

Let me look into it and we'll get back to you as soon as possible.

(UNKNOWN)

OK. Thank you.

My second question has to do with the reviewing of allocation of programs. It's my understanding, from the courts in my area, that the tier 1 level has changed from five cities to now 10.

And that has a lot to do with the significance in drops (ph) of funding.

And so I was just -- wanted to ask if you would consider relooking at that and seeing why has the change occurred, because I think one of the great things about your department was that you honestly viewed things based upon their merit and the significance and not getting into the political, you know, fights that we might have here in Washington.

So if you could review and get back, that would be helpful.

NAPOLITANO:

Yes.

(UNKNOWN)

Thank you.

Number three, I wanted to talk about cargo inspection. One of my colleagues said, well, you know, the layered effect and all of that, I will admit it's kind of a personal issue, because it's reflective of my district.

I would venture to argue that if, in terms of traveling by air, we use the same systems. You look on the computer, you're checking, you know, who the people are and all of that.

But everyone isn't just simply walking through the airport. You still have a layer of inspection that occurs at the airport that we all have to go through.

And so I want to echo my concerns on, as the chairman did, that I'm just really concerned of where we are. And I realize the chatter doesn't raise to the level as you're dealing with with aviation. I get all of that.

But all we need is one problem. And suddenly things will change.

So you were quoted as saying that you are looking to extend the deadline to July 2014. Do you really honestly see implementing this program? Or do you just think you're going to keep kicking the can down the road?

NAPOLITANO:

I'm hopeful that we can persuade the Congress that the statute itself, the statutory requirement is not the best way to secure the global supply chain, and that there are better ways, and that we are engaged in those.

But even given the existing statute, given that we have -- would have to have agreements with, I think 700-plus different ports, given the configuration of ports around the world, given the expense of some of the equipment that is associated by only focusing on what happens at the ports as opposed to the entire supply chain, by focusing on one area, we really don't fully get to the goal I think we all share, which is to make sure that materiel entering the United States is safe.

And so I think that this is going to have to be an area where we continue to work with the Congress, work with the committee moving forward.

(UNKNOWN)

OK. I'm going to be really quick, because I have one last question. Would you be open, then, to at least working with us, because since I've been here in the last three years, it seems like we're at the same point.

You say I want to do it the way I've been doing it. We kind of express other concerns.

What I'd like to maybe say is could we all get together, maybe in a working session, and kind of talk about what are concerns and maybe come to a compromise instead of us, you know, just kicking the football back and forth.

NAPOLITANO:

Yes. I think -- and I know we've (inaudible) the committee multiple times on what we are doing on cargo. But we would be happy, as always, to work with the committee.

(UNKNOWN)

OK. Mr. Chairman, could I have an additional 30 seconds?

KING:

Thirty seconds to the lady.

(UNKNOWN)

Madam Secretary, as I mentioned, there was an oil spill in my district. And I was not notified by DHS or anyone. I read it in the newspaper.

So what I would like to talk about, as I said, is continuity of government of what -- and I'm willing to work with you. It's actually a passion of mine that I see as a huge weakness, from Hurricane Katrina and so many other areas.

But I still don't think we've mastered how do we engage this end of the rail (ph) in these disasters. So I would like to work with you on that.

KING:

OK. (Inaudible) has expired and the gentleman, Mr. Duncan, is recognized for five minutes.

DUNCAN:

Thank you, Mr. Chairman.

Ms. Napolitano, thank you for coming back before this committee. And I reviewed in the written statement that you gave us the six identified Department of Homeland Security missions.

And I appreciate you breaking that out for us. Last month, this committee had the opportunity to discuss the border situation, the southern border situation mainly, with Chief Fisher.

And at that time, I read the definition of operational control from the Secure Fence Act of 2006, in which Congress defined operational control as the prevention of all unlawful entries into the United States, including entries by terrorists, other unlawful aliens, instruments of terrorism, narcotics and other contraband.

This definition is brought more to the forefront with the understanding that Hezbollah is in cahoots with a cartel.

And I'm concerned, as many Americans, that they're using smuggling routes of the cartel to bring God knows what into this country.

The customs and border patrol is publishing data stating that only 44 percent of the southwest border is under operational control. And we see that a border state, Arizona, is suing the federal government, your home state.

Yet, earlier, Chief Fisher had earlier stated that they had acceptable level of operational control.

And I stated to him (ph) acceptable level of operational control to the American people means that we control who enters this country.

On February 11th, a Arizona sheriff, 34-year law enforcement veteran, Larry Dever, he said this, I can't stand publicly and endorse a political initiative part of this, said Dever, whose county borders Mexico and the southeast Arizona area.

I can't stand up side by side with people who say that this border is safe and secure when it's not.

This came only a few days after the U.S. Customs and Border Protection Commissioner Al Bersin came to Arizona to meet with border sheriffs to discuss border security.

Dever stated that the president -- the administration's -- was seeking to sell the belief to the American people that the border is safe and secure as part of a publicity campaign. And those are his words.

So my question for you this morning is just a further understanding of what Chief Fisher and this administration and your office means when they talk about operational control.

NAPOLITANO:

Well, Representative, as I've said, many times what we want to have is a safe and secure border zone from San Diego to Brownsville. And no one is more familiar with that Arizona border than I am.

I have worked that border as a prosecutor, as a governor and now as the secretary since 1993. So I have a lot of years as experience with that border.

There are disagreements among the sheriffs along that border, by the way, so I would just simply note that. Not all the sheriffs are in agreement with Sheriff Dever, and who I also worked with for many years.

But here's the point that I think is so important. The point is, is that we have a pathway forward on that border. It includes manpower. It includes technology. It includes infrastructure.

It's a combination of all three of those things.

It also includes effective interior enforcement of our nation immigration laws, because the big driver of illegal immigration across that border is the opportunity to work in the United States, make a wage and send it back to another country, primarily Mexico right now.

So that's what the pathway forward is. That's what the plan to build up has been. That's why the president has put more border patrol agents in his budget than any time in our nation's history.

That's why he put more funding into technology. That's why he's put more funding into ICE. That's why he has supported the largest deployment of technology at the southwest border in our nation's history.

That's the pathway forward. That is the plan.

Unfortunately, the H.R. 1 that passed here contradicts that plan. It goes backwards. It will take us back to where we were several years ago in terms of the actual resources that are available at the southwest border.

So I would respectfully ask this committee to look at the continuing resolution and look at our FY12 budget requests with those priorities in mind. But I think we all share the same goal.

And the goal is to have a safe and secure border. And the goal is to have a border through which legitimate travel and trade can go back and forth. We have some huge land ports of entry along that border.

Mexico is the number one or two trading partner of, I think, 23 of our states. So that needs to be facilitated, even as we increase the manpower and equipment laydown between the ports.

DUNCAN:

Well, I thank you. I think our goal is the same as -- in securing the border, determining what comes in here.

And thank you, Mr. Chairman.

KING:

(inaudible) expired. The gentleman from Massachusetts, Mr. Keating, is recognized for five minutes.

KEATING:

Thank you, Mr. Chairman.

Madam Secretary, thank you for being here today.

And last month we had the chance to discuss the aftermath of the death of a 16-year old, Delvonte Tisdale, whose -- tragically, whose mutilated body was found in eastern Massachusetts in the direct line of a 737 commercial flight that left Charlotte on its way to Logan.

And forensic experts have ascertained that Mr. Tisdale reached the shore (ph) -- the perimeter at Charlotte Douglas International Airport, hid before takeoff in the wheel well of the airplane that was bound for Boston Logan International Airport.

To date, there's been no video surveillance that surfaced that could detail how Mr. Tisdale was able to breach airport operation in that area in Charlotte Douglas.

And the case surely suggests that there may be perimeter and airfield access vulnerabilities in other airports as well. Now this week, Charlotte Mecklenburg police department released a public version of their investigation.

Indeed, the police department's investigation, the local police department's investigation concluded there's a need to strengthen the perimeter security in many respects.

And I'm glad that this airport, a major hub, will be working with TSA to implement these new security measures. And I'm sure that you agree that if there's a security breakdown in one airport, particularly a hub such as Charlotte Douglas, that countless airports and cities are vulnerable. So I had four questions I'd just like to pose.

The first; I'd like to make sure if it's possible that the members of this committee are briefed on the classified police department report that they had issued. Can you agree to work with our committee in that respect?

NAPOLITANO:

Yes it is, it is a matter that is still under investigation, that particular - how that particular breach occurred. So I'm not at liberty to discuss it in a public setting. We will explore when the investigation is complete what - how we go about sharing that.

(UNKNOWN)

My understanding is that the local police investigation is complete from local officials. Could you share that local police report, at least through this committee.

NAPOLITANO:

Well Senator let me look into this. That was not my understanding so let me look into that.

(UNKNOWN)

Thank you and Ranking Thompson and myself asked TSA to conduct its own investigation in this matter. Now that the TSA has the report from the police department, when will TSA commence that investigation?

NAPOLITANO:

Well I believe that TSH is - their investigation is underway and in addition, you know we learn from all these incidents. You know this is a, you know every time there's a breach of whatever type it is something that we say okay, what happened here? Is it - was it - is it capable of repetition? What needs to happen systemically.

You're right to point out the hub nature of Charlotte if that's indeed where this individual got on board. It is something that reminds us of, you know perimeter, which as you know, the TSA doesn't control the perimeter. It has standards that airports are supposed to abide by with respect to parameters.

So we're looking at all of that afresh in light of this incident and any kind of incident.

(UNKNOWN)

Well let me try, for the sake of time to combine my third and fourth questions together. Let me express this, all the way along I have a greater sense of urgency when a breach of this nature occurs that can threaten not only this airport, but other airports and I suppose that many other people it seems, but to me I'm a bit dumbfounded that, that sense of urgency hasn't resulted in quicker action.

I had had the chance on my own and with some assistance to look at some of the minimum standards, which I will not discuss because I don't think it's great to discuss publicly what some of the minimum standards are in terms of the parameter at airports, but suffice to say looking at those from my perspective that I've been able to view - I'm not satisfied and I'll tell you the truth, I don't think the public would be satisfied if they knew what those minimum standards are. And my question to you is, given the minimum standards and given the fact that you just expressed that there's another jurisdiction often involved in implementing that - those standards, what can we give you for

authority if necessary to make sure there's a seamless approach to making sure those parameters and tarmac areas are as secure as they should be.

Because my view of what happened in Charlotte clearly indicates that there's a major breach. In a bank robbery you can go back after someone did it and get video tape, forensic evidence, there's no sign in the videotape from anything I've seen that they can even locate how he did it, yet he did.

So I see a major problem and we're going to work with you as a committee to see if we can give you more authority if necessary, more resources if that's necessary. But to me that's a profound danger to the traveling public where - they're barraged at the gate which is fine, we all accept those kind of intrusions, but you look out the window at the tarmac and parameter and frankly I don't feel safe when I'm taking a plane.

KING:

The time of the gentleman has expired and consultation with the Ranking Member where SVEM (ph) is concerned, to have all future question periods limited to three minutes so the secretary can make it to the White House for her meeting with the President of Mexico.

NAPOLITANO:

I'm willing to work with the committee on this.

(UNKNOWN)

Thank you.

KING:

Without objection, now three minutes to the gentleman from Florida, Mr. Bilirakis

BILIRAKIS:

Thank you Mr. Chairman, I appreciate it. Thank you Madam Secretary. Getting back to the student visa issue, describe the enhanced monitoring capabilities of SEVIS-2 as opposed to SEVIS-1. And if you can tell me when - I know the program - the system has been delayed and hasn't been deployed - scheduled to be deployed last year.

Give me a timeline, when do you think this will be implemented and what are we doing - what is ICE doing to monitor - enhance monitor these individuals in the meantime?

NAPOLITANO:

Well I'll get back to the exact timeline Representative, but you know, as I mentioned earlier at this hearing, ICE is able, under the current SEVIS system to monitor, to monitor for suspicious activity reporting in bank accounts and the like and that is indeed one of the ways in which this individual was detected.

BILIRAKIS:

Okay. What is the current level of coordination and information sharing between DHS and the State Department regarding student visa issuance? And then again why didn't the president, actually the budget is flat on the visa security units and I know we've identified, I think there are 17 that are actually in place and I know we have close to 70 identified high-risk areas in the world.

Can you explain to me why? Is this not a priority of this administration?

NAPOLITANO:

Well all issues of security are a priority and, and all of them have a sense of urgency about them. In reference to the prior question I think we put ICE individuals into embassies upon agreement with the State Department as to where they should go and we have requested funding for where we have agreements.

BILIRAKIS:

Okay, thank you. I'll yield back in the interest of time.

NAPOLITANO:

Thank you gentleman and (inaudible) Ms. Clarke, is now recognized again.

CLARKE:

Thank you very much Mr. Chairman. It's so good to see you Secretary Napolitano. Thank you for your forthrightness in the responses to what is a challenging budget. I'm sitting here and just thinking that some of what, some of what our concerns are almost diametrically opposed to what has come forth in the CR.

And it's interesting to hear the conversation. But I have a question about cyber security. The National Cyber Security Division is currently planning to deploy five Einstein monitors and five key nodes on the dot gov domain. They should be used to protect and detect intrusions on computer systems. If the continuing resolution is adopted by Congress and you don't receive your requested funds for 2011, how would it affect this much needed project and the request for \$236.6 million in the FY12 budget?

NAPOLITANO:

It will cause significant delay, Representative. I think for the deployment of Einstein-3 we would see that moved back at least two or three years in terms of our ability to, to deploy it. So - and talk about an area where there's urgency, the cyber area has, has real urgency associated with it.

So we hope we can work with the Congress to, to revisit that issue.

CLARKE:

Yes I think that that's an area of, of concern that both sides delay the radar for whatever reasons and it's going to take - get us, as my father would say, to feel it before we realize how much of a priority it is. I want to move quickly to interoperability and the whole question of the D-Block Spectrum. There seem to be dueling opinions around the D-Block Spectrum and I see that, you know, you and the president have been focused on reserving the - in support of the reallocation of the D-Block to public safety.

Can you elaborate to the committee the level of involvement that department has had in the D-Block debate and how you envision fiscal year 2012 budget helping the Department and Office of Emergency Communication to, to preserve that for public safety communication networks? You know this is a key area in light of what we've seen and what we've witnessed during the 9/11 terrorist event and hurricane Katrina.

NAPOLITANO:

Yes Representative. We've been very involved ever since the FCC initial decision was announced that they wanted to auction off the D-Block.

CLARKE:

That is correct.

NAPOLITANO:

The Justice Department and Homeland Security, we both raised our hand and said wait, there's a public safety issue involved here. That - we have reached agreement within the administration. Absolutely the D-Block ought to be reserved for public safety. I believe we will - I'll be working with the Congress on the statutory changes needed to effectuate that.

CLARKE:

Fabulous. And just in closing, Madam Secretary under the continuing resolution, the DNDO would lose at least \$20 million for acquisition this fiscal year. I'm coming around to the issue of securing the cities and how this would impact securing the cities, human portable detectors and other deployments. Can you share that with us please?

NAPOLITANO:

Yes, the budget for DNDO would, would affect both of those things and as I noted in my opening statement we have asked for money in the FY12 budget to not only continue securing the cities, but to add to it.

KING:

The time has expired. Would add that in the CR securing the cities is protected I believe. We can discuss that - discussed that with the secretary before and we will ...

NAPOLITANO:

Yes I was referring to the detection - the other detection ...

(CROSSTALK)

NAPOLITANO:

... but it is true that in the FY12 budget, securing the cities is sustained and we want to add another city to it.

KING:

The gentleman from Arizona, Mr. Quayle is recognized for three minutes.

QUAYLE:

Thank you Mr. Chairman and thank you Madam Secretary for coming here. There has been a lot of talk I think in this - talk with the budget of 12 with the CR that just wen through the House and will be going through the Senate and coming back probably.

But one of the focuses of both the media and here this afternoon has been what effects it's going to have on securing the southwest border? And I just wanted to give a little lay of the land of how this CR is going because from my looking at it, it's going to be adding more border agents, not decreasing more border agents.

It's increased funds for CVP by \$147.9 million over what it was for fiscal year 10, which was an increase compared to what the administration fiscal year 11 request was. It also provided \$550 million for fencing infrastructure and technology, \$57.8 million for ICE to maintain new southwest border hires and no fewer than 33,400 detention beds.

There also includes \$60 million for Operation StoneGarden, which is the same as fiscal year 10. Now in going forward with the CR and also with the fiscal 12, what in terms of priorities do you think that we should be focusing on for the southwest border? Is it technology, more Border Patrol agents? Which do you think is most important in that regard?

NAPOLITANO:

Well, first of all, I think there's a lot of - I really don't - can't agree with the laydown you gave of the facts in terms of how they really affect funding for the Southwest border, Representative Cuellar. I'll be glad to get with you after this hearing, because time is precious.

But I think even Senator Kyl yesterday put out an article expressing concern for border and immigration enforcement. So I think there's some bipartisan disquiet there. It's not a good border budget. It's not a good immigration budget, and we believe very strongly that just to keep moving in the direction we're moving is the right thing. The numbers that need to change are all going in the right direction, and dramatically so, particularly in Arizona.

We need more manpower, we need more technology, and we need more funding for infrastructure put in the right places and the right kind of infrastructure. And it's hard to say, well, 1, 2 and 3. It's all of the above, because it's a system. And then you need to back that system up with enforcement in the interior of the country, which is primarily ICE. And so, when you have that system in place, you begin to see the dramatic impacts that we've seeing over the past couple of years.

QUAYLE:

All right, thank you very much.

I yield back.

KING:

The gentleman from Louisiana, Mr. Richmond, is recognized for three minutes.

RICHMOND:

Thank you, Mr. Chairman. Thank you, Madame Secretary.

We're having an issue in Louisiana that I think rises, in my opinion, to a Homeland Security issue, especially when you talk disaster response. You talk about dredging of the Mississippi River, and you talk about all the ships that come through with petrochemicals, and so forth.

What if those ships run aground and we have a leak then that falls smack-dab under your agency in terms of the response? Are you at all involved in making sure that our ports are dredged to a safe level, at least to their authorized level, so that we don't have that?

And our river pilots who navigate the ships on the Mississippi had to issue a warning in a memorandum to their pilots not to traverse the river at nighttime, wait until high water, because of a fear of running aground and having a spill. So I know that agencies don't talk to each other, but that is a big concern of mine. Have you paid any attention to that?

NAPOLITANO:

I'm not personally familiar with that particular issue, or that particular port issue. But I can say that the Coast Guard works very directly with the shipping industry, with those involved. We have the captains of the ports, for example, and with the Army Corps of Engineers.

RICHMOND:

The other thing I would just like to add, especially as states start to deal with major budget problems, especially Louisiana. And we deal with our own budget problems up here, the grants for emergency preparedness, for event planning, exercises, management, and all of those things. If we see a reduction in those grants, is it possible that we create a more general pool so that the local emergency preparedness offices can better utilize or prioritize what they need to use the grants for?

NAPOLITANO:

Well, that's one of the reasons why we recommended consolidating the current list of 17 into nine, to give localities some more flexibility to reduce the number of grant applications and the paperwork they have to submit. It was something that we asked for last year. We're asking for it again in the FY '12 budget.

RICHMOND:

Thank you.

I yield back.

KING:

The gentleman - the Chair recognizes the gentleman from Pennsylvania, chairman of the counterintelligence subcommittee, Mr. Meehan, for three minutes.

MEEHAN:

Thank you, Mr. Chairman.

And thank you, Madame Secretary, for being with us here again, and for your extensive preparation. I, among many in Washington in the last 48 hours have been with those who have been sort of dog-eared the most recent report from GAO. It was a pretty tough challenge in many parts of government, including our own backyard here, as we all collectively look at the issue of homeland security. They were looking at overlap and fragmentation among government programs.

But a particular area, the area of bioterrorism - and I quote from the report - "at least five departments, eight agencies, and more than two dozen presidential appointees oversee \$6.48 billion related to bioterrorism."

NAPOLITANO:

Yes.

MEEHAN:

And if you go deeper into it, it says at one point, "there's no broad, integrated national strategy that encompasses all stakeholders with biodefense responsibilities " - this is on the front end - "with respect to systematically identifying risk, assessing resources needed to address that risk, and then prioritizing and allocating the investment." So that goes to sort of our preparedness for an event. Then it says that, "there is no national plan to coordinate federal, state, and local efforts following a bioterror event, and the United States lacks the technical and operational capabilities required for an adequate response."

That's a tough accusation for all of us who share a concern about this issue. And I know you represent just one of the multiple agencies, but this is a big challenge for all of us in government. How do we begin to look at this incredible problem? This is a canary in a coal mine, in my mind, right now.

How do we begin to look at the issue of a national strategy and get that focal point, go across the multiple agencies, but not only be better with our resources in terms of fiscally responsible, but deal with issue of appropriate preparedness and response?

NAPOLITANO:

Well, Representative, well first of all, if I might suggest something for the committee to consider? And that is, I don't think it's overall helpful for GAO reports that are allegedly pointing out alleged vulnerabilities to be put out in an unclassified format. I think that's a problem. And I think I've referenced it several times. I would respectfully ask that Congress really look at that, for obvious reasons.

Secondly, the issue of bio I believe it's very complicated, because you're quite correct. It does cross multiple agencies. You've got entities at HHS, you've got us, you've got the DOD. You've got some smaller agencies, all of which have a piece of this. We have been working primarily with HHS on merely trying to create or construct a pathway forward at the interagency level where bio is concerned. And what I would like to do is have some of the people directly involved with that brief you in a classified setting.

MEEHAN:

I would thank you, that would be great. That would be a great opportunity to begin trying to work on something, whether we like it or not, that's out there now in public and we're going to be asked about.

Thank you, Mr. Chairman, I yield back.

KING:

The gentleman's time has expired.

The gentleman from Texas, Mr. Farenthold.

FARENTHOLD:

Thank you very much, Mr. Chairman.

Madame Secretary, I'd like to personally thank you for being in Brownsville attending a memorial mass for Agent Zapata. My office has continued to be in contact with the Zapata family and let them know that you would be here today, and actually asked if they had any questions for you.

They sent a list of 17 that definitely points out the fact that it's a family dedicated to law enforcement. Mr. McCaul has asked a couple of them, and a couple of them are in details that aren't appropriate for the scope of this meeting.

But the one that I don't think was asked that I do think is important that we address is what concrete steps are we taking to make sure that something like this doesn't happen again? And are those steps addressed in the budget proposal that was put together clearly behind the scenes before this event that I consider being an escalation in the war against drugs on our southern border?

NAPOLITANO:

Well, I think first of all, thank you for being at the service. It was very moving and it was - the Zapata family, you have two other - it was five sons and I think two others are DHS employees and the father is a law enforcement official, retired now. So really, a great Brownsville family and great citizens of our country.

That moving forward, first of all, we've been working on a very intensive basis with the government of Mexico and with DOJ on the - not only the investigation of the shooting of Agent Zapata, but what can be done to deal with the entire - some of the entire organizations that are now plaguing Mexico?

What more can we do to assist the Calderon administration in their fight against the cartels? What more do we need to do to make sure that our agents are properly supported in the field? And what more we can do in the continental United States, to the extent the cartels have fingertip presences here, to go after them? And there have been, at least in open source reporting I think I can say that there have been a number of activities on all of those fronts.

FARENTHOLD:

And I would urge you to stay in close communication with the Zapata family. They're law enforcement agents that will work with you and have the curiosity that only a law enforcement family might have there.

I don't have a whole lot of time left. The budget indicates that there is actually no funding in the request for UAV that have been found to be effective on the border. Is there a reason for that omission?

NAPOLITANO:

I believe - let me clarify that for you - I believe there is funding for two more UAVs at the border. And we now have the capability to traverse the entire border by UAV. So we've greatly expanded that capability.

FARENTHOLD:

Well, I'm out of time. I do have some more questions. We'll probably follow up with them at some future point in time.

Thank you very much.

NAPOLITANO:

Fair enough. Thank you.

KING:

Madame Secretary, thank you very much for your time. I wish you good luck at the White House with the president of the United States and the president of Mexico. And members of the committee may have some additional questions. And I'd ask if they could respond to you in writing, and if you would respond to them.

The hearing record will remain open for 10 days, without objection.

The committee stands adjourned.

NAPOLITANO:

Thank you very much, Mr. Chairman.