

Department of Homeland Security Budget Hearing
Chairman Joe Lieberman
February 13, 2007

Good morning, Secretary Chertoff. I'm pleased to welcome you here before this committee today to discuss the Department of Homeland Security's Fiscal Year 2008 budget request. I find some bright spots in your proposal, which I will get to shortly. But I must say I am deeply disappointed to see that this year's request continues a risky trend of under-funding some of the nation's most pressing homeland security priorities.

For the fourth year in a row, the Department's budget request proposes to cut crucial support for the men and women who put their lives on the line for the rest of us every single day – our over-worked, under-equipped, and under-trained first responders – the fire fighters, police officers, and emergency medical workers who prepare for and respond to disasters both natural and man made wherever and whenever they occur.

Your proposal would cut overall grant funding by a staggering 40% - seriously limiting the ability of state and local officials to protect their communities the way they should be protected. We were lucky to have a mild hurricane season in 2006, but the next hurricane season is less than four

months away, and these cuts would reduce the ability of every state and city to prevent and respond effectively. Under the Administration's proposal the minimum amount each state would receive would be reduced from approximately \$6.75 million in FY 2007 to \$625,000 for FY 2008. That is a substantial cut that will be difficult for many states to absorb.

Two weeks ago Senators Landrieu, Obama and I traveled to New Orleans for a field hearing on Gulf Coast recovery efforts. We toured the hardest hit parts of the city, and heard first hand the frustrations of people desperately trying to rebuild their communities against enormous odds. The Gulf Coast recovery – one and a half years after the hurricane – is painfully slow and needs the attention of your Department and this Administration.

To improve our Committee's oversight in this critical area, Senator Landrieu, with the help of Senator Stevens, will lead a new Subcommittee on Disaster Recovery, and together with the other members of the full Committee, we will work to keep the Administration focused on the outstanding needs of the people of the Gulf Coast.

I am heartened the Department recognized the recommendations made by this Committee's Hurricane Katrina report and subsequent bipartisan legislation passed by Congress last year. The \$142 million increase to FEMA's operating budget is a promising beginning toward helping the agency address critical shortcomings such as incident management, disaster logistics, and emergency communications. I hope over the next several years the budget continues to provide the resources necessary to restore FEMA to an agency we can all be proud of again.

The Department's implementation of key provisions of the Post-Katrina Emergency Management Reform Act, however, raises a number of questions. The centerpiece of the law was to reunite preparedness and response, so that those who were planning and exercising together, would also be responding together. It is critical that these essential elements of the Department's activities operate in concert. Yet, while transferring control over homeland security grants to FEMA as we intended, the budget would preserve some other resources outside of FEMA that, our legislation said should be within it. I look forward to hearing your justification for this.

Allow me to touch on the Department's chemical security program. Senator Collins and I shepherded strong, bipartisan chemical security legislation through the Committee last year. The Senate never took it up, but the Department obtained limited regulatory authority through its appropriations bill. I am pleased the Department is moving ahead expeditiously on this program but I have many questions about its implementation.

As I discussed in a letter to you last week, the draft regulations make no mention of using safer chemicals and technologies to reduce risk. They do not protect the rights of states to set stronger security standards. And the provisions regarding the treatment of sensitive information and judicial review will lead, I am afraid, to a program that is overly secretive and lacking in sufficient oversight. The Department's budget request provides \$15 million in additional funding for chemical plant security – a sum I believe is insufficient to begin a robust chemical security program. Furthermore, these funds are obtained by cutting other vital infrastructure protection programs, which strikes me as unwise. As a brief aside, I read with some discomfort last week that the Administration's 2008 budget proposes to spend more on protecting next year's presidential candidates -

\$35.6 million – than it will spend working to secure chemical facilities nationwide - \$25 million. That is but one illustration of misplaced priorities.

Moving onto port security, this Committee worked in collaboration with the Commerce Committee and others to pass the SAFE Port Act last year, which authorized \$400 million in port security grant funding. The Department is now requesting just \$210 million. On the bright side, DHS has moved quickly to implement the cargo screening pilot programs called for in the law, and I look forward to hearing about the results.

Rail and transit security is another area seriously under funded by the Department's budget request, although at \$175 million, it is a marked improvement over last year's request of zero. Mr. Secretary, you know well the vulnerabilities of our transportation systems and the history of al Qaeda attacks on those systems in London and Madrid. You have famously said there is a limit to what the Department can do, but surely it can do more than it has done to date.

Moving onto the U.S. Coast Guard - the men and women of the Guard were among the heroes of the response to Hurricane Katrina, and I have full

confidence in Admiral Allen's leadership. But I am concerned by recent revelations about the Deepwater program. The renovation of the Guard's rusting fleet is too important to fail, so I am eager to hear how you and Admiral Allen intend to set this program right.

As you know, the Government Accountability Office released its latest "high-risk" report, and the transformation of the Department of Homeland Security and Homeland Security Information-Sharing remain on the list. Furthermore, the Office of Personnel Management recently reported that DHS employees ranked the Department at or near the bottom for employee satisfaction. These management issues are of concern to me and to this Committee, and I hope that you and your leadership team will make them a priority.

I'm pleased to see that the Department intends to conduct a Quadrennial Homeland Security Review in 2008. In 1997, I worked to establish the Department of Defense's Quadrennial Defense Review, which I believe has played an important role in helping DOD realign its strategies and missions to adapt to a fast-changing world and an ever evolving enemy. I think the Department of Homeland Security could benefit from the same

type of review process, and I hope that you make this a priority for your leadership team in 2008.

Finally, let me note that tomorrow we will be marking up our bill on the un-implemented 9/11 Commission recommendations, which contains provisions that will strengthen the Department's information-sharing, terrorist travel, emergency response, and private sector preparedness efforts. I hope that you will support this Committee's bipartisan efforts to move this legislation forward.

I look forward to working with you on these and other critical priorities for the Committee in the coming year in order to strengthen the security of our nation. I look forward to hearing your testimony. Senator Collins?