

From: (b) (6)
To: [Kolasky, Robert](#); [Durkovich, Caitlin](#); (b) (6)
Cc: (b) (6)
Subject: SAC Homeland Security Subcommittee Hearing Digest
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Good afternoon,

I put together a SAC Budget hearing summary outlining high points below:

Members Present

Republicans: Chairman John Hoeven (ND), Full Committee Chairman Thad Cochran (MS), Senator Bill Cassidy (LA), Senator Lisa Murkowski (AK)

Democrats: Ranking Member Jeanne Shaheen (NH)

Witnesses

The Honorable Jeh Johnson, Secretary, Department of Homeland Security

Overview

On February 24, the Senate Appropriations Committee's Homeland Security held a hearing to discuss the Fiscal Year 2017 (FY2017) Budget Request for the Department of Homeland Security (DHS).

Topics discussed during the hearing included, but were not limited to: (1) TSA Fees; (2) Immigration; (3) FEMA; (4) Countering Violent Extremism; (5) Secret Service; (6) Coast Guard; (7) Cybersecurity; (8) Aviation Security; (9) White House Fence; (10) Opioids; and (11) Unmanned Vehicles.

Member Statements

Full Committee Chairman Thad Cochran (R-MS) said the Commandant of the Coast Guard recently testified that they can only target 20 percent of the known flow of maritime drug trafficking. He emphasized the challenges facing law enforcement and raised concerns with the stresses being placed on the Coast Guard. He stressed the need for the Committee to be a constructive influence on the appropriations process.

Chairman John Hoeven (R-ND) said the Director of National Intelligence recently testified that "instability has become the new normal," emphasizing to the threat of violent extremism. He pointed to the attacks in Paris, San Bernardino, and Chattanooga. He noted that a recent poll found that 16 percent of Americans believe terrorism is the top threat facing America. Hoeven said the DHS Budget Request includes \$909 million in proposed TSA fees, noting that without these revenues TSA would have to be cut by 20 percent. He said the budget also proposes to cut immigration enforcement by \$350 million, with particular cuts in the number of adult detention beds. He stated that the Request cuts state and local preparedness grants issued through FEMA. Hoeven expressed interest in the personnel costs at DHS. He said there are areas where DHS is unable to meet its personnel needs, such as border patrol and Secret Service. He stressed the need for metrics to assess DHS effectiveness. He expressed support for implementing a biometric exit system. He emphasized that cybersecurity is a top priority for both DHS and Congress.

Ranking Member Jeanne Shaheen (R-NH) said she shares many of Hoeven's concerns. She said the

DHS Budget Request would reduce funding for the Department by about \$40 billion for operations FY2017. She suggested that the politics of imposing \$909 million in TSA fees are “questionable.” She said she has concerns with the proposals to reduce FEMA state and local grant programs and rescind \$120 million in emergency disaster loans. She expressed support for the requested 30 percent increase in funding to strengthen cybersecurity infrastructure. She stressed the need to address the heroin problem in New Hampshire.

Testimony

The Honorable Jeh Johnson, Secretary, Department of Homeland Security said the DHS Budget Request meets the caps under the Bipartisan Budget Agreement of 2015. He stated that the DHS Budget Request calls for \$40.6 billion in appropriated funds, compared to \$41 billion currently in FY2016, but an increase in total spending authority to \$66.8 billion, compared to \$64.8 billion currently in FY2016. He noted that the Budget Request would increase the DHS workforce from 226,157 in FY2016 to 229,626 in FY2017. Johnson said the DHS Budget Request would be funded by fee increases, noting that DHS has submitted legislation to implement such fees. He stated that the request includes \$6.7 billion for FEMA's disaster relief fund. He said the Budget Request includes \$5.1 billion for transportation screening and \$1.1 billion to recapitalize the Coast Guard. He noted that the budget also includes \$1.6 billion for cybersecurity, which is an increase of \$200 million from FY2016. Johnson stressed the need to eliminate stovepipes and inefficiencies in the DHS.

Question & Answer

TSA Fees

Chairman John Hoeven (R-ND) suggested that the DHS' proposed TSA fee increase of \$909 million is unlikely to happen. He asked how Congress should approach this issue. Johnson suggested that a fee increase is appropriate in connection with aviation security. He acknowledged the difficulty of implementing such a fee, but noted that the fee was increased from \$5 to \$5.60 under the Murray-Ryan agreement. He stressed the need for adequate funding for aviation security, cybersecurity, border security, and the Coast Guard. He stated that the current DHS headquarters is wholly inadequate. He stressed the need to invest in the new headquarters at St. Elizabeth now in order to reduce long-term costs.

Immigration

Chairman John Hoeven (R-ND) said the funding in the Budget Request is inadequate to meet DHS' current detention bed needs. He suggested that the number of beds needed will increase. Johnson said DHS has requested 31,000 detention beds. He stressed the need for flexibility to move back and forth between single adults and families.

Ranking Member Jeanne Shaheen (D-NH) raised concerns with the Special Immigrant Visa Program. She asked if DHS would be willing to reexamine this issue. She urged DHS to consult with the Department of State on this issue. Johnson said he is examining Shaheen's letter on this issue.

Chairman John Hoeven (R-ND) asked why it is taking so long to develop a biometric exit system. He

asked if a biographic exit system could be used as an alternative. Johnson said the most recent visa overstay report is based on biographic exit systems. He said it would be very difficult to track student visa overstays currently. He noted that DHS received additional funds from Congress to complete a biometric exit system. He said he hopes to begin implementation at airports by 2018. He noted that DHS currently has pilot programs at airports.

FEMA

Chairman John Hoeven (R-ND) expressed concern with the proposed cuts to FEMA emergency preparedness grants. Johnson agreed with the importance of emergency preparedness grants, but stressed that budget constraints force hard choices.

Ranking Member Jeanne Shaheen (R-NH) expressed concerns with the proposed cuts to FEMA emergency preparedness grants. She said the proposal would cut states grants by 57 percent. She asked how DHS chose to make these cuts and what their impact will be. Johnson said until very recently states and cities were limited to two years to spend their grant money. He noted that he expanded this policy to three years to provide additional flexibility. He said this change went into the thinking for the grant proposal. He said the Budget Request makes hard choices in order to meet the caps passed by Congress. He stated that local law enforcement has taken on much of the homeland security mission in dealing with "lone wolf" attacks.

Senator Bill Cassidy (R-LA) said his constituents have faced challenges in meeting with FEMA about flood mapping. Johnson said he would work to arrange a meeting.

Ranking Member Jeanne Shaheen (D-NH) said last year the Administration requested significant additional funding for disaster mitigation grants. She noted that the request for these grants was reduced in this year's budget. She emphasized the cost benefits of mitigation. Johnson said DHS prioritized flood mapping over pre-disaster assistance. Shaheen asked if there are other agencies DHS could partner with on mitigation, such as the Department of Transportation. Johnson responded that other agencies could contribute to this effort.

Countering Violent Extremism

Ranking Member Jeanne Shaheen (R-NH) emphasized the importance of funding for Countering Violent Extremism (CVE). She asked how the Department of State and DHS will coordinate on this issue. Johnson said DHS is the lead on a CVE task force with the Department of State and the Department of Justice. He stressed the need to provide resources at the local level.

Secret Service

Full Committee Chairman Thad Cochran (R-MS) asked if the Budget Request is sufficient to meet the DHS' mission. Johnson said DHS has done the best it can to fulfill its mission under the budget caps. He stressed the need to recapitalize the Coast Guard. Cochran asked to what extent Congress needs to reexamine the funding and personnel of the Secret Service. Johnson said the Secret Service has faced challenges over the past few years. He noted that the DHS is implementing changes recommended by an independent panel. He stated that the biggest challenge for the DHS is obtaining adequate manpower

and providing adequate training. He stressed the need to ensure that the Secret Service has adequate funding. He commended Congress for providing additional funding for the Secret Service.

Coast Guard

Senator Lisa Murkowski (R-AK) raised concerns with the funding for the Coast Guard, particularly for ice breakers and the Arctic region. She stressed the need to bring an additional ice breaker online. She asked for assurances that the Budget Request provides adequate funds for construction of a new ice breaker by 2020, while also funding cutters. Johnson responded that the budget provides adequate funding for the new ice breaker. He said the Budget Request includes \$150 million for design of a second heavy ice breaker. Murkowski stressed the need build a ninth National Security Cutter (NSC). She contended that there should be an NSC with a home port closer to the Arctic, noting that the closest one is in Alameda, California. She suggested that an NSC should be stationed in Alaska. Johnson said the completion of the ninth NSC cutter is "a ways off." He stated that it would be premature for him to comment on where its home port should be.

Cybersecurity

Senator Bill Cassidy (R-LA) said the DHS Budget Request would zero out the cybersecurity education program. He asked why DHS is not prioritizing cybersecurity education. Johnson said cybersecurity is important to DHS. He pointed to the Cybersecurity Action Plan issued by the President. He stated that he believes cybersecurity is important, but that the Department had to make hard choices to comply with the budget caps.

Chairman John Hoeven (R-ND) said DHS has had challenges meeting its personnel needs in a number of areas including Secret Service, border patrol and cybersecurity. Johnson said there is a great deal of competition for good cybersecurity personnel, both from the private sector and other government agencies. He noted that the Congress gave DHS with greater authority to hire cyber personnel. Hoeven asked if DHS can attract adequate cyber personnel. Johnson said DHS is hiring cyber personnel rapidly. Chairman John Hoeven (R-ND) asked if DHS has adequate cybersecurity systems and the ability to develop needed systems. Johnson said DHS is making a huge investment in the EINSTEIN system. He stated that EINSTEIN remains a good investment because of its capability to use classified information to detect and block cyber intrusions. He said EINSTEIN is a good platform for incorporating future technologies. He stated that the cybersecurity bill passed last year was an excellent bill, which should allow the private sector to share cyber threat indicators with DHS. Hoeven asked if DHS can obtain help from the private sector, such as in opening encrypted phones. Johnson said encryption has hampered state, federal, and local law enforcement. He stressed the need to make changes in this area. He expressed support for the government's position in their request for Apple to open the phone of the San Bernardino attackers.

Aviation Security

Senator Bill Cassidy (R-LA) asked if DHS could expand the TSA-PreCheck and Trusted Traveler

programs. Johnson said DHS is expanding this program in that 1.5 million people signed up last year for TSA-PreCheck, compared to 500,000 the year before. He said he is making a renewed effort at aviation security, which has resulted in some longer lines.

White House Fence

Chairman John Hoeven (R-ND) asked if the DHS Budget Request includes additional funding to replace the White House fence. Johnson said DHS has put in a higher fence which has deterred fence jumping. He said a taller, better fence will be needed.

Opioids

Ranking Member Jeanne Shaheen (D-NH) stressed the need to combat the opioid epidemic in New Hampshire. She suggested that drugs are coming across the southern border and then moving up the interstates. She said this issue intersects with the work of Customs and Border Patrol (CBP) and the Coast Guard. She asked what additional role CPB could play in interdiction. Johnson said Homeland Security Investigations (HSI) can play a role in this area. He stated that there has been significant success at the border with interdiction.

Unmanned Vehicles

Full Committee Chairman Thad Cochran (R-MS) asked if DHS would provide the Committee with a list of its unmanned maritime systems, to which Johnson responded in the affirmative. Chairman John Hoeven (R-ND) asked Johnson to also provide a list of DHS' unmanned aerial systems, to which Johnson agreed.