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S. 2537 – Department of Homeland Security Appropriations Bill for FY 2005

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On June 17, 2004, the Appropriations Committee reported S. 2537 as an original bill by a vote of 29-0; S. Report 108-280.

Noteworthy

- S. 2537 provides \$33.1 billion, with \$32 billion allocated for discretionary funding. The Committee recommendation is \$895 million above the Administration's request, and \$2.8 billion or 9.2 percent above the FY04 enacted level.
- S. 2537 provides \$2.5 billion for Project BioShield, which fully funds the Administration's request.
- S. 2537 provides \$7.4 billion for the Coast Guard, which is \$705 million above the FY04 enacted level.
- S. 2537 provides \$5.2 billion for the Transportation Security Administration, which is nearly \$185 million above the Administration's request, and more than \$648 million above the FY04 enacted level.
- S. 2537 provides \$340 million for the United States Visitor and Immigration Status Indicator Technology (US VISIT), which enhances the security of U.S. citizens and visitors by verifying the identity of visitors with visas.
- On June 18, the House passed H.R. 4567, its version of the Homeland Security Appropriations bill, by a vote of 400-5.

Highlights

The Bill provides the following allocations by title:

<u>Title</u>	<u>FY05 Bush Request</u>	<u>FY05 Committee Recommendation</u>
Title I: Departmental Management and Operations	\$713.6 million	\$632.1 million
Title II: Security, Enforcement, and Investigations	\$20.0 billion	\$20.7 billion
Title III: Preparedness and Recovery	\$9.2 billion	\$9.4 billion
Title IV: Research and Development, Training, Assessments, and Services	\$2.2 billion	\$2.3 billion

Note: H.R. 4613, the FY05 Defense Conference Report, which was signed into law on August 5, 2004, included a discretionary cap level of \$821.9 billion, which is expected to provide budget points of order protections against amendments that seek to increase the bill's current funding level.

Bill Provisions

Title I – Department Management and Operations

Title I provides \$632.1 million for the Department's Management and Operations, which is \$81.5 million below the Administration's request, but \$179.4 million above the FY04 enacted level. Significant spending accounts and language requests include:

- **Office of the Secretary:** Provides \$82.2 million for the Office of the Secretary and Executive Management.
- **Department-Wide Technology Investments:** Provides \$222 million for the development and acquisition of information technology equipment and related investments. Included in this amount is \$100 million for enhancing wireless communications capabilities within the border environment, and for continuing support of the Wireless Public SAFETY Interoperability COMMUNICATIONS (SAFECOM) program.

Title II – Security, Enforcement, and Investigations: Border and Transportation Security

Title II provides \$20.7 billion for the Department’s Security, Enforcement, and Investigations, which is \$706 million above the Administration’s request, and more than \$1.6 billion above the FY04 enacted level. Significant spending accounts include:

- **US VISIT Technology**: Provides \$340 million for the United States Visitor and Immigration Status Indicator Technology, which fully funds the Administration’s technology needs for the project. US VISIT seeks to collect, maintain, and share appropriate information to determine the eligibility of aliens for admission.
- **Bureau of Customs and Border Protection (CBP)**: Provides \$5 billion for Customs and Border Protection, which is a little more than \$100 million below the Administration’s request, but nearly \$110 million above the FY04 enacted level. Included in this amount is: \$38 million for the Customs-Trade Partnership Against Terrorism; \$126 million for an expansion of the Container Security Initiative; and \$64 million for the Integrated Surveillance Information System (ISIS)—the program includes intelligent computer-assisted detection, remote-video surveillance, and ground sensors. In addition to direct appropriations, CBP will receive approximately \$1.07 billion through fee collections.
- **Bureau of Immigration and Customs Enforcement (ICE)**: Provides \$3.4 billion for Immigration and Customs Enforcement, which is \$102 million above the Administration’s request, and \$3 million above the FY04 enacted level. Included in this amount is: \$107.2 million for additional capacity and personnel for detaining and removing individuals from this country; \$28 million to increase the flight hours of P-3 aircraft; and \$14 million to establish visa security units. In addition to direct appropriations, ICE will receive roughly \$250 million through fee collections.
 - **Federal Air Marshals (FAMs)**: Includes \$662 million for the Federal Air Marshals, which is \$50 million above the Administration’s request, and over \$40 million above the FY04 enacted level. The FAMs are responsible for protecting the air transportation system against terrorist threats, sabotage, and other acts of violence.
 - **Federal Protective Service (FPS)**: Includes \$478 million for the Federal Protective Service, which fully funds the Administration’s request, and is nearly \$54 million above the FY04 enacted level. The FPS is responsible for the security and protection of Federal property under the control of the General Services Administration.
- **Transportation Security Administration (TSA)**: Provides \$5.2 billion for the Transportation Security Administration, which is nearly \$185 million more than the Administration’s request, and more than \$648 million above the FY04 enacted level. Included in this funding is \$2.8 billion for aviation security for personnel,

compensation and benefits, and training for passenger and baggage screeners. Also included is \$161 million for passenger checkpoint support and \$210 million for the purchase of baggage explosive detection systems. For the Federal Flight Deck Officer Program, \$25 million is included to support the continuation of FFDO training of passenger and air cargo pilots to act as the last line of defense against a terrorist attack on an aircraft.

- **Air Cargo**: Includes \$118 million for air cargo security and enforcement and research and development, which is an increase of \$33 million from the Administration's request and the FY04 enacted level. Included in this recommendation is continued funding for the maintenance of the automated "known shipper" database. This system centralizes data submitted by indirect air carriers and shippers, providing the ability to immediately verify the status of a specific shipper, and to determine high-risk air cargo deemed necessary for screening. Of this total, \$10 million is for the hiring of 100 additional regulatory inspectors to ensure industry compliance with current and future air-cargo security requirements; \$3 million is for explosives-detection canine teams; \$15 million is for explosives-detection systems; and \$5 million is included to accelerate technology to detect explosives in air cargo.
- **Rail Security**: Includes \$15 million for the nation's railway security measures. Of this funding, \$10 million is for the deployment of 100 federal compliance inspectors for mass transit and passenger rail to conduct on-site inspections of rail systems, ensure compliance with minimum standards and recently issued security directives, and identify coverage gaps.
- **U.S. Coast Guard**: Provides \$7.4 billion for the United States Coast Guard, which is \$134 million above the Administration's request, and more than \$705 million above the FY04 enacted level. Of this funding, \$5.1 billion is for operating expenses (such as pay, and vessel and aircraft maintenance) for homeland security and traditional missions such as search and rescue and drug interdiction. The Integrated Deepwater System is provided \$776 million.
- **U.S. Secret Service**: Provides \$1.1 billion for the United States Secret Service, which fully funds the Administration's request and is nearly \$29 million above the FY04 enacted level. This account provides for the protection of the President, the Vice President, and other dignitaries and designated individuals; enforcement of laws relating to obligations and securities of the United States and financial crimes; and protection of the White House.

Title III – Preparedness and Recovery

Title III provides \$9.4 billion for the Department’s Preparedness and Recovery, \$202 million above the Administration’s request, and \$3.9 billion less than the FY04 enacted level. Significant spending accounts and language requests include:

- **State and Local Programs:** Provides \$2.8 billion for state and local programs, which is \$216 million below the Administration’s request, and \$422 million below the FY04 enacted level.
 - **Basic State Grants:** Includes \$1.3 billion to be allocated to the states on a per-capita basis, subject to section 1014 of Public Law 107-56 (U.S. Patriot Act). This funding provides grants for training, equipment (including interoperable communications equipment), exercises, and technical assistance to improve readiness for potential terrorism incidents.
 - **Urban Areas Security Initiative Grants:** Includes \$1.2 billion for discretionary grants to high-threat urban areas. Of this total, \$150 million is for port security grants; \$150 million is for rail and transit security grants; \$10 million is for intercity bus security grants; and \$15 million is for trucking industry security grants.
- **Report Language:** Report language was included clarifying that the funds available to State and local governments may be used to support security efforts, including security upgrades and increased protection of non-profit, community, cultural, and religious facilities identified as a priority in the State or local application or the State Homeland Security Plan.
- **Firefighter Assistance Grants:** Provides \$700 million for firefighter assistance grants, which is \$200 million above the Administration’s request, but \$45 million below the FY04 enacted level. These grants provide assistance to local fire fighting departments for the purpose of protecting the health and safety of the public, and firefighting personnel (including volunteers and emergency medical service personnel), against fire and fire-related hazards.
- **Emergency Management Performance Grants:** Provides \$180 million for emergency management performance grants, which is \$10 million above the Administration’s request, and \$2 million above the FY04 enacted level. This program is being maintained as a stand-alone program within State and Local Government Coordination and Preparedness, rather than merging it with State and local basic grants, as proposed by the Administration. Further, the cap on personnel costs was not adopted.
- **Emergency Preparedness and Response:** Provides \$5.6 billion for Emergency Preparedness and Response, which fully funds the Administration’s request. Of this funding, \$231.5 million is for supporting activities related to preparedness,

mitigation, response, and recovery, including \$30 million for the 28 existing Urban Search and Rescue Teams. The mission of the EP&R is to lead the Nation to prepare for, mitigate the effects of, respond to, and recover from major domestic disasters, both natural and man-made, including acts of terrorism.

- **Biodefense Countermeasures**: Includes \$2.5 billion for biodefense countermeasures, better known as “Project BioShield,” which fully funds the Administration’s request.¹ This program supports the government’s efforts to strengthen domestic preparedness against a biological terrorist attack by pre-purchasing vaccines.
- **Disaster Relief Fund**: Includes \$2.1 billion for the Disaster Relief Fund, which fully funds the Administration’s request, and is more than \$361 million above the FY04 enacted level. Through the DRF, the Department provides a significant portion of the total Federal response to victims in Presidentially declared major disasters and emergencies.²

Title IV – Research and Development, Training, Assessments, and Services

Title IV provides \$2.3 billion for the Department’s Research and Development, Training, Assessments, and Services, which is nearly \$69 million above the Administration’s request, and \$135 million above the FY04 enacted level. Significant spending accounts include:

- **Bureau of Citizenship and Immigration Services**: Provides \$140 million for Citizenship and Immigration Services, which fully funds the Administration’s request, but is almost \$95 million below the FY04 enacted level. CIS is responsible for the administration of laws and providing services to people seeking to enter, reside, work, and naturalize in the United States. In addition to direct appropriations, CIS will receive roughly \$1.5 billion through collected fees.
- **Federal Law Enforcement Training Center**: Provides \$224.3 million for the Federal Law Enforcement Training Center, which is \$28 million above the President’s request, and nearly \$33 million above the FY04 enacted level. The FLETC provides necessary facilities, equipment, and support services for conducting advance, specialized, and refresher training for federal law enforcement personnel.
- **Information Analysis and Infrastructure Protection**: Provides \$875.5 million for Information Analysis and Infrastructure Protection, which is \$11 million more than the Administration’s request, and nearly \$42 million more than the FY04 enacted level. The IAIP is responsible for collecting and disseminating terrorist threat

¹ Public Law 108-90 appropriates \$5.5 billion to remain available until September 30, 2013, of which an amount not to exceed \$3.4 billion is available for advance obligation during FYs 04-08.

² These funds are in addition to any FY04 supplemental dollars requested by the Administration and approved by the Congress.

information; fusing and integrating data with foreign intelligence to produce a comprehensive picture of threats; and developing and implementing an action plan to mitigate terrorist threats and national vulnerabilities.

- **Critical Infrastructure Protection**: Includes \$258 million, \$193 million of which is for activities including the Buffer Zone and Site Security Program for protection of chemical facilities, nuclear power plants, nuclear spent-fuel storage facilities, water-treatment facilities, bridges, subways, tunnels, and other critical infrastructures; and \$65 million is to identify these critical infrastructures and their vulnerabilities, assess identified risks, and deploy a database of these infrastructures.
- **Critical Infrastructure Outreach**: Includes \$92 million to enable the Department to share data with infrastructure owners and operators on their vulnerabilities, and for the hosting of departmental applications, network connectivity, and critical-data storage.
- **Cyber Security**: Includes \$67.3 million for cyber security program activities carried out by the National Cyber Security Division to capitalize on existing IAIP capabilities, and to invest in new capabilities to monitor for, predict, and prevent cyber attacks.
- **Science and Technology**: Provides \$1.1 billion for research, development, acquisition, and operations of the Science and Technology (S&T) Directorate, which is nearly \$30 million more than the Administration's request, and \$156 million more than the FY04 enacted level. The products of this spending seek to detect, destroy, dispose, and mitigate the effects of weapons of mass destruction. The S&T also supports other Department directorates and activities in developing, acquiring, and fielding equipment and procedures necessary for performing their missions.
 - **Biological Countermeasures**: Includes \$346 million to deter, detect, and mitigate acts of biological terrorism against the United States, and to develop technologies to assess the performance of prototypes and test systems for continued improvements as larger-scale systems are deployed.
 - **Other Countermeasures**: Includes \$128 million for nuclear and radiological countermeasures for use in operational environments; \$52 million for the development of technologies to defend against attacks with chemical warfare agents or toxic industrial chemicals; and \$34 million for high explosives countermeasures, including \$24 million for rail security high-explosives countermeasures.
 - **Rapid Prototyping**: Includes \$75 million for the technical support working group responsible for the rapid development and prototyping of new technologies in support of homeland security.

- **University Programs**: Includes \$69 million of continued funding for the establishment of a university-based system to enhance and strengthen the efforts of homeland security on our Nation's campuses.
- **Counter Man-Portable Air Defense Systems**: Includes \$61 million for systems development to protect the Nation's commercial aircraft against the threat of man-portable air defense systems.

Title V – General Provisions

Title V is composed of General Provisions concerning reprogramming, the Working Capital Fund, Federal Law Enforcement Training standards and capacity levels, the Buy America Act, CAPPS II, and other issues.

Administration Position

A Statement of Administration Policy (SAP) on the bill as reported by the Senate Appropriations Committee was not available at press time.

On June 17, the Administration released a SAP on the House-reported bill, H.R. 4567. The Administration supported House passage of H.R. 4567, and was pleased that the level of funding in the bill was consistent with the \$819 billion level for total FY05 discretionary spending that the Administration supports. In the SAP, the Administration offered its views on several provisions in H.R. 4567 (including State and Local Programs, Management Structure, Contract Policy, Disaster Relief, Coast Guard, and TSA), but did not suggest it would veto the bill over these concerns.

Cost

The Congressional Budget Office estimates the bill provides \$32.0 billion in discretionary budget authority; \$29.729 billion in outlays; \$1.085 billion in mandatory budget authority; and \$863 million in mandatory outlays for fiscal year 2005.

S. 2537 would result in the following outlays:

FY 2005	\$18.383 billion
FY 2006	\$6.327 billion
FY 2007	\$2.704 billion
FY 2008	\$1.002 billion
FY 2009	
(and future years)	\$0.628 billion

Amendments

The following amendments were adopted in Committee:

Hollings: Added \$30 million to the Coast Guard (\$20 million for the Automatic Identification System and \$10 million for maritime patrol aircraft) by cutting \$30 million in appropriations for the functions of the Department's Office of the Secretary and Under Secretary for Management. Agreed to 15-14.

Byrd: Prohibits the TSA from implementing CAPPs II until a report by GAO is submitted to the Appropriations Committee. Agreed to by voice vote.

Amendments to add funding in a number of areas can be expected on the floor.