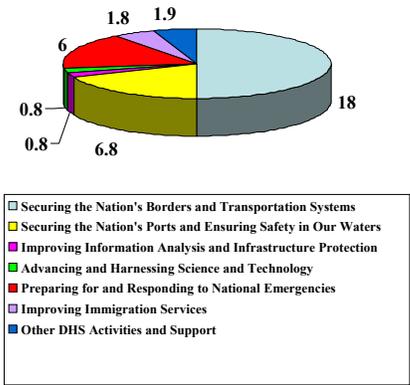


OVERVIEW

Creating the Department of Homeland Security (DHS) was one of the boldest and most important steps and the largest government reorganization undertaken since 1947 towards defending our nation against another terrorist incident on United States soil.

That said, our nation is only at the beginning of what will be a long struggle to protect the country from terrorism. The Department faces challenges of monumental scale and complexity, but it has no higher purpose than to ensure the security of our people and way of life.

The President’s 2004 Budget provides the necessary resources for the Department to succeed. The budget includes a total of \$36.2 billion, 7.4 percent more than the 2003 level and over 64 percent more than the FY 2002 level for these activities.



MISSION

The Department’s primary mission is the protection of the American people. DHS will focus on consolidating border and transportation security functions, merging response activities, creating a central point to map terrorist threats against

vulnerabilities in our critical infrastructure, and coordinating homeland security research and development efforts. DHS will also ensure that non-homeland security activities, such as responding to natural disasters or rescuing lives at sea, are not diminished or neglected. (See Department’s mission in Section 101(b) of the Homeland Security Act of 2002.)

FACING THE TASKS AHEAD

DHS is committed to becoming a model for efficiency and effectiveness in the federal government. To be sure, the Department will refocus and reorganize the functions of its 22 agencies into one department.

2004 BUDGET HIGHLIGHTS

The President’s 2004 budget supports a new Department whose primary mission is to protect the American people and the homeland. In addition, it unifies principal border and transportation security agencies; further coordinates a cohesive network of disaster response capabilities; creates a central point for analysis and dissemination of intelligence and other information pertaining to terrorist threats to protect America’s critical infrastructure; and unites research and development efforts to detect and counter potential terrorist attacks and recognize the multi-missions of so many of our agencies.

Securing the Nation’s Borders and Transportation Systems

The 2004 budget provides \$18 billion – double the funding in 2002 – to increase border and transportation security. This includes funding to:

--support the 60,000 plus employees added since 2002 – including the thousands of federal employees added to increase airport security.

--enhance the Administration's "smart borders" initiative that identifies threats before they get near our borders while continuing to facilitate trade. This includes \$273 million for infrastructure and technology improvements.

--continue the Administration's entry-exit initiative that will track both the entry and exit of visitors to the United States. The 2004 Budget requests an additional \$100 million for this initiative for a total of \$860 million from 2002 to 2004.

--continue basic and advanced training to more than 76 federal agencies and to conduct numerous training programs for state, local, and international officials. The 2004 Budget provides \$146 million for this activity.

For activities of the Transportation Security Administration, the budget requests \$4.8 billion. After accounting for FY 2003 start-up and one-time costs of roughly \$685 million and inflationary costs, this request reflects a net increase of about \$160 million over 2003 to strengthen TSA operations, passenger safety, and cargo security. The request also supports non-aviation activities and technologies to identify passengers who may pose a security risk.

To support the nation's first responders, \$3.5 billion in assistance is requested in 2004. This includes \$500 million for grants that provide firefighters with health and safety equipment and vehicles as they prepare to respond to possible future terrorist incidents; and \$500 million for state and local law enforcement terrorism prevention initiatives.

In addition to these funding initiatives, the budget also supports integrating border and customs functions into two new bureaus – one focused on border security, the other

focused on enforcement of immigration and customs laws inside the United States.

Securing the Nation's Ports and Ensuring Safety in Our Waters

The 2004 Budget provides an additional \$615 million – 10 percent above the 2003 level – to support the Coast Guard. This includes:

--\$65 million to deploy six new Maritime Safety and Security Teams to respond to terrorist threats or incidents in domestic ports and waterways;

--\$134 million to continue development of a maritime "911" system needed to speed response to calls for help; and

--\$20 million to hire additional personnel for search and rescue and shore based command centers.

The budget also includes \$500 million to continue the "Deepwater" program, which is upgrading the Coast Guard's fleet of cutters, aircraft, and related systems. These new vessels and aircraft will help improve performance across DHS as the Coast Guard's activities and assets become more closely integrated with other DHS components.

Preparing for and Responding to National Emergencies

An effective response to a major terrorist incident – as well as a natural disaster – rests on being well prepared. DHS will consolidate and coordinate all necessary response efforts quickly and effectively.

In 2004, DHS will continue its dual responsibility with the Department of Health and Human Services to assure optimal medical preparedness and response capacity to defend our nation against public health

threats. The 2004 Budget includes \$400 million to maintain and strengthen the Strategic National Stockpile of drugs, vaccines, and other medical supplies and equipment. The necessary supplies can be delivered to any place in the country within 12 hours of a request for assistance.

The Administration is proposing new authority to overcome hurdles that impede our ability to stockpile adequate amounts of needed drugs and vaccines to protect Americans from bioterrorism. This authority will allow the federal government to purchase critically needed vaccines and medication for biodefense as soon as experts agree they are safe and effective enough to place in the Department's Strategic National Stockpile. The 2004 Budget for DHS includes \$890 million to make these purchases.

To ensure the assistance necessary to meet emergency needs of families and individuals when a major disaster strikes, the budget requests an additional \$1.9 billion for disaster relief for a total of \$3.2 billion, after including prior year balances. In addition, \$300 million is requested for a new pre-disaster hazard mitigation program that will provide competitive awards to ensure that the most worthwhile and cost effective projects are funded. Lastly, \$200 million is provided to continue replacing the nation's Flood Insurance Rate Maps, many of which are out-of-date and inaccurate.

Advancing and Harnessing Science and Technology

The United States enjoys a distinct advantage in its ability to develop innovative solutions to problems through science and technology. Just as technology has helped the U.S. defeat enemies overseas, so too will it help us protect our homeland. Recognizing this, the President proposes a seven-fold increase over 2002 for science

and technology research to improve the government's ability to detect and counter chemical, biological, radiological, and nuclear attacks. This is a 43 percent increase over 2003 funding.

Funding will support new partnerships with the private sector, academic community, and government entities to develop and deploy homeland security technologies to make America safer. The Homeland Security Advanced Research Projects Agency, within DHS, will direct \$350 million in new funding to address immediate gaps in high-priority operational areas like protecting critical infrastructure and securing our borders.

Improving Information Analysis and Infrastructure Protection

The budget request of \$829 million provides an increase of \$652 million (nearly 370 percent) over 2003 to support information analysis and infrastructure protection efforts. Improving the federal government's capabilities to analyze and identify potential threats, while concurrently and continuously assessing our vulnerabilities, is a high priority for the Department.

DHS will bring together for the first time under one roof the capability to identify and assess threats to the homeland, map those threats against our vulnerabilities, issue warnings, and provide the basis from which to organize protective measures to secure the homeland. In 2004, roughly \$500 million will be used to assess the nation's critical infrastructure (e.g., nuclear power plants, water facilities, telecommunications networks) and to work to ensure that our highest priority vulnerabilities are addressed.

Improving Immigration Services

DHS is committed to greatly improving immigration benefits to the more than seven million annual applicants. DHS will build and maintain an immigration services system that provides immigration information and benefits in timely, accurate, consistent, courteous, and professional manner. The 2004 Budget continues the President's \$500 million initiative to reduce the backlog of applications and ensure a six-month processing standard for all applications.

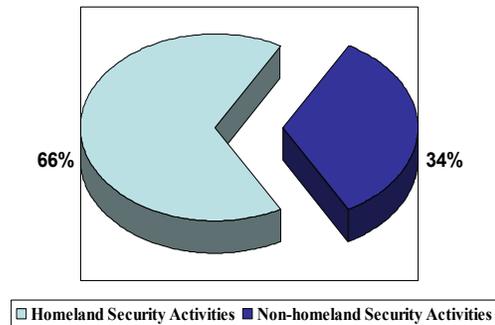
The Department is also committed to ensuring that our nation's policies for issuing visas to visitors are consistent with security and foreign policy interests. The Secretary will have legal authority over the issuance and denial of visas; the Secretary of State will manage the activities of consular officers and will retain the power to deny visas based upon foreign policy interests.

Ensuring Non-Homeland Activities

The 2004 Budget provides \$12.2 billion for non-homeland security functions, like the Coast Guard's search and rescue activities. This is a 15 percent increase since 2002, five percent over 2003. In 2004, over 50 percent of the Coast Guard's budget is devoted to non-homeland security activities.

Over 75 percent of the DHS funding for emergency preparedness and response activities is devoted to non-homeland functions – such as disaster assistance.

As another example, the U.S. Secret Service protects our nation's currency and financial integrity.



Decentralizing Execution

The budget also supports creating a powerful and logical regional structure for the Department. The current field structure of existing agencies spans 42 districts, 21 sectors, and 20 management centers domestically, as well as over 100 international offices in 43 countries. The redundant structure has eroded accountability, blurred lines of responsibility, and led to duplicative efforts.

To address these problems, the Department intends to create one regional structure with directors within each geographic area in charge of all operations. The regional directors would report directly to the Secretary. Given the Coast Guard's distinct military mission, the Commandant will continue to report to the Secretary. The intent is not only to clarify responsibility, but also provide a platform to clearly develop and broadcast the Department's vision and corporate culture. Regions would focus on state and local security needs.

Centralizing Leadership

DHS headquarters will focus on national policy through centralized planning. Headquarters will be responsible for functions such as planning, policy, budgeting, strategy, interagency coordination, integrated intelligence and analysis, integrated research and development, public affairs, legislative

affairs, information technology, and legal affairs. Specific highlights for 2004 include:

--the Office for State and Local Government Coordination. Building on the efforts of the White House Office of Homeland Security, the Department is creating a single entry point to address many of the homeland security concerns of our Governors, Mayors, and business leaders. The Office for State and Local Government Coordination, housed in the Office of the Secretary, will engage these interested parties and develop and sustain open channels of communication.

--Department-wide investments in information technology (IT) and wireless communications. About \$117 million will be used to support overarching IT initiatives. In addition, \$21 million is provided to fund the Homeland Security Information Technology and Evaluation program and \$68 million is provided for the conversion of wireless radio communications to narrowband operations. This is an increase of nearly \$120 million – more than 135 percent – over FY 2002 funding.

--the Department's Counterterrorism fund (\$40 million) that will provide resources to counter, investigate or pursue domestic or international terrorism and reestablish the operational capacity of a property damaged or destroyed as a result of any domestic or international terrorist incident.

PURSuing THE PRESIDENT'S NATIONAL STRATEGY

In the days ahead, DHS will follow the road-map contained in the President's *National Strategy for Homeland Security*. The strategy organizes and mobilizes the federal government behind a three-part mission: (1) prevent terrorist attacks; (2) reduce our vulnerability to an attack;

(3) minimize the loss of life and speed recovery should one occur.

DHS is responsible for pursuing many of the goals outlined in the *National Strategy*. However, the Department alone will not be able to stop all attempts by those who wish to do harm to the United States. Protection of our homeland is a shared responsibility. The Department will cultivate partnerships with other key players – notably other federal departments, including the Departments of Justice, Defense and Health and Human Services, state and local governments, and the private sector.

SUPPORTING THE PRESIDENT'S MANAGEMENT AGENDA

As mentioned earlier, the Department faces an enormous challenge to reorganize and integrate roughly 22 disparate agencies with nearly 180,000 employees. This challenge presents the opportunity for DHS to become the model of management excellence to manage resources effectively to deliver measurable results.

Because DHS is new, status for the Department on the President's five management initiatives starts at red – reflecting the known condition of several of the large components being transferred to the Department. Working with the Office of Management and Budget, progress ratings will be determined in the next year.

President's Management Initiatives	Status
Human Capital	Red
Competitive Sourcing /Procurement	Red
Financial Performance	Red
E-Government	Red
Budget and Performance Integration	Red

PROGRAM SUMMARIES

Program specific-summaries follow to provide further detail on the 2004 Budget request. Funding totals throughout the document include mandatory and discretionary budget authority. In addition, 2002 funding levels reflect the enacted level without supplemental resources. Summary Table A at the end of this document displays the supplemental resources from 2002.

BORDER AND TRANSPORTATION SECURITY

Securing the nation's borders and transportation systems presents an enormous task. DHS is working to find the right balance between the appropriate level of screening and security and the free flow of commerce.

The Budget includes \$18.1 billion for Border and Transportation Security (BTS) activities, an increase of \$9 billion (nearly 100 percent) over the 2002 enacted level. After accounting for start-up and one-time costs related to securing the nation's airports, the 2004 level supports an increase of about \$400 million above the 2003 level.

PROGRAM SUMMARY

BTS is responsible for ensuring the integrity and safety of the nation's borders and transportation systems and administering the nation's immigration and customs laws. It strives to prevent the illegal entry of people and goods into the country while encouraging the speedy, orderly, and efficient flow of commerce.

Border and Enforcement Integration

Security operations along the borders are fragmented with four different organizations patrolling and enforcing laws at the borders.

To improve overall operations, BTS plans to create two separate operating bureaus by merging the existing organizations.

The Bureau of Customs and Border Protection (BCBP) will focus on security at and between the ports-of-entry along the border. The BCBP includes inspection and other border-related resources and functions of the U.S. Customs Service, the Immigration and Naturalization Service (INS), including the Border Patrol, and the inspection functions of the Agricultural Quarantine Inspection program

The Bureau of Immigration and Customs Enforcement (BICE) will enforce the full range of immigration and customs laws within the United States and protect specified federal buildings. BICE is responsible for locating and removing aliens who are in the U. S. illegally and protecting the jobs of those who are legally eligible for them by inspecting places of employment for undocumented workers. BICE will maintain a nationwide anti-smuggling program and enforce customs laws including those against money laundering and child pornography. The BICE includes investigative and other enforcement resources and functions of the U.S. Customs Service, the INS, and the Federal Protective Service.

In addition to border protection and immigration and customs enforcement, BTS is responsible for securing the nation's transportation systems, as well as training first responders and providing training to federal, state, and local law enforcement.

There will also be an office in BTS to implement and manage the visa issuance process and oversee other BTS international programs.

The Transportation Security Administration (TSA) protects the nation's transportation

systems and ensures the freedom of movement for people and commerce within the country. TSA will educate travelers, shippers, law enforcement, and the transportation industry on security threats and prevention techniques. TSA will ensure safe travel for the more than 600 million commercial passengers who fly into, out of, or around the U.S. each year.

Within BTS, the Office for Domestic Preparedness (ODP) provides firefighters, emergency medical services, emergency management agencies, and law enforcement personnel with coordinated training and development exercises, as well as grants for needed equipment. ODP is a “one-stop shop” for state and local response funding and training needs. In 2002, over 80,000 first responders were trained – an increase of 136 percent from the previous year.

Finally, the Federal Law Enforcement Training Center provides high quality training to federal, state and local law enforcement officers at training facilities located throughout the country.

2004 BUDGET HIGHLIGHTS

Bureau of Customs and Border Protection

The Budget includes \$6.7 billion for Customs and Border Protection, an increase \$1.7 billion (33 percent) above 2002. In 2004, BTS will focus on achieving efficiencies and improvements in effectiveness through the consolidation of activities and elimination of operational redundancies.

- \$62 million is requested for the Container Security Initiative (CSI). Funding supports BCBP personnel in

key international ports to examine high-risk cargo before it is placed on ships bound for the U.S.

- \$119 million additional is requested to implement a broad range of inspection technology and canine programs to detect contraband and weapons of mass destruction.
- \$18 million is requested for the Customs Trade Partnership Against Terrorism (C-TPAT/FAST) to increase supply chain security and expedite the clearance of international freight.
- Over \$307 million is requested for the Automated Commercial Environment system (ACE) and \$11.2 million for the International Trade Data System (ITDS) to revolutionize the way international trade data is collected, disseminated and used. Since 2001, nearly \$1.1 billion has been dedicated to these capital projects.
- \$42 million is requested to support agricultural inspections at the borders to minimize the threat of agricultural pests or diseases entering the U.S.

Bureau of Immigration and Customs Enforcement

The Budget includes \$2.8 billion for Immigration and Customs Enforcement, an increase of nearly \$400 million (16 percent) above 2002. In 2004, BTS will focus on achieving efficiencies and improvements in effectiveness through the consolidation of activities and elimination of operational redundancies. For 2004:

- \$480 million is requested for the continued development of the comprehensive Entry/Exit system. This system will establish departure

control and improve the arrival inspection process by documenting the entry and exit of visitors to the United States.

- Approximately \$164 million is requested for the Atlas/Chimera initiative that will enable DHS to meet various requirements in the Border Security Act.
- About \$530 million is requested to support immigration investigations. In 2002, special enforcement operations such as Operation Tarmac – an operation designed to enhance security at our nation's airports through worksite investigations – resulted in audits of more than 3,000 airport businesses and arrests of over 900 unauthorized workers.
- Over \$550 million is requested to enforce the customs laws, including investigative activities such as fraud, forced labor, trade agreement investigations, smuggling and illegal transshipment, and vehicle and cargo theft.
- \$424 million to protect and secure federal facilities from terrorist attacks and other threats.
- The Federal Protective Service will be included in this mission area.

Transportation Security Administration

The Budget includes \$4.8 billion for Transportation Security. Completion of one-time agency rollout and start-up activities, as well as efficiencies gains from operational experience, produced more than \$685 million in savings for 2004. The Budget requests a \$160 million increase to strengthen base operations and launch new initiatives. In 2004, the Budget includes:

- \$4.3 billion for direct aviation security activities including a professionalized passenger and baggage screening workforce and supporting equipment to prevent weapons and other contraband on aircraft. The Budget continues to support state and local law enforcement personnel to secure screening checkpoints, and air marshals to provide in-flight security. It includes a new \$30 million initiative to test and develop updated methods and systems for screening air cargo. In addition, \$45 million is provided to improve the computer-assisted air passenger screening system that identifies passengers that may pose a security risk and additional screening technologies.
- \$85 million for TSA's land security activities. Resources are devoted to developing and implementing security standards in non-aviation transportation security areas. The budget also provides another \$55 million to the transportation worker credentialing initiative, so that the backgrounds and identification of transportation workers with access to sensitive areas and materials are ensured.
- \$65 million for research and development activities to develop better screening technology, and methods of detecting potential chemical, biological, or similar threats and devices endangering aircraft and passengers.

Office for Domestic Preparedness

The Budget includes \$3.5 billion in assistance for the Office for Domestic Preparedness plus funding for program administration and oversight, more than 12 times the enacted 2002 level.

- \$2.5 billion is requested for state domestic preparedness grants to provide equipment, exercises, strategic planning, and support to the national training and exercise program, of which up to \$181 million will support the Citizen Corps activities – local efforts to engage individuals in helping communities prevent, prepare for, and respond to disasters of all kinds, including terrorist incidents.
- \$500 million is requested to meet the anti-terrorism needs of state and local law enforcement.
- \$500 million is requested for grants that contribute to firefighter preparedness.
- \$21 million is requested for program oversight and management.

Federal Law Enforcement Training Center

The Budget includes \$146 million for the Federal Law Enforcement Training Center, an increase of \$3 million (2.1 percent) over the comparable 2003 level. This funding will be used to provide basic and advanced training in counter terrorism and other law enforcement to Federal, State and local officers.

Border and Transportation Security

(Budget Authority in Millions)

Funding Accounts	2002 Enacted	2003 Estimate	2004 Request
Bureau of Customs and Border Protection	\$5,057	\$6,553	\$6,740
Bureau of Immigration and Customs Enforcement	2,394	2,730	2,788
Transportation Security Administration	1,242	5,338	4,812
Office for Domestic Preparedness	260	3,564	3,558
Federal Law Enforcement Training Center	137	143	146
Customs Abandoned Goods	6	7	7
TOTAL	\$9,096	\$18,335	\$18,051

UNITED STATES COAST GUARD

The Budget includes \$6.8 billion for the Coast Guard, an increase of \$615 million (10.0 percent) over the 2003 level to cover a range of efforts including the replacement of obsolete capital assets and enhanced search and rescue and personnel safety measures.

PROGRAM SUMMARY

The U. S. Coast Guard is a multi-missioned maritime and military service organization and is the lead federal agency for maritime homeland security. The Coast Guard’s role is to minimize the risk in ports and waterways through increased readiness and awareness to *prevent* illegal entries in U.S. waters and to *respond* to incidents which do occur.

The Coast Guard's homeland security missions are ports, waterways, and coastal security; drug interdiction; migrant interdiction; defense readiness; and law enforcement including foreign fishing vessel encroachments. Equally important are the Coast Guard's *non*-homeland security missions of search and rescue, marine safety, aids to navigation, living marine resources, domestic fisheries law enforcement, marine environmental protection, and ice operations. The Coast Guard achieves strength through its military discipline, multi-mission character, and civil law enforcement authority, which allows it to complete multiple missions simultaneously with the same people, ships, boats, and aircraft, and shift resources quickly from one priority to another as new situations dictate.

The Coast Guard will enhance its presence in ports, waterways, and the deepwater arena, to reduce risk to commercial and recreational mariners. Key initiatives include adding people at search and rescue stations to reduce the workweek to 68 hours, ensuring 12-hour watch standards at shore-based command centers, and purchasing 43 small response boats. The enhanced presence will help mitigate the nation's security risk to terrorist and other illegal threats, such as drug smuggling, migrants, and foreign fishing vessel encroachments into U.S. waters. The Coast Guard will meet its goal to reduce collisions, allisions, groundings through aids of navigation. Continued presence on domestic fishing grounds will prevent endangered living marine resources from being overfished, and make progress towards the goal of eliminating oil and garbage discharge into the water. Finally, as the fifth Armed Service, the Coast Guard will be ready to deploy with the Department of Defense when and if necessary.

2004 BUDGET HIGHLIGHTS

The President's 2004 budget request supports the mission requirements of the Coast Guard as the lead federal agency for maritime homeland security, remaining intact and reporting directly to the Secretary of Homeland Security. The 2004 budget enables the Coast Guard to recapitalize legacy assets and infrastructure, build out homeland security capabilities, and sustain non-homeland security missions such as search and rescue and domestic fisheries enforcement. The Budget includes:

- \$500 million for the Integrated Deepwater System acquisition, which will replace or modernize obsolete and maintenance-intensive assets. Assets procured in 2004 include conversion of five 110-foot patrol boats to more capable 123-foot patrol craft, seven Short Range Prosecutor small boats, funding for the first National Security Cutter (to be delivered in 2006) and continued development of a Common Operating Picture (COP) command and control system at four command centers.
- \$134 million for Rescue 21, previously known as the National Distress and Response System Modernization Project (NDRMSP), which will be 35 percent complete by the end of 2004 and fully completed by the end of 2006. Rescue 21 is the Coast Guard's primary system to receive distress calls from boats and ships, and perform command, control and communications in the inland and coastal zones for all Coast Guard mission areas.
- \$34 million for Maritime Domain Awareness, which will provide

increased analytic, support and systems capability to the Coast Guard's intelligence program to fully leverage recent inclusion in the Intelligence Community.

- \$168 million for homeland security initiatives, including six deployable Maritime Safety and Security Teams, 53 Sea Marshals, establishing Boat Stations in Boston and Washington, D.C., establishing two more deployable Port Security Units, and purchasing 43 Small and 8 Medium Port Security Response Boats, and nine 87' Coastal Patrol Boats.
- \$20 million for Search and Rescue and Personnel Safety, which includes over 500 additional personnel towards achievement of a 68-hour workweek at boat stations and a 12-hour watch standard at command centers, and training enhancements.

(Budget Authority in Millions)

Funding Accounts	2002 Actual	2003 Estimate	2004 Request
Operating Expenses (note 1)	\$3,459	\$4,403	\$4,838
Capital Acquisitions (note 2)	670	746	796
Retired Pay	876	889	1,020
Other Accounts (note 3)	174	136	135
TOTAL	\$5,179	\$6,174	\$6,789

Note 1: The Operating Expenses account consolidates funding previously requested in the Operating Expenses, Environmental Compliance and Restoration, and Reserve Training accounts.

Note 2: The Capital Acquisitions account consolidates funding previously requested in the Acquisition, Construction, and Improvements; Research, Development, Testing, and Evaluation, and Alteration of Bridges accounts.

Note 3: Includes offsetting collections not traditionally shown in Coast Guard totals.

EMERGENCY PREPAREDNESS AND RESPONSE

The Budget includes nearly \$6 billion for Emergency Preparedness and Response, an increase of \$838 million (16 percent) from the 2003 level, and an increase of \$1.4 billion (30 percent) over the 2002 enacted level. The increases are mostly to allow for the purchase and stockpiling of drugs, vaccines, and medications for biodefense.

PROGRAM SUMMARY

Emergency Preparedness and Response helps the nation to prepare for, mitigate the effects of, respond to, and recover from major domestic disasters, both natural and manmade, including incidents of terrorism. It addresses the human and infrastructure costs of these disasters; and represents, for the first time, a fully coordinated approach to disaster management, using federal resources previously operating under multiple plans.

Specific mission activities include:

- Developing and maintaining an integrated, nationwide operational capability to respond to and recover from the consequences of disasters and emergencies, regardless of their cause, in partnership with other federal agencies, state and local governments, volunteer organizations, and the private sector.
- Assisting all levels of government, first responders, volunteers, and the public in meeting the responsibilities of domestic emergencies and challenges, especially incidents that are fire-related or chemical/biological in nature, through planning, mitigation,

preparedness, response, and recovery activities.

- Using risk management strategies to reduce and eliminate the long-term risk to life and property from natural and technological hazards, including floods, earthquakes, hurricanes, and dam failures.
- Ensuring the adequacy of the nation's stockpiles of pharmaceutical, vaccine, and other medical supplies that can be delivered to emergency sites in 12 hours, and promote removal of barriers to development and production processes.
- Providing critical, mission-related information to the public, the media, and the emergency management community, by maintaining public information programs and building partnerships with and among government entities, other responder organizations, and the private sector.

2004 BUDGET HIGHLIGHTS

The \$6 billion budget for emergency preparedness includes several areas of emphasis:

- About \$900 million is estimated for a new authority that will allow the federal government to purchase critically needed vaccines or medication for biodefense.
- \$400 million would be spent on maintaining the Strategic National Stockpile of drugs and vaccines in order to be able to respond to a national bioterrorist attack.

- \$300 million is proposed for a new pre-disaster hazard mitigation program that will ensure that the more worthwhile and cost effective mitigation programs are funded.
- \$200 million is proposed to correct, update, and distribute digitally the nation's flood insurance rate maps which are a guide to identifying areas at risk. The maps will guide future development and flood mitigation efforts.
- \$1.9 billion would provide disaster relief under the primary assistance programs that provide a significant portion of the total federal response to victims in Presidential declared major disasters and emergencies.

(Budget Authority in Millions)

Funding Accounts	2002 Enacted	2003 Estimate	2004 Request
Operating Expenses	\$ 734	\$ 915	\$1,652
Grant Programs	20	320	300
Disaster Relief	2,093	1,800	1,934
Disaster Assistance Loan Program	1	1	1
Emergency Food and Shelter /1	140	-	-
Nat'l Flood Insurance Fund	1,536	1,789	1,876
Flood Map Modernization Fund	32	300	200
TOTAL	\$4,556	\$5,125	\$5,963

/1 Proposed for transfer to HUD in 2003 and 2004

INFORMATION ANALYSIS AND INFRASTRUCTURE PROTECTION

The Budget includes \$829 million for Information Analysis and Infrastructure Protection (IA&IP), an increase of \$652 million (nearly 370 percent) above the 2003 level. The increases fund initiatives to assess threats, conduct infrastructure vulnerability and risk assessment, provide indications and warning advisories, take protective actions, support the national communications system, perform outreach and develop partnerships.

PROGRAM SUMMARY

IA&IP will integrate terrorist threat information, to produce the most comprehensive picture of threats to the U.S., map those threats to assess vulnerabilities, and implement a plan of action to reduce those threats and vulnerabilities. IAIP will work with federal departments and agencies, state and local governments, law enforcement, and private entities to ensure the nation's critical infrastructure is secure and its citizens protected.

IA&IP analysts will thoroughly review threat and warning information, maintain and constantly update a national data base of key assets and national critical infrastructure, and map those threats against our nation's critical infrastructure providing comprehensive risk assessments for mitigation. IA&IP remediation experts, working with state, local government and the private sector, will provide, as appropriate, risk and vulnerability assessments and assist them in the development of action plans for the protection of the critical infrastructure asset. IA&IP analysts will identify information priorities and will coordinate efforts for collection and analysis of information by the

Intelligence Community and the Federal Bureau of Investigations regarding threats of terrorism against the United States. Working with federal, state, and local agencies and private entities and to the extent permitted by law, IA&IP analysts will disseminate intelligence and law enforcement information relating to homeland security to ensure that our nation's critical infrastructure is secure.

2004 BUDGET HIGHLIGHTS

- \$32 million to provide a unique, strategic capability in order to: a) access and analyze information on threats and terrorist capabilities from the Intelligence Community, law enforcement agencies, other agencies of the federal, state, and local governments and private sector entities, b) associate threat analysis with infrastructures, national assets, and people, c) share actionable threat analysis to federal, state, local government and law enforcement agencies and private sector entities, and d) identify and prioritize gaps for intelligence collectors.
- \$200 million to develop and maintain the primary database of the nation's critical infrastructure, providing a complete and accurate mapping in order to adequately assess the consequences of loss of any facility and across all sectors. This data will be the basis for the development of comprehensive risk analysis, and to provide protection planners and vulnerability assessment teams with sufficient information to prioritize protection and recovery measures.
- \$30 million to provide a 24/7 Intelligence and Warning capability which reviews, analyzes and disseminates threat information and advisories to the public as well as providing a mechanism for the Secretary

to issue national warnings and advisories through the Homeland Security Advisory System.

- \$299 million to work with states and industry to identify and prioritize protective measures to mitigate risks identified through threat-vulnerability-consequence mapping. These efforts will focus on the principal threats, provide for sufficient protective actions to defeat these threats, and wisely utilize scarce resources. This funding will also support training assistance, response planning and exercises, and technology transfers.
- \$155 million to provide National Security and Emergency Preparedness communications essential to maintain communications for the federal government during crises. The National Communications System also coordinates national prioritization response and recovery.
- \$60 million to develop and sustain effective partnerships with state and local governments critical to the effective establishment of a cooperative environment and necessary for the security of the nation. This will enable key asset and infrastructure providers with the information they need to better protect their capabilities under their control or in their jurisdictions.

(Budget Authority in millions)

	2002 Actual	2003 Estimate	2004 Request
Total, IAIP	\$153	\$177	\$829

SCIENCE AND TECHNOLOGY

The Budget includes \$803 million for Science and Technology, an increase of \$242 million (43 percent) over the 2003 level.

PROGRAM SUMMARY

The President’s 2004 budget request supports the goal of maintaining the nation’s technical superiority in science and technology, one of the keys to securing the homeland. The overall objective is to provide new enabling capabilities to the operational units of the Department to enhance their ability to execute all missions, now and in the future. New technologies for countering chemical, biological, radiological, nuclear, and other catastrophic threats, mitigating their effects should they occur, and for information and analysis sharing, will increase the security of our homeland. This account funds the creation and implementation of a robust research, development, demonstration, test, evaluation, and systems procurement portfolio that includes investments in both evolutionary and revolutionary capabilities with high payoff potential. This includes near-term deployment of commercial off-the-shelf capabilities and rapid development and transition to the field of emerging technologies. In addition, DHS will invest in an enduring mission-focused research enterprise to pursue revolutionary technologies to counter emerging threats.

Specifically, Science and Technology will:

- Partner with federal, state and local operational end-users to identify requirements, evaluate performance, and field technologies and systems to counter terrorist’s threats, and enhance conventional mission operations.

- Develop and deploy countermeasures for current and emerging terrorist threats, including chemical, biological, radiological, nuclear high explosives, and cyber attacks.
- Engage the private sector in innovative research and development, rapid prototyping of technologies, and systems acquisition.
- Provide a rapid, efficient, and disciplined systems engineering approach for the development and procurement of new capabilities for the Department and the nation.
- Recruit and retain a workforce that is best in class, and develop the future generations of scientists and engineers in fields required to ensure the vitality of the homeland security enterprise.
- Create a homeland security complex by establishing, maintaining and utilizing state-of-the-art science and technology facilities and infrastructure.

The Budget requests a total of \$803 million for science and technology efforts. The new funding will target high-priority operational requirements including those for chemical, biological, radiological and nuclear countermeasures, critical infrastructure protection, and conventional missions. These funds will be used to engage the private sector and others in the development of innovative, high-payoff capabilities through the Homeland Security Advanced Research Projects Agency, evaluate and prototype commercially available technologies, and develop programs and facilities in the homeland security complex.

2004 BUDGET HIGHLIGHTS

The 2004 Budget for Science and Technology requests:

- \$137 million to develop Radiological/Nuclear Countermeasures that prevent the importation, transportation, and subsequent detonation of a radiological or nuclear device within our borders. Key initiatives will be directed at the deployment, evaluation and evolution of detection systems at ports of entry and within the transportation infrastructure, the development of advanced technologies for more effective crisis response, and the development of science-based consequence management approaches and tools.
- \$365 million for Biological Countermeasures to develop and implement integrated systems to reduce the probability and consequences of a biological attack on this nation's civilian population and agricultural system. This effort will be executed in partnership with the Departments of Health and Human Services, Agriculture and other federal agencies. A cornerstone of this program will be the National Biodefense Analysis and Countermeasures (NBAC) program, which includes a center that will provide a secure, state-of-the-art biocontainment lab with facilities for aerobiology and aerosol exposure capabilities for applied research, animal and materiel testing labs, forensics labs, scientific support for biological threat agent assessments, and secure communications. Key initiatives of this program will include the integration and deployment of early bio-warning systems, and research on non-traditional forms of bio-surveillance, advanced detection technologies, and biological signatures to further increase the

effectiveness of early warning systems. This program will extend a 2003 initiative to develop and deploy an early detection and warning system in U.S. cities. This system is designed to identify an attack, promptly begin prophylaxis and decontamination activities, and conduct “bioforensics” to help identify and apprehend the perpetrator of an attack.

- \$65 million for Chemical/High Explosives Countermeasures that will expand the nation’s ability to protect civilians from chemical weapons attacks and enhance the work of the Transportation Security Administration to develop explosives detection and mitigation technologies against current and emerging threats. Key initiatives include a robust chemical weapons forensic system for attribution and apprehension, and detection systems for the continuous monitoring of air and water. This program will also conduct pilot deployments of civilian chemical defense systems and new systems for novel high explosive detection.
- \$90 million for Threat & Vulnerability Testing and Assessments will develop technologies and systems to enhance the Department’s ability to analyze threat information, assess and test vulnerability assessments for infrastructure protection, detect and mitigate sophisticated cyber threats, enhance the interoperability of new technologies, and determine hostile intent. One focus will be on unsolved issues in cyber protection such as international cyber forensics, and on technologies to detect and prevent high impact scenarios such as insider threats. This program will inform and be conducted in the context of policy decisions to protect individual privacy rights.

Other Science and Technology highlights:

- \$25 million for a Standards Program that will be implemented through partnerships with the National Institute of Standards and Technology, the American National Standards Institute, and other federal agencies. The initial focus of this program will be to develop test and evaluation criteria, and conduct analyses for state/local first responder detection equipment and communications protocols.
- \$55 million for a Conventional Missions Program to support RDT&E and systems development for the U.S. Coast Guard, the U.S. Secret Service, the Borders and Transportation Security Directorate, and the Emergency Preparedness and Response Directorate. This program will provide operational end-users with cutting-edge technologies and systems to meet high-priority requirements to enhance the conventional missions of the Department.
- \$62 million for University Programs, Emerging Threats and Rapid Prototyping Program. Key initiatives include creating strategic partnerships with the academic community, supporting cutting-edge research on emerging threats, and establishing the Homeland Security Institute.

(Budget Authority in millions)

	2002 Actual	2003 Estimate	2004 Request
Science and Technology	\$90	\$561	\$803

OTHER DHS ACTIVITIES AND SUPPORT

CITIZEN AND IMMIGRATION SERVICES

The Budget includes \$1.8 billion for Citizen and Immigration Services, an increase of \$143 million (8.6 percent) over the 2003 level, to support further improvements in application processing as well as the projected application volume.

PROGRAM SUMMARY

The Bureau of Citizen and Immigration Services (CIS) makes decisions on applications seeking a wide range of benefits for both temporary and permanent immigration status in the United States. Over seven million applications are received each year. These benefits range from work authorization documents, to asylum applications, to petitions for immediate relatives to immigrate to the U.S.

Many benefits and services are provided to aliens starting from the time they seek approval to enter the United States. Many seek changes to stay in the U.S. permanently, seek to sponsor family members, or to naturalize and become a U.S. citizen. While part of CIS' staff of employees and contractors are located in Washington, D.C., most are in local offices or service centers throughout the country.

CIS is continuing to implement the President's backlog initiative that will ensure no more than a six-month processing standard for all applications. To support this commitment, CIS will focus on three critical elements to improve service to its customers:

- Achieving a high-level of performance by establishing a clear, concrete

performance milestones and actively monitoring process towards these milestones;

- Transforming business practices by implementing significant information technology improvements and identifying improvements to change the current way of doing business; and
- Ensuring integrity by establishing comprehensive quality assurance measures.

CIS is committed to building and maintaining an immigration- services system that provides immigration information and benefits in a timely, accurate, consistent, courteous, and professional manner.

2004 BUDGET HIGHLIGHTS

The President's 2004 budget supports the goal of attaining a six-month processing standard of all applications. The Bureau will continue to transform its business practices by implementing significant information technology improvements and identifying process improvements to change the current way of doing business. In 2004, CIS will continue its on-line filing efforts as well as work on an automated case status system. In addition, it will continue to increase community consultations to gauge how well these improvements are working.

(Budget Authority in millions)

	2002 Actual	2003 Estimate	2004 Request
CIS	\$1,567	\$1,656	\$1,799

UNITED STATES SECRET SERVICE

The Budget includes \$1.3 billion for the Secret Service, an increase of \$117 million (10 percent) over 2003 level to cover increased operating costs, additional mail security measures for the White House, and the costs associated with the 2004 Presidential campaign.

PROGRAM SUMMARY

Secret Service responsibilities include:

- Sustaining a secure physical environment for permanent protectees and visiting foreign heads-of-state/government;
- Designing, planning, and implementing security at events designated as “National Special Security Events”; and
- Suppressing the counterfeiting of obligations and securities of the United States, and other financial crimes.

2004 BUDGET HIGHLIGHTS

- \$40 million for Presidential Candidate/Nominee Protection will provide protective security for the candidates/nominees and the Democratic and Republican National Conventions and regional coordinating centers. The Service will temporarily reallocate an estimated 250 investigative personnel to support presidential campaign activities.
- \$33 million to upgrade the screening and processing of mail entering the White House complex. This will also fund a study to analyze the mail screening needs of certain high risk federal government agencies, such as, Congressional offices, the Federal Bureau of Investigations and DHS. The study will analyze the best methods to be

utilized to implement a central processing facility in lieu the current individual mail processing centers for each agency.

(Budget Authority in millions)

Funding Accounts	2002 Actual	2003 Estimate	2004 Request
Operations	\$1,114	\$1,203	\$1,320
Acquisitions	3	4	4
Total	\$1,117	\$1,207	\$1,324

OFFICE OF THE INSPECTOR GENERAL

The Budget includes \$80 million for the Office of the Inspector General, a \$9 million (13 percent) increase over the 2003 level.

PROGRAM SUMMARY

Under the provisions of the Inspector General Act of 1978, as amended, the OIG activities include conducting and supervising audits, investigations, inspections and other activities related to the programs and operations of DHS. These activities will aid the Department through its effort to promote economy, efficiency, and effectiveness; and prevent and detect fraud, waste, abuse and mismanagement in programs and operations of DHS.

2004 BUDGET HIGHLIGHTS

The 2004 budget requests \$80 million and 457 staff to support its mission. By conducting, supervising, and coordinating audits, investigations, and other activities in the Department, the OIG can assist department officials in promoting the safety and security of the American people.

(Budget Authority in millions)

	2002 Actual	2003 Estimate	2004 Request
OIG	\$47	\$71	\$80

DEPARTMENT-WIDE SUPPORT

The Budget includes \$540 million to support Department-wide activities, an increase of \$161 million (42.5 percent) above the 2003 level. The increases are mostly associated with high-priority technology investments and site design for construction of a new headquarters.

- \$30 million for site design for construction of permanent headquarters for the Department.

2004 BUDGET HIGHLIGHTS

- \$206 million for Department-wide technology investments, an increase of \$92 million (81 percent) over the 2003 level. Capital investments are needed to establish the priorities of information technology integration modernize high priority business processes and increase efficiency through technological improvements. Such investments include the Homeland Security Information Technology and Evaluation program and the conversion of wireless radio communications to narrowband operations as required by law.
- \$40 million for the Counterterrorism Fund to cover unbudgeted critical costs associated with (1) providing support to counter, investigate, or prosecute domestic or international terrorism, including payment of rewards in connection with these activities; (2) re-establishing the operational capacity of an office, facility or other property damaged or destroyed as a result of any domestic or international terrorist incident. Additionally, the Counterterrorism Fund may be used to reimburse other federal agencies for costs related to their participation over and above normal operations in particular terrorism prevention or response activities.