

**Transcript of Remarks by Senator Kent Conrad (D-ND)
at Senate Budget Committee Hearing on the President's Homeland Security Budget
with Department of Homeland Security Secretary Tom Ridge
February 25, 2004**

Opening Statement:

I want to first of all commend the Chairman for holding this hearing. We discussed a schedule of hearings, and we agreed that one of the most important hearings we could have would be on homeland security, because as the Chairman has noted, spending has increased dramatically, certainly the threat has increased dramatically, and much of that spending is in response to that threat. We all recognize that and we support as strong a homeland security as we can provide.

On the other hand, as the Chairman mentioned, we have a responsibility to make certain that taxpayer funds are used wisely and well and for the purposes intended. And I must say I have been increasingly concerned about reports that I have heard from individual departments that spending initiatives that were pending previously that were not approved, once they were given the label of homeland security, whether or not they really fit that description, sailed through.

And we've got an obligation, as do you, to make certain that things don't just sail through because a label has been put on them, that they really strengthen our homeland security. And I know that must be an extraordinary challenge to you, bringing together all these different agencies of several hundred thousand employees, or approaching several hundred thousand employees, to try to make certain the money is used wisely and well.

Let me just put in perspective some of the issues that I see with respect to the issue before us. The first is to kind of put in context where we are. This committee and the administration and our colleagues in the rest of Congress are faced with deficits that are at record levels, \$521 billion. I believe at the end of this year, it will actually be somewhat less than that. But nonetheless, a record budget deficit, by far the biggest we've ever had.

And looking ahead, the President has said he's going to cut the deficit in half. I don't see that. I don't see that under the President's plan. The only way that is achieved is by leaving out things. But when you add back the defense cost, when you add back addressing the alternative minimum tax, which the President's budget does for only one year, when you add back the extension of the tax cuts, what I see on an operating basis going forward is extremely large deficits, by far the biggest we've ever had. And all of it at the worst possible time, right before the baby boomers retire.

One of the big problems we have is on the revenue side of the equation. We've got to be tough on the spending side. We also have to look at the revenue side of the equation because the revenue for the year we're in is projected to be the lowest as a percentage of gross domestic product since 1950.

When I look at the long-term, or at least the five-year trend on homeland security, it matches what the Chairman indicated, \$9.4 billion in 2001 and going up to \$28.1 billion for 2005. So we have seen a dramatic ramp up, all of us understand why.

In terms of this year, the budget year 2005, the administration has called for a ten percent increase, but I tried to analyze that ten percent and what I see leads me to a somewhat different conclusion, because much of that is Bioshield advance funding for future years, 2006 through 2008. When I take that out, I see about a four percent increase, just to put in perspective what I think an appropriate analysis would be.

And then when I look at the specifics, one thing that strikes me are the first responder cuts in these areas: a \$990 million cut in state formula grants, almost \$250 million cut in firefighter grants, and then an increase of \$682 million for urban area security...And then an area, not under your direct control, but over at the Justice Department, the COPS program and other law enforcement grants, \$911 million cut – for a total cut in first responders approaching \$1.5 billion.

And then I look at the cost of the Bush tax cut in 2005 for those earning over \$337,000 a year. And the cost of the tax cuts for the people earning over \$337,000 in 2005 is \$45 billion, 30 times the amount of the cuts for first responders and cops on the street. I know there are some who don't think cops on the street are first responders, but I can tell you my cops feel that way. And dramatic cuts in the COPS program are certainly not well received in my constituency.

And finally on the issue of port security, those grants being cut by 63 percent. And those are issues I will want to go into in some more detail when we get to the questioning phase, Mr Secretary. I hope this information is useful as we go into that questioning phase.

Thank you, Mr. Chairman.

Mid-Hearing Statement:

Let me tell you my honest assessment is that with all the work that's been done, the resources that have been devoted, we are still ill-prepared to deal especially with a chemical or biological attack on this nation's urban centers. I've tried to evaluate, based on my staff's analysis, the feedback we've gotten from these experiments, if you will, in major cities. We look at the experience in Denver and what we saw was really chaos. The health providers basically left their hospitals. Everybody headed for the hills.

I worry very much what would happen if there were a chemical or biological attack on the nation's capital. If there were a chemical or biological attack on New York City. If there were a chemical or biological attack on our nation's stadiums. I worry very much about that. I can imagine if they flew over in a small plane with a chemical or biological agent and sprayed the crowd, the chaos and panic that would ensue. And I don't think we are yet as prepared as we need to be for those threats and that eventuality.

I noted that there are places where money is being spent that just make no sense. We've talked about the thousands of dollars for leather jackets, and \$500,000 for a digital camera for mug shots, and Dale Carnegie courses for sanitation supervisors. This is not money that you authorized. This is money that went to local units of government, but this is what they did. Maryland cutting state spending for local health care outreach centers, and then using federal funds to fill in, basically substituting federal funds for state funds, an \$800,000 mobile command bus that they said would be the talk of the east coast. You know these are things that don't make a lot of sense to me.

The conclusion that I want to leave you with is that more money will be frittered away without a clear national plan spelling out what first responders need to be able to do in an emergency and more stringent guidelines on how the money should be spent. That's not my conclusion. That's the conclusion from this detailed article that was in the *Washington Post* that I know you paid careful attention to.

Closing Statement:

Again, I would say to you the one place that I think we're still deficient is the preparation for a chemical or biological attack in one of our major urban areas or one of our stadiums. I hope there is just an intense focus on preparation and I think the need to exercise to train in a way that's a realistic replication of what might occur is critically important.